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The environmental compliance assurance system in the **Republic of Moldova:** Current situation and recommendations

Action implemented by:



The environmental compliance assurance system in the Republic of Moldova

Current situation and recommendations

This report has been developed within the framework of the “European Union for Environment Action” (EU4Environment) project funded by the European Union and implemented by the OECD, United Nations Economic Commission for Europe, United Nations Environment Programme, United Nations Industrial Development Organization and the World Bank.

The views expressed herein are those of the authors only and can in no way be taken to reflect the official opinion of the European Union, its members, the governments of the Eastern Partner Countries or the implementing partners.

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Purpose and scope

A well-functioning system of environmental compliance assurance has a multitude of societal and economic benefits. It protects public health and the environment, and helps countries implement environmental policies at lower overall costs. It promotes the rule of law and good governance, as well as the expansion of citizen engagement. Finally, it can boost investor confidence and stimulate the creation of new jobs.

This report takes stock of the state of the environmental compliance assurance system in Moldova, including its legal and institutional framework, monitoring, enforcement and compliance promotion activities. Based on this assessment, it identifies gaps and provides recommendations for improvement. The environmental compliance assurance system described in this report does not extend to mobile sources of pollution.

The report draws on significant work on environmental compliance assurance in the Eastern Europe, Caucasus and Central Asia region that the OECD carried out for a number of years. This includes notable work by the Environmental Action Programme (EAP) Task Force and the Greening Economies in the European Union's Eastern Neighbourhood (EaP GREEN) Programme. However, its scope does not comprise an assessment of the extent to which Moldova has implemented recommendations in previous OECD reports related to environmental compliance assurance. Nor does it thoroughly assess Moldova's implementation of the Comprehensive and Enhanced Partnership Agreement with the European Union.

The COVID-19 pandemic made gathering information for this report more difficult, with interviews taking place remotely.

This review was prepared in the framework of the European Union for Environment (EU4Environment) Action. Specifically, it addresses component 3.2 on Environmental Compliance Assurance and Liability Regimes, subcomponent 3.2.1 on "Strengthening of Compliance Assurance Systems, Instruments and Tools" and subcomponent 3.2.2 on "Reform of High Impact Enforcement and Compliance Instruments, including Environmental Liability".

EU4Environment aims to help the six Partner countries – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine – to preserve their natural capital and increase people's environmental well-being. To that end, it supports environment-related action; demonstrates and unlocks opportunities for greener growth; and sets mechanisms to better manage environmental risks and impacts. The Action is funded by the European Union and implemented by five Partner organisations: OECD, United Nations Economic Commission for Europe, United Nations Environment Programme, United Nations Industrial Development Organization and the World Bank based on a budget of some EUR 20 million. The Action implementation period is 2019-22.

Methodological approach and acknowledgements

The report takes stock of the system of environmental compliance assurance in Moldova as of October 2021, identifies gaps and provides recommendations for improvement.

It was drafted by Ms. Olga Olson (OECD). Mr. Krzysztof Michalak (OECD) provided overall guidance.

The report was prepared based on desk research and secondary sources, including documents shared by several stakeholders in Moldova; findings from a mission to Chisinau in October 2019 for EU4Environment components 3.1 and 3.2; virtual interviews with several stakeholders in November 2020 (listed below); presentations by stakeholders from Moldova at the first virtual regional seminar with Eastern Partner countries on environmental compliance assurance on 25 November 2020; and a questionnaire of the private sector and non-governmental organisations (NGOs). The draft review was presented and discussed with stakeholders from Moldova during a virtual discussion on 15 September 2021, and revised following their written comments. The revised draft review was then presented and discussed at the second virtual regional seminar with Eastern Partner countries on 17-18 November 2021, and further refined following the discussion and the written comments received.

The author is especially grateful to the following stakeholders who participated in virtual interviews with the OECD and shared relevant information: the Ministry of Environment (in particular, Ms. Iordanca-Rodica Iordanov, State Secretary, Ministry of Environment, and the EU4Environment National Focal Point for Moldova; Ms. Maria Nagornii, Head of the Division for Policies on Pollution Prevention; Ms. Gabriela Capcelea, Principal Consultant, Division for Policies on Pollution Prevention; Ms. Angela Panciuc, Principal Consultant, Division for Policies on Pollution Prevention; and Ms. Victoria Jacot, Acting Head of Section, Air and Climate Change Section); the Environmental Agency (in particular, Ms. Raisa Leon, Head of the Policy Division; Ms. Lilia Diaconu, Main Specialist, Division on Environmental Regulations and Permits); Mr. Gabriel Gilca, former Head of the Environmental Quality Monitoring Department of the Environmental Agency and acting Deputy Director of the Environmental Agency; and the Inspectorate for Environmental Protection of Moldova (in particular, Mr. Victor Dumneanu, Deputy Head; Mr. Igor Pșenicinîi, Head of the Legal Division; and Ms. Natalia Bragoi, Head of Direction, General Inspection Direction on Water).

The EcoContact NGO, headed at the time by Ms. Iordanca-Rodica Iordanov, provided valuable research support and administered the OECD questionnaires to the private sector and NGOs in May-June 2021. The OECD questionnaires included 22 questions for NGOs and 24 questions for private sector representatives on various aspects of the environmental compliance assurance system. EcoContact administered these questionnaires using Microsoft Forms. Private sector respondents included 27 private sector companies, out of which 9 micro-enterprises, 12 small enterprises and 6 medium enterprises. There were 52 respondents from NGOs.

The author appreciates crucial help with information gathering and organisational support provided by Mr. Andrei Isac, the EU4Environment National Action Co-ordinator for Moldova.

The assessment of gaps and recommendations in this report considers the views of stakeholders in Moldova. It drew on good practices identified in the long-standing OECD work on the subject, as well as from the European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL). In addition, it benefited from an assessment by environmental compliance assurance professionals from OECD countries that compared the situation in Moldova to good practice in their countries and in the European Union. Specifically, it benefited from reviews and useful suggestions from Mr. Simon Bingham, International Development Manager at the Scottish Environment Protection Agency and former Cross-Cutting Expert Team Leader and Board Member of IMPEL; Mr. Duncan Giddens, Freelance consultant, Owner/Director, Optimus Management Solutions Ltd. and former Senior Project Manager, Environment and Business, Environment Agency of England; and Mr. Henk Ruessink, Co-ordinating Special Adviser, Environment and Housing Network, External Relations and Services, Human Environment and Transport Inspectorate of the Netherlands.

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Table of contents

Purpose and scope	3
Methodological approach and acknowledgements	4
Abbreviations and acronyms	8
Executive summary	10
1. Introduction	13
2. The legal and institutional framework for environmental compliance assurance	14
3. The environmental compliance monitoring regime	25
4. The environmental compliance enforcement regime	32
5. The use of compliance promotion instruments	39
6. Conclusions and the way forward	42
References	48
Annex A. The main environmental compliance assurance legislation in Moldova	51
Annex B. Excerpt on the Industrial Emissions Directive (IED) from the Annex to Chapter 16 on the Environment of the EU-Moldova Association Agreement	54
Annex C. Strategies for promoting the adoption of green practices in Moldova	55

Tables

Table 4.1. The main documents governing penalties and payments for environmental non-compliance in Moldova	33
Table 6.1. Summary of positive characteristics, gaps and recommendations for improving the environmental compliance assurance system in Moldova	43

Figures

Figure 2.1. IMPEL “Doing the Right Things” methodology	14
Figure 2.2. The main institutions in Moldova’s environmental compliance assurance system	19
Figure 2.3. Organisational structure of the Inspectorate for Nature Protection of Moldova	21
Figure 4.1. Compliance enforcement pyramid	32
Figure 4.2. Private sector and NGO views on the biggest weakness of penalties for environmental non-compliance in Moldova	34
Figure 4.3. Private sector and NGO views on the biggest weakness of the environmental payments regime in Moldova	37

Boxes

Box 2.1. The Environmental Agency and the Inspectorate for Environmental Protection of Moldova	20
Box 3.1. Government Decision on approval of the methodology for state control of entrepreneurial activity based on risk analysis in areas within the competence of the Inspectorate for Environmental Protection	26
Box 3.2. EcoAlert application for environmental complaints	31

Abbreviations and acronyms

ATU	Autonomous Territorial Unit
BAT	Best Available Techniques
CITES	Convention on International Trade in Endangered Species
EaP	Eastern Partnership
EaP GREEN	“Greening Economies in the Eastern Neighbourhood” programme
EBRD	European Bank for Reconstruction and Development
EECCA	Eastern Europe, Caucasus and Central Asia
EMAS	Eco-Management and Audit Scheme
EU	European Union
EU4Environment	European Union for Environment
EUWI+	European Union Water Initiative Plus
GBR	General Binding Rules
GDP	Gross Domestic Product
GPS	Global Positioning System
IED	Industrial Emissions Directive
IMPEL	European Union Network for the Implementation and Enforcement of Environmental Law
ISO	International Organization for Standardization
MADRE	Ministry of Agriculture, Regional Development and Environment
MDL	Moldovan leu

MOLDAC	National Accreditation Centre
NEF	National Environmental Fund
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
PM	Particulate Matter
PRTR	Pollutant Release and Transfer Register
RPA	Register of Permissive Acts
SIA GEAP	Automated Information System for the Management and Issuance of Permissive Documents
SIA “MD”	Automated Information System “Waste Management”
SME	Small and Medium-Sized Enterprise
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
WEEE	Waste Electrical and Electronic Equipment
WHO	World Health Organization

Executive summary

Moldova faces serious environmental challenges, including air pollution due to outdated technologies, lack of self-monitoring of emissions, and inadequate environmental damage assessment and compensation. A robust environmental compliance assurance system could help the country address such challenges and bring large benefits to its economic and social well-being. This report takes stock of Moldova's environmental compliance assurance system, identifying gaps and recommending improvements where possible.

Findings

Legal and permitting framework

- Moldova has comprehensive environmental legislation that is conducive to compliance with environmental regulations. This includes Government Decisions outlining responsibilities for environmental compliance assurance, a risk assessment methodology for permitted entities and a process for establishing a State Registry of Control.
- The country is making strides to implement the Association Agreement with the European Union (EU), which came into force in 2016. For example, it drafted laws on atmospheric air quality and on industrial emissions to establish integrated environmental permitting and control.
- Relevant stakeholders help elaborate environmental policy; there is strong co-operation between the government and civil society.
- Several government programmes promote the take-up of green practices by companies.
- The permitting application procedure is digitised and transparent.

Institutional framework for environmental compliance assurance

- The three main institutions on environmental compliance assurance are the Ministry of Environment, the Environmental Agency and the Inspectorate for Environmental Protection ("the inspectorate").
- Environmental policy making and control functions are clearly separated. There is oversight over inspectors' performance. However, the number of staff working on permitting at the Environmental Agency is critically low.

The environmental compliance monitoring regime

- Monitoring of environmental compliance in Moldova has been expanded and takes place through a variety of channels: planned and ad hoc inspections based on a risk assessment; ambient monitoring by the Reference Laboratory of the Environmental Agency (recently accredited under ISO 17025); self-monitoring by enterprises; and public alerts via hotlines and letters.
- A recently launched EcoAlert application, developed by the National Environmental Centre NGO, is a good example of co-operation between the inspectorate and civil society. The country is establishing a Pollutant Release and Transfer Register, but it is not yet functional.

- A lack of a unified database of permitted entities is a critical challenge; the method for updating information on permits is disjointed and cumbersome.
- The private sector and civil society have identified a lack of official environmental information and information on monitoring of compliance. The plan for the Environmental Agency to publish a national report on the state of the environment every four years is a positive development.
- There is a widespread view that the environmental monitoring regime has a large scope for improvement.

The environmental compliance enforcement regime

- Moldova uses a variety of responses to environmental non-compliance along the “enforcement pyramid”. These range from verbal and written warnings through to administrative penalties and environmental payments, permit revocations, cessation of activities and bringing of criminal cases to the court. Reparation of environmental damage by transgressors can mitigate penalties.
- An environmental liability regime is in place. Inspectors can order the reparation of environmental damage by an operator, supported by industry-specific methodologies to evaluate the monetary cost of environmental damage.
- A five-tier appeals process against penalties for non-compliance begins with the inspectorate, which has a council for considering appeals.

The use of compliance promotion instruments

- A variety of methods promote voluntary compliance with environmental regulations. The Environmental Agency and the inspectorate publish relevant information on their websites, including laws and regulations, and environmental permits issued.
- The State Registry of Control provides a centralised information repository for inspection plans and results. An electronic public register of permits in Moldova also includes permits issued by the Environment Agency.¹
- The inspectorate and the Environmental Agency raise awareness on environmental protection. The government has implemented an ambitious programme to promote understanding of the green economy and sustainable development. Some meetings with the private sector take place to explain environmental legislation. Both entities use Facebook as a communications tool.
- Many stakeholders believe information on line, the extent of awareness raising on environmental regulations, education, outreach and on-site consultations are all insufficient. In addition, the private sector lacks knowledge about environmental compliance assurance institutions.

Recommendations

Legal and permitting framework

- Review whether the legal framework is still fit-for-purpose and has enough incentives to encourage, or even go beyond, compliance; engage the private sector, which does not seem to have enough input in the development of environmental regulations; evaluate incentives and impediments to the adoption of resource-efficient technologies.
- Streamline the permitting application; move permitting towards a multi-media approach as has already begun with a draft law on industrial emissions; adopt a differentiated approach to permitting based on pollution levels of an enterprise.

Institutional framework for environmental compliance assurance

- Increase the number of staff working on permitting at the Environmental Agency.

¹ actpermisiv.gov.md.

- Consider strengthening the performance of the inspectorate by streamlining oversight over its activities, re-considering its highly fragmented structure, reducing corruption risks, training inspectors based on a skills gap analysis, mixing inspectors with general and specialised knowledge, and investing in equipment and software.
- Increase overall co-operation among the compliance assurance institutions and finalise lagging institutional reforms.

The environmental compliance monitoring regime

- Plan inspections more effectively, rotate inspectors and invest in better equipment.
- Enhance the risk assessment methodology by describing economic activity in more detail and setting a minimum inspection frequency.
- Develop a guide on setting a risk-based inspection plan.
- Launch the PRTR.
- Improve technology and automation in the Reference Laboratory and further develop self-reporting.
- Ensure effective 24/7 year-round response capacity to environmental incidents in the inspectorate, together with a method for tracking the handling of environmental complaints.
- Envisage improvements for facilitating inspections of mineral extraction activities.

The environmental compliance enforcement regime

- Complete swiftly the recently launched review of the environmental payments system with the view of increasing levels of environmental payments to correspond to environmental harm.
- Put in place an enforcement guidance document to ensure transparency of penalties imposed and equitable treatment of similar environmental offences.
- Improve the effectiveness of the appeals process against penalties for non-compliance and, in the longer term, establish an environmental insurance regime.

The use of compliance promotion instruments

- Improve information on line by using metrics to evaluate its usefulness and tailoring it to the end user; organise more awareness raising and training about environmental compliance assurance institutions and environmental regulations.

1 Introduction

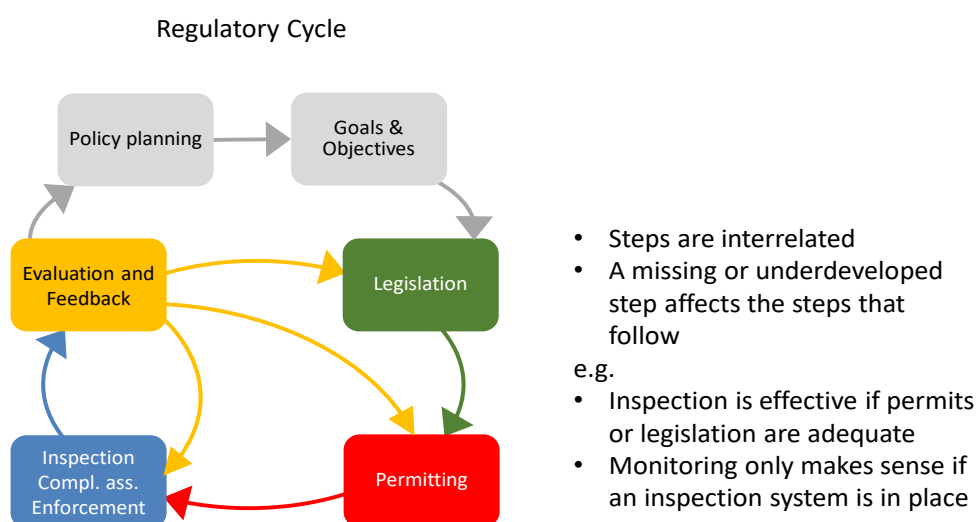
1. A robust environmental compliance assurance system brings large benefits to a country's economic and social well-being. It protects public health and the environment, and ensures that natural resources continue to provide valuable goods and services to society. It helps countries obtain better environmental results and implement environmental policies at lower overall costs by focusing scarce resources where they are most needed and where they have the greatest effects. It promotes the rule of law and good governance, increases investor confidence by reducing business risks, stimulates innovation, potentially creates new jobs and promotes a level playing field among companies. Environmental compliance assurance activities can also enhance transparency and promote citizen involvement in enforcement.
2. Environmental challenges in Moldova make environmental compliance assurance crucial for improving its societal and economic well-being and for achieving its environmental objectives. The mean exposure of its population to fine particulate matter (PM_{2.5}) largely exceeds World Health Organization guidelines. Meanwhile, welfare costs associated with air pollution by PM_{2.5} represented about 6% of gross domestic product equivalent in Moldova in 2019, compared to 3% on average in the European Union (OECD.stat, 2019^[1]; WHO, 2021^[2]; OECD.stat, 2021^[3]). According to available statistics, emissions from transport, power plants and large enterprises are the main source of air pollution in Moldova's cities (Government of the Republic of Moldova, 2014^[4]). Some critical factors contributing to air pollution in the country are outdated technologies, lack of self-monitoring of emissions, and inadequate environmental damage assessment and compensation (Government of the Republic of Moldova, 2014^[4]; Ministry of Environment of the Republic of Moldova, 2017^[5]).
3. Agriculture is one of Moldova's most important economic sectors, and also one of its most polluting (UNECE, 2014^[6]). The sector puts pressure on the environment through use of pesticides and fertilisers, soil erosion, water pollution and waste from the food industry (CAPMU, 2012^[7]). Therefore, compliance promotion in this sector is of particular importance to ensure it does not take an unnecessary toll on the environment.
4. In view of these factors, this report takes stock of the environmental compliance assurance system in Moldova. Chapter 2 reviews the legal and institutional set-up for environmental compliance assurance in the country. Chapter 3 analyses environmental monitoring activity, including inspections. Chapter 4 provides an overview of activities to enforce compliance with environmental regulations. Chapter 5 presents findings in regard to promotion of environmental compliance. Where possible, the report identifies gaps and includes recommendations for improving the system, which are also summarised at the end of the report in Table 6.1.

2 The legal and institutional framework for environmental compliance assurance

Legal and permitting framework

5. The legal and permitting framework has a direct impact on environmental compliance. The quality and clarity of environmental regulations, for example, affect the compliance behaviour of regulated entities. A crucial question is whether environmental regulations sufficiently remove benefits of non-compliance. The quality of permits and the permitting procedure is essential for effective regulation and monitoring activities, including inspections. According to the “Doing the Right Things” methodology, the legal and permitting regime constitutes an integral part of an environmental compliance assurance cycle (Figure 2.1).

Figure 2.1. IMPEL “Doing the Right Things” methodology



Note: IMPEL= European Union Network for the Implementation and Enforcement of Environmental Law.

Source: (Kramers, 2020^[8]).

6. The overarching document governing environmental policy in Moldova is its 2014-23 Environmental Strategy. Moldova has also elaborated a draft National Development Strategy 2030, a vision for economic and social development. It has a separate chapter on ensuring the right of humans to a clean environment, with priorities and indicators.

7. Several separate laws for environmental protection of various environmental media are in place in the country. Those relevant for environmental compliance assurance are listed in Annex A. Among the latest relevant legislation, Moldova has adopted several Governmental Decisions. One outlines institutional responsibilities in the sphere of environmental compliance assurance. Another establishes provisions on maintaining a government control registry. A third Decision approves a methodology for state control of entrepreneurial activity based on risk analysis in areas within the competence of the Inspectorate for Environmental Protection. Its legislation reflects several international environmental agreements, to which Moldova is party.²

8. The Association Agreement between Moldova and the European Union was signed on 27 June 2014 and came into force on 1 July 2016. The Agreement provides an important guide for reforming Moldova's regulatory framework and aligning it with the EU *Acquis communautaire*. Chapter 16 focuses on the environment and covers, among other items, governance and horizontal issues such as environmental impact assessment (EIA); education and training; environmental liability; combating environmental crime; transboundary co-operation; access to environmental information; decision-making processes and effective administrative and judicial review procedures; environmental fees and taxes; monitoring and environmental information systems; inspection and enforcement; and approximation of certain legislation to EU laws and international instruments (European Union, 2014^[9]). For example, the approximation of certain provisions of the Industrial Emissions Directive (IED) ranges from three to ten years. Annex B lists the deadlines for the approximation of the IED as stated in the Association Agreement.

9. Moldova's draft law on industrial emissions is an important step in approximating the IED. The law aims to establish a regulatory framework for integrated prevention and control of pollution by industrial and economic activities, promote application of best available techniques and introduce integrated environmental permitting. In addition, Moldova's parliament is considering several related laws. For example, a draft law on atmospheric air quality aims to transpose the EU Ambient Air Quality Directive and the directive relating to arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons in ambient air. These laws aim to set air quality standards, establish a management regime for air pollutant concentration, and set up the Air Quality Monitoring and Management System and a National Air Pollutant Emission Inventory System.

10. Moldova has several strategies for promoting adoption of green practices, listed in Annex C. In addition, at the time of writing, Moldova was drafting a Government Decision on a Land Improvement Programme 2021-25 to ensure sustainable management of land resources.

11. Relevant stakeholders are involved in Moldova's environmental policy making through online consultations and meetings. Its 2008 law on transparency of the decision-making process requires public consultations on draft legal and normative acts. These are usually published on the official public participation webpage,³ ministry webpages and the parliamentary website. Even though most public consultations take place on line, public authorities and parliamentary committees may also hold public meetings or debates on new laws.

12. The government involves civil society through public debates, consultations and working groups organised by ministries or other legislative authorities. Non-governmental organisations (NGOs) can also

² International agreements that Moldova is party to include the UNECE Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (the Aarhus Convention), the UNECE Protocol on Pollutant Release and Transfer Registers (Kyiv Protocol), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (Basel Convention), the Rotterdam Convention, the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, and the United Nations Framework Convention on Climate Change (UNFCCC).

³ www.particip.gov.md.

initiate public meetings with the participation of government representatives where they present their own policy recommendations. Moreover, the Ministry of Environment signed a Memorandum of Co-operation with NGOs several years ago. A National Council of Environmental NGOs, an informal consultation mechanism, was also established.

13. Moldova's Environmental Agency issues 15 types of permits, which regulate entrepreneurial activity, and authorises permit revocation.⁴ It checks the accuracy of permit applications and consults with other relevant public authorities. For example, the Environmental Agency seeks the opinion of the following institutions for special water use⁵ permits: Inspectorate for Environmental Protection, Agency for Geology and Mineral Resources, Apele Moldovei Agency, National Agency for Public Health, Agency for Technical Supervision and the National Agency for Food Safety. The Environmental Agency may request the inspectorate to carry out a field visit to the applicant entity to verify a permit application in cases mandated by law.

14. The permitting application procedure in Moldova is fully digitised. An electronic one-stop shop, an Automated Information System for the Management and Issuance of Permissive Documents (SIA GEAP), issues 13 types of permits (actpermisiv.gov.md) (Government of the Republic of Moldova, n.d.^[10]). Electronic authentication and access control (Mpass), an electronic signature (MSign) and a Government Electronic Payment Service (MPay) support the system. Two separate electronic systems process other permits: an Automated Information System "Waste Management" (SIA "MD") issues two types of waste management permits (Government of the Republic of Moldova, n.d.^[11]), and an electronic system "E-Pescuit" processes sport, amateur and recreational fishing permits (MADRE, n.d.^[12]). The Environmental Agency's central office and its two branches, the North Environmental Agency in Balti and the South Environmental Agency in Cahul, still accept paper applications and provide consultations on online permit applications. The Director of the Environmental Agency must sign all the issued permits.

15. The permitting procedure has a large degree of transparency, with detailed instructions and issued permits available on line. The Environmental Agency's 2019 Order on Approval of Passports of Permitting Documents, available on its website, provides instructions for issuing e-permits. It states that all permits should be published on the website of the Environmental Agency, except for sport and amateur fishing permits. The SIA GEAP website (actpermisiv.gov.md) and the public services website (servicii.gov.md) have details on permitting. These include information on required supporting documents, the legal framework, the issuing process, the period of validity, the fee and the timeframe for processing. Issued permits are available on the website of the Environmental Agency and the Register of Permissive Acts

⁴ These permits are for: export of wild animals; export of plants; import of wild animals/plants; collection of vegetable objects; acquisition of animals which are not objects of hunting and fishing; trading of items under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); waste management; export/transit of waste; import/export/re-export of ozone-depleting substances, products and equipment containing such substances; environmental agreement; emission of pollutants into the atmosphere from stationary sources; special use of water; felling the forest fund and forest vegetation outside of the forest fund; opinion of state ecological expertise; and allocation of a commercial fishing quota.

⁵ Special water use comprises: a) capturing water from surface and groundwater sources for water supply for human consumption; b) the capture and use of water from surface and groundwater sources for technical and industrial purposes, including food processing and agro-industry; c) water capture and use from different sources for irrigation; d) the use of water in aquaculture and fish farming; e) wastewater discharge; f) water use for hydroelectric power generation; g) the exploitation of pontoons, landings and other hydraulic structures on the area of the water fund; h) development and commercial exploitation of beaches and recreational areas.

(RPA) within the SIA GEAP system. Unprocessed permits are sometimes published on the Environmental Agency website in cases mandated by law such as an EIA.

Analysis of the legislative and permitting framework for environmental compliance assurance

16. Moldova has achieved progress with the legislative basis for its environmental compliance assurance system, which engages interested stakeholders, as well as with approximating EU environmental legislation. It has created a comprehensive and transparent environmental permitting system. Notwithstanding the positive developments, it could consider some adjustments to further improve the legislative and permitting set-up.

17. First, it could review its environmental legislation to ensure it is fit-for-purpose, provides enough incentives to encourage compliance, and is enforceable, clear and non-redundant. In the OECD questionnaires on environmental compliance, 67% of private sector respondents and 73% of NGO respondents believed the biggest deficiency in the country's environmental legislation is a lack of incentives for compliance. For the private sector, the second biggest issue was overlap between environmental laws and regulations; for NGOs, it was that laws and regulations are not enforceable.

18. In the Environmental Strategy for the years 2014-23 and its corresponding action plan, Moldova recognised the deficiency of its regulatory framework for polluting activities and for preventing pollution (Government of the Republic of Moldova, 2014^[13]). Although compliance and enforcement of environmental standards and requirements in Moldova had improved, much pollutant-related regulation was unenforceable as it exceeded the country's monitoring capacities (UNECE, 2014^[6]).

19. Despite programmes that promote use of green technologies, Moldova overall lacks resource-efficient technologies. Barriers to green investment include poor access to finance and low bankability of green projects (EBRD, 2017^[14]). Most of the private sector and civil society respondents to the OECD questionnaires found insufficient incentives to promote adoption of green practices (78% of private sector and 96% of civil society respondents). Moreover, civil society respondents saw incentives for use of green technologies as the biggest reform priority in the area of environmental compliance assurance in the country. Conversely, the private sector saw such incentives as the second largest priority (after monitoring of environmental compliance). Therefore, Moldova is advised to analyse impediments to the adoption of green technologies in the country. It should study its implementation of various strategies for promoting green practices to assess their effectiveness.

20. Most NGOs respondents to the OECD questionnaires saw enough opportunities for civil society to comment on environmental legislation. However, the opposite was true for the private sector: 67% of private sector representatives believed they lacked opportunities to comment. These results might therefore warrant a closer look at the tools available for engaging the private sector in the development of environmental legislation.

21. As mentioned, Moldova is already making steps towards a multi-media integrated approach to permitting, starting with amending its legislative basis through the draft law on industrial emissions. However, it needs to accelerate this process, which would consider the overall environmental impact of economic activities, at least for more complex installations. Currently, separate permit applications must be made for various environmental media such as air, special use of water, wastewater disposal, waste management, etc.

22. Moldova should also consider transitioning to a differentiated approach to permits. Permitting does not consider the size of economic entities or their pollution potential (UNECE, 2014^[6]), except for cases of an EIA. A differentiated approach could be based on the level of environmental risk of economic entities. In this way, it would require tailored integrated permits only for the highest risk installations. At the same time, it would require generic permits for medium to low-risk installations, and registrations and General

Binding Rules (GBRs) for the lowest risk installations. Operations with a low or negligible risk to the environment could be exempted from permits. It is good practice to consider the application of GBRs based on simplicity of operations, homogeneity within a sector and minimal risk to the environment. A differentiated approach to permitting should begin with an analysis of sectors and subsectors subject to permitting, as well as their environmental risk and variability.

23. Moldova should take steps to further streamline the permitting procedure. More than half of private sector respondents to the OECD questionnaires selected “onerous application procedure” as the biggest area for improvement in permitting in Moldova; more than a third of NGOs did so as well. In a similar vein, it is worthwhile to reconsider if the Director of the Environmental Agency needs to sign all issued permits. The director may only need to approve permits for the most polluting activities, which could speed up the process. In addition, Moldova should remove gaps in the operation of the digital permitting system. The eGovernance Agency (a public entity established in 2010 by the State Chancellery to modernise public services) (E-Governance Agency of the Republic of Moldova, n.d.^[15]) is encouraged to introduce mechanisms to control the truthfulness of permit applications in the SIA GEAP.

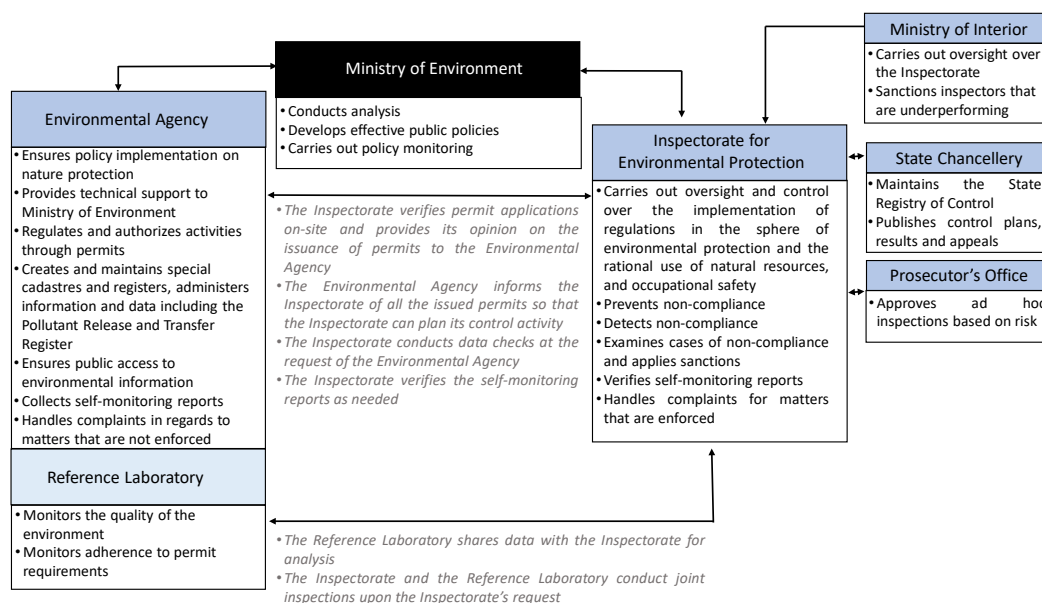
24. Many private sector and NGO respondents to the questionnaires found that permits do not provide information on monitoring or potential penalties for non-compliance. It was the second largest issue with permitting in the eyes of the private sector (44% of respondents). For civil society, it was tied as the largest issue with lack of a differentiated approach to permits (42%). Therefore, it would be useful to assess how to improve monitoring information. A general document setting out monitoring processes could be more appropriate rather than statements on individual permits. This approach will allow for some flexibility on the type and scale of monitoring.

25. Finally, there is anecdotal evidence about difficulties updating the permits database and making it available for the Inspectorate for Environmental Protection, which complicates its work. This matter will be discussed in more detail in the Monitoring section of this report.

Institutional framework

26. Three main institutions co-operate in the sphere of environmental compliance assurance in Moldova: the Ministry of Environment, which develops and monitors environmental policy; the Environmental Agency, which works on policy implementation, permitting and monitoring of environment quality; and the Inspectorate for Environmental Protection, which monitors compliance with environmental legislation (Figure 2.2).

Figure 2.2. The main institutions in Moldova's environmental compliance assurance system



Source: Author's own elaboration.

Institutional responsibilities

27. The **Ministry of Environment** analyses and develops effective public policies, monitors the quality of policies and regulations, and elaborates proposals for government action (Government of the Republic of Moldova, 2021^[16]). The ministry carries out activities in environmental protection, climate change and sustainable management of natural resources. It has approval to fill 62 staff positions (Government of the Republic of Moldova, 2021^[16]). The Ministry of Environment's budget for 2022 is MDL 359 million (EUR 17 million).

28. The **Environmental Agency of Moldova**, established in 2018, is an administrative body subordinate to the Ministry of Environment that implements environmental protection policy at national and local levels. The Environmental Agency's estimated yearly budget is MDL 16 million (EUR 0.8 million) for 2022, which is 4.4% of the ministerial budget. Additional details about the agency are available in Box 2.1. It has funding for 124 staff positions, but only 90 are filled.

29. The **Inspectorate for Environmental Protection of Moldova** was created in 2018 following a merger of the State Ecological Inspectorate and the Fishery Service. The inspectorate is subordinate to the Ministry of Environment. It carries out governmental oversight and control over implementation of regulations in the sphere of environmental protection. It also controls the rational use of natural resources by enterprises, individuals and organisations, as well as by central and local public administration authorities. Details on its activities are also provided in Box 2.1.

Box 2.1. The Environmental Agency and the Inspectorate for Environmental Protection of Moldova

Environmental Agency

The Environmental Agency regulates and authorises activities that affect the quality of the environment, issuing permits to individuals and legal entities. It also provides technical support to the Ministry of Environment for substantiating draft public policy documents and regulations on environmental protection. It creates and maintains special cadastres and registers; monitors the quality of the environment, including through its Reference Laboratory; administers the information system and data on environmental protection; and ensures public access to environmental information, including through a national report on the state of the environment.

The areas of activity of the Environmental Agency include: prevention of environmental pollution; protection of atmospheric air and prevention of climate change; protection and regulation of water resource use; protection and regulation of the use of fauna and flora, and of aquatic biological resources; preservation of biodiversity and management of natural areas protected by the state; waste management; and biological safety.

Inspectorate for Environmental Protection

The responsibilities of the inspectorate include implementation of environmental protection policy; protection of atmospheric air, water resources, land and subsoil, and flora, fauna and protected natural territories; management of waste and chemical substances; rational use of natural resources; and planned activity.

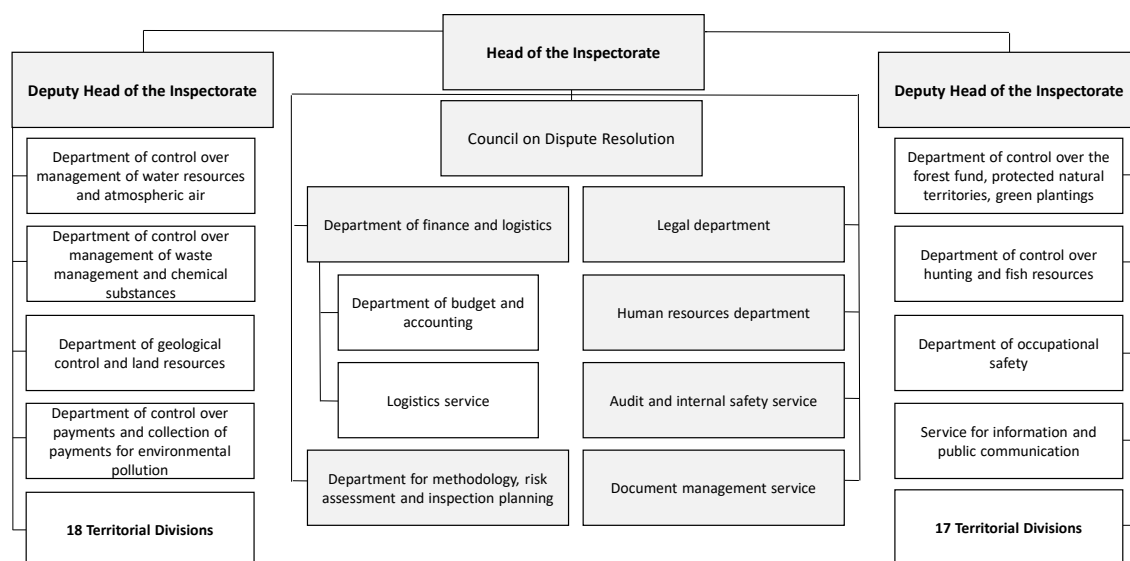
Its mandate includes preventing non-compliance; detecting and examining cases of non-compliance; countering any cases of non-compliance; applying sanctions; calculating and recovering damages according to legislation and the “polluter pays” principle; and co-ordinating activities with an environmental impact.

The inspectorate can elaborate national programmes, normative acts and action plans in the field of environmental protection and rational use of natural resources. To that end, it can co-operate with central and local public administrative bodies, as well as members of the civil and scientific community. It can also help elaborate conventions and international agreements on environmental protection, and provide its opinion on environmental legislation.

Source: (Government of the Republic of Moldova, 2018^[17]); (Government of the Republic of Moldova, 2018^[18]); (Pscenicinii, 2020^[19]).

30. The head of the Inspectorate for Environmental Protection, appointed by the Minister of Environment, is supported by two deputy heads. The inspectorate has 16 divisions at central level and 35 territorial divisions that correspond to territorial delineations and have the same mandate as the central office. Its organisational structure is provided in Figure 2.3. The inspectorate has been allocated 287 staff units, but only 197 positions had been filled as of October 2021. Its budget in 2020 was MDL 42 million (EUR 2 million), which constituted approximately 1.6% of the budget of the former Ministry of Agriculture, Regional Development and Environment. Its budget for 2022 is approximately MDL 41 million/ EUR 2 million, which is about 11% of the annual budget of the newly formed Ministry of Environment.

Figure 2.3. Organisational structure of the Inspectorate for Nature Protection of Moldova



Note: Unofficial translation.

Source: (Pscenicinii, 2020^[19]).

31. The Inspectorate for Environmental Protection provides an annual report on its activities to the Ministry of Environment, and the head of the inspectorate receives a quarterly evaluation from the ministry.

32. The **Ministry of Interior** carries out oversight over the daily activities of the inspectorate. It verifies the State Registry of Control, which compiles inspection data, informs the inspectorate in case of missed deadlines, and penalises inspectors that do not prepare minutes of their control activities.

33. Another important institution for environmental compliance assurance is the **State Chancellery**.⁶ The chancellery maintains the aforementioned State Registry of Control, which compiles all inspection data for Moldova's inspection institutions, including inspection plans, results and appeals. A centralised registry aims to reduce maintenance costs for each participating institution. There is no direct collaboration between the State Chancellery and the Inspectorate for Environmental Protection. However, if needed, inspectors can collaborate with the chancellery through the Ministry of Environment.

34. There is **inter-institutional co-operation** among the Environmental Agency, its Reference Laboratory and the Inspectorate for Environmental Protection. In certain cases, provided for by the legislation governing authorisations, the agency asks the inspectorate to check permit applications through on-site visits and to provide its opinion on the issuance of permits. In these cases, the agency does not have capacity to check the accuracy of all applications as it lacks representatives in all administrative units. The agency also relies on the inspectorate to check data when it identifies mismatches during reporting. This mandate reflects Governmental Decision no. 501/2018 on the Approval of the Instruction about Recording and Presentation of Data and Information on Waste and Its Management. The Reference

⁶ The State Chancellery is a public authority that organises the activity of the government; creates the general framework for defining governmental priorities; offers methodological and organisational support to the planning, elaboration and implementation of governmental policies; monitors implementation of governmental programmes; presents analysis and information; prepares draft governmental acts and verifies their execution; and supervises the government's relations with local public administration authorities. The State Chancellery is headed by the Secretary-General of the Government, assisted by four Deputies (State Chancellery of the Republic of Moldova, n.d.^[41]) (State Chancellery of the Republic of Moldova, n.d.^[42]).

Laboratory co-operates frequently with the inspectorate. It usually receives requests for on-site assessments of key pollutants in joint mobile teams with the inspectorate's territorial units. The laboratory collects the data and then sends them to the inspectorate for analysis of environmental impact and damage.

Assessment of the institutional arrangements

35. A large majority of respondents to the OECD questionnaires believed that co-ordination among the environmental compliance assurance institutions in Moldova is insufficient (67% of private sector and 96% of NGO respondents). Therefore, the institutional arrangement should be examined more closely to find ways to further promote inter-institutional co-operation.

36. At the time of writing, the Environmental Agency had only seven individuals to issue environmental permits, which equalled about two categories of permits per person. This number of staff for all permits is critically low, even when considering the electronic one-stop shop for applications. It would be advisable to increase staff.

37. Although the Inspectorate for Environmental Protection is subordinate to the Ministry of Environment, it appears to report to other institutions as well, leading to fragmented oversight. The inspectorate reports to the State Chancellery office for input into the State Registry of Control. Meanwhile, the Ministry of Interior monitors the inspectorate's daily activity and can penalise its inspectors for under-performing. Furthermore, the Prosecutor's Office approves ad hoc inspections. Among respondents to the OECD questionnaires, civil society representatives believed the largest challenge for the inspectorate is insufficient oversight of its activities (tied with lack of effective information management and automation). It would be useful to review the reasons behind this fragmented oversight and look into options for streamlining it.

38. With 35 territorial divisions, the Inspectorate for Environmental Protection has a fragmented structure. As the inspectorate has fewer staff than envisaged, this arrangement spreads resources thinly across the various branches. Some territorial offices appear to have only two staff, and the central office has to assist them. This is a critically low number of staff, especially considering all the tasks of the inspectorate. Such a situation could jeopardise service delivery, expertise, stability and quality of certain functions. Such a large number of regional branches and lack of rotation for inspectors (discussed in Monitoring) creates a risk of regulatory blindness, and regulatory capture and corruption. It can also create a risk of violence against inspectors. Moldova should therefore consider an arrangement with fewer territorial divisions but with a larger number of staff in each. The size and number of territorial divisions should ideally reflect resources needed in various parts of the country. It could depend on the number, type and associated risks of permitted entities in various geographical areas, as well as the country's geography.

39. The ability of the Inspectorate for Environmental Protection to comment on environmental legislation corresponds to good international practice. Its competencies in regard to drafting environmental legislation are quite wide and unique according to international practice; anecdotal evidence indicates the inspectorate does not pursue such activity often. These competencies should not encroach on its core activities.

40. During March-September 2020, the National Anti-corruption Centre of Moldova assessed institutional integrity within the Inspectorate for Environmental Protection and its territorial subdivisions. It identified the potential for risk in the following areas: passive corruption, abuse of power, forgery in public documents, negligence in service provision, and not declaring inappropriate influence and conflict of interest (NAC, 2020_[20]). It found that regulatory, operational and personal factors contribute to these corruption risks. For example, it identified weaknesses at the stages of planning and documenting environmental control activity and erroneous categorisation of environmental offences. It found many

internal procedures to be non-existent or insufficient for activities such as detaining offenders, identifying and dealing with conflicts of interest, and denouncing incidents of corruption. The analysis also established that some inspectors accepted bribes in exchange for not recording committed violations or lowering fines (NAC, 2020^[20]). It found the security and internal audit subdivision of the inspectorate lacks a clear division of responsibilities, and that the inspectorate does not consistently apply national anti-corruption legislation and standards.

41. In view of such findings, Moldova should work to reduce possibilities for corruption within the Inspectorate for Environmental Protection. The Anti-corruption Centre provided detailed recommendations in its report related to strengthening the climate of integrity. These included elaborating and approving internal regulations, establishing a registry for declaring the conflict of interest, ensuring transparency of activities and training officials on integrity and anti-corruption; strengthening internal managerial control, including reviewing the composition of the internal audit and internal security service and approving operational procedures and instructions for initiating and documenting activities; and improving the regulatory framework (NAC, 2020^[20]).

42. Finally, according to information received, the establishment of the Environmental Agency made reforms of other agencies necessary, including of the Apele Moldovei and the Moldsilva agency. However, these reforms are still ongoing, a delay that leads to more fragmentation of the environmental institutional system. According to anecdotal evidence, this has resulted in more non-compliance in water management, illegal deforestation, poaching and illegal fishing. Therefore, it becomes urgent to finalise all the relevant institutional reforms.

Skills of inspectors

43. Environmental inspectors in Moldova have three concurrent statuses: a civil servant, an inspector and a fact-finding agent. Inspectors undergo a six-month probation period after being hired. There is no requirement for inspectors to specialise in a specific thematic area. To maintain their qualifications, inspectors receive training on environmental legislation on an annual basis and participate in field trips.

44. The internal audit and internal security service of the Inspectorate for Environmental Protection monitors staff qualifications at central and local levels. Performance assessment of inspectors takes place every three months, with a final evaluation at the end of the year, including a self-report by inspectors. This evaluation serves as a basis for any salary bonuses. The Registry of Control maintained by the State Chancellery serves as a tool to evaluate inspectors. They can be fined if they do not take minutes of inspections.

45. The Inspectorate for Environmental Protection would benefit from additional capacity building of staff skills. In the answers received to the OECD questionnaires, 44% of private sector respondents and 52% of NGO respondents believed that staff skills are the main challenge facing the inspectorate. About 40% of NGO respondents also believed that skills of inspectors is an area of improvement for environmental inspections in the country. The inspectorate should analyse the skills gap of its inspectors and design a corresponding training programme. Having generalised knowledge probably allows inspectors to step in to take care of any situations that come up. However, the inspectorate should work harder to attract staff with more specialised knowledge to ensure inspectors have a mix of skills.

Information management and equipment at the inspectorate

46. The Inspectorate for Environmental Protection experiences deficiencies in equipment and software, and lacks automation. It conducts its accounting and record-keeping activities manually or with basic Microsoft Word applications. Among respondents to the OECD questionnaires, civil society representatives believed that lack of effective information management and automation is the largest challenge facing the inspectorate, in addition to insufficient oversight of its activities.

47. About a third of private sector and NGO respondents believed that technology and equipment available to inspectors could be improved for environmental inspections. The inspectorate should have appropriate equipment to support inspections. Ideally, this should include at least one car per pair of inspectors. Additional cars would also be welcome for other purposes, such as for responding to environmental incidents and for managers to attend meetings. The inspectorate should review equipment needs, present a detailed list to the ministry and discuss how to mobilise the required resources.

3 The environmental compliance monitoring regime

48. Moldova monitors compliance through planned and ad hoc inspections; ambient monitoring; self-monitoring by companies; and independent monitoring by the public and non-governmental organisations (NGOs). Yet, for many private sector (44%) and NGO respondents (60%) to the OECD questionnaires, the biggest weakness of the environmental penalty regime is that non-compliance is not likely to be detected. Moreover, private sector respondents saw monitoring as the biggest priority for reform of the environmental compliance assurance regime in Moldova. Such feedback indicates areas for improvement in the compliance monitoring regime.

Inspections

49. Environmental inspections in Moldova take place according to the 2012 Law no. 131 on State Control of Entrepreneurship Activities and the 2018 Government Decision no. 963 on the approval of the methodology for state control of entrepreneurial activity based on risk analysis in areas within the competence of the Inspectorate for Environmental Protection. Box 3.1 describes the Decision. Moldova's adoption of a risk assessment methodology corresponds to a recommendation in an earlier OECD report (OECD, 2010^[21]).

Box 3.1. Government Decision on approval of the methodology for state control of entrepreneurial activity based on risk analysis in areas within the competence of the Inspectorate for Environmental Protection

The Decision on approval of the methodology for state control of entrepreneurial activity based on risk analysis in areas within the competence of the Inspectorate for Environmental Protection governs almost all activities of the inspectorate. It applies to planning annual inspections, including their frequency and intensity; deciding on the need for ad hoc inspections; deciding on an appropriate response to a complaint about regulatory non-compliance; preparing inspection questionnaires; and strategic planning of control activity. The methodology establishes general risk of permitted entities based on:

- the field/subdomain of the economic activity (based on a List of Economic Activities in the field of competence of the inspectorate, which itself is based on the Classifier of Economic Activities of Moldova)
- the history of compliance of the permitted entity with legislative provisions, including prescriptions
- possession of environmental permitting documents by the permitted entity and compliance with them
- location of the unit subject to control in relation to vulnerable environmental objects.

The document also specifies additional risk criteria for various environmental media. Each criterion is divided into points/levels of intensity/severity. An explanation on weighting the various risk criteria is also included. Points received along criteria add up to a risk classification of permitted entities.

The methodology provides for regular review of the weights assigned to the risk criteria as a result of inspections or new available data. The inspectorate maintains a database through the State Registry of Control with a list of all persons/objects subject to control, their history of activity, and the profile of each with information relevant to risk criteria. It is responsible for updating information necessary for applying risk criteria at least once a year.

Source: (Pscenicinii, 2020^[19]; Government of the Republic of Moldova, 2018^[22]).

Planned inspections

50. The Inspectorate for Environmental Protection conducts planned inspections based on a programme that includes the number of inspections, their priority and their sequence depending on the degree of risk presented by the permitted entity, as well as available technological and human resources (Inspectorate for Environmental Protection of Moldova, 2020^[23]). The inspection plan is approved by 25 December each calendar year and is then published on the State Registry of Control, which corresponds to good practice. Regulations in Moldova mandate a maximum of one inspection per economic entity the same calendar year. The head of the inspectorate must approve a guide on how to develop a consolidated inspection plan based on the estimate of risk. Work on this document has not yet started due to staff shortage and lack of expertise but is planned for 2022.

51. In 2020, the Inspectorate for Environmental Protection planned 1 524 inspections and carried out 636 of them, as well as 365 ad hoc inspections and 1 071 ad hoc inspections in the framework of the issuance of permitting documents. In 2019, the inspectorate planned 2 579 inspections and carried out 1 103 of them, as well as 299 ad hoc inspections and 624 ad hoc inspections in the framework of the issuance of permitting documents.

Ad hoc inspections

52. There are two main triggers for ad hoc inspections in Moldova. Requests may come from sources such as individuals, legal entities, public authorities, the Prosecutor's Office, the Ministry of Internal Affairs, etc. They may also come from the Environmental Agency during the permitting/licensing procedure or from economic entities that wish to expand the authorisation of their activities. The Prosecutor's Office must approve any ad hoc inspection in response to a substantiated request from the Inspectorate for Environmental Protection by evaluating the degree of risk. In case the Prosecutor's Office deems the situation is low risk, the inspectorate will address the concern during a planned inspection. It has the authority to carry out repeat inspections, for example, to verify whether its prescriptions have been followed.

Resources for inspections

53. A minimum of two inspectors must participate in any planned or ad hoc environmental inspection. As previously mentioned, inspectors do not undergo geographic rotations. They must provide responses to a standard list of questions during their on-site visits. This is useful for similar sites, but the list should not supplant good training for inspectors on how to inspect and what to expect on-site.

54. As of November 2020, the Inspectorate for Environmental Protection had 41 vehicles at its disposal, and aimed to ensure a sufficient number of laptops for its staff. The central office of the inspectorate can dispatch staff for regional inspections in case regional staff are on sick leave or vacation. Upon request from the inspectorate, representatives of the Ministry of Interior and the Environmental Agency can join environmental inspections. In addition, the Reference Laboratory can take samples during on-site visits and then send them to the inspectorate for decision making.

Analysis of inspections

55. Based on available information, the OECD has identified several areas to improve inspections in Moldova. First, Moldova must ensure the Inspectorate for Environmental Protection has easy access to a unified database of environmental permits to inspect against, which should be easily updated. In November 2020, the inspectorate oversaw about 6 000-7 000 economic entities; the figures were not precise. According to indications received, the overview of permitted economic entities might be incomplete, and the method of updating the list of permitted entities is disjointed and cumbersome. According to the Environmental Agency, the Register of Permissive Documents is the only official source of data on issued permits in Moldova, and issued permits are regularly published. However, the inspectorate's central office and regional offices maintain and update their own files on permitted entities, without a unified database shared among them. Finally, the State Chancellery has its own database of permitted entities, which is not counter-checked against information maintained by the treasury, the tax office or other governmental bodies. The inspectorate does not receive real-time updates about permits, and asks the Environmental Agency and the tax authorities for this information. An up-to-date overview of permitted economic entities is crucial for an effectively functioning inspectorate, including for risk assessment and inspection planning. It should be free from redundancies and inconsistencies, and be easily accessible. This would also help minimise the amount of time that inspectorate staff spend on making information requests about permitted entities, allowing them to focus more on their core duties.

56. Inspection planning would also warrant further scrutiny. The number of planned inspections appears to be low, when considering the overall number of inspectors. The number of yearly inspections diverges significantly from the plan of inspections, and the number of ad hoc inspections in the framework of permitting is large. Ad hoc inspections most likely concern entities that pose less of an environmental risk than those subject to planned inspections. Consequently, it is important to look into why there are so many ad hoc inspections. One reason is surely the large number of inspections conducted in the framework

of issuing permitting documents according to Moldova's legislation. The inspection plan should ideally include approximate provisions for ad hoc inspections in addition to planned inspections.

57. While the risk assessment methodology is advanced, there is room for enhancement. For example, the categorisation of economic activity is general and not based on the type/quantity of pollutants or whether a site has a suitable abatement kit. There does not appear to be a minimum inspection frequency or random inspections of a few low-risk activities. This implies that some entities might not see an inspector at all after receiving their permit. In addition, the Inspectorate for Environmental Protection should follow through on preparing its guide for an inspection plan based on the estimation of risk. This would allow it to apply the risk assessment methodology properly.

58. A few other issues also need to be addressed. The Inspectorate for Environmental Protection has indicated difficulties with regards to its inspections of mineral extraction activities. These are costly and time consuming, and require comparison of findings with other databases such as the cadastre and the real estate register. Therefore, it would be useful to simplify such inspections without reducing their effectiveness.

59. The Inspectorate for Environmental Protection should have a mechanism to ensure the same inspectors do not routinely visit the same sites. This is especially important to lower corruption risk in view of the multitude of scarcely staffed territorial divisions of the inspectorate in Moldova.

Laboratory monitoring and analysis

60. The Reference Laboratory of the Environmental Agency monitors the state of the environment in the country. It was established in 2018, following the creation of the agency from the merger of two laboratories: the State Hydro-Meteorological Service and the State Ecological Inspectorate Laboratory; some legislation still remains to be updated. The Reference Laboratory received ISO 17025 certification on 17 March 2021, with validity for five years, after having addressed some non-compliance identified by the National Accreditation Centre. The laboratory's monitoring focuses on surface water, wastewater, quality of soil, radioactivity, atmospheric precipitation and air quality. It expects its areas of expertise and certification will expand with experience. It operates based on annually approved monitoring programmes. The Laboratory prepares and publishes daily, monthly and annual bulletins on environmental quality. The agency uses these bulletins to prepare and publish a national report on the state of the environment every four years. This is a positive development: all environmental NGOs that responded to the questionnaire found a lack of official environmental information in Moldova, while 81% of private sector respondents had the same view.

61. Various international partners collaborate with the Reference Laboratory and build its capacity. The laboratory has collaborated with the European Union Water Initiative Plus (EUWI+) to improve its technology for surface water analysis. German partners intend to support modernisation of the air quality monitoring network. The laboratory's staff has taken specialised training courses abroad.

62. The Reference Laboratory has indicated an insufficient number of staff (45), lack of financing and obsolete technology. Its air monitoring technology, for example, dates to the 1960s and 1970s. Due to lack of technology, the laboratory monitors less than half of 45 priority substances of the EU Water Framework Directive. Moreover, it does not have infrastructure for monitoring waste. The biggest identified challenge is the absence of automated sampling, which forces laboratory staff to sample manually, at least at air monitoring and water monitoring stations. Lack of automation would, in turn, increase the need for additional staff to carry out manual sampling.

63. The Inspectorate for Environmental Protection does not have its own monitoring laboratory. However, in certain cases, it requests representatives of the Reference Laboratory to take samples for

verification and analysis. Otherwise, inspectors only make a visual estimation of adverse environmental impact during on-site visits.

64. Moldova plans to establish the National Integrated Air Quality Monitoring and Management System through its draft law on atmospheric air quality. This system will aim to improve the accuracy of air pollution data. It will also seek to prevent public or private projects with harmful air impact in areas where pollution emission thresholds have been exceeded. In addition, it will help identify air pollution sources and contribute to corresponding measures to reduce air pollution or compensate for its effects.

Self-monitoring and reporting by companies

65. Economic entities in Moldova are obliged to keep records of their emissions into water and air, as well as generated waste, and to provide annual reports to the Environmental Agency. These requirements are based on information set out in the permits and the provisions of relevant laws. For example, economic entities must submit annual waste management reports in the first quarter of each calendar year in electronic format via the Automated Waste Management Information System (SIA “MD”) or paper-based air emission statistical reports. SIA “MD” accumulates various information on waste based on such reports, including the list of authorised waste management operators and notifications on transboundary shipments of waste. According to the OECD questionnaire, 67% of private companies stated they provide yearly reports to the agency. Holders of permits to collect vegetation or acquire animals that are not objects of hunting and fishing are obliged to submit reports to the agency about the volume collected or acquired provided for in the legislation. However, they do not comply with this obligation. Starting in 2021, the agency sent letters to such permit holders to request these reports.

66. The Inspectorate for Environmental Protection conducts on-site checks to verify the monitoring and records of companies. With respect to private company respondents to the OECD questionnaire, 67% stated the inspectorate checks their self-monitoring reports during inspections, 11% said a third party does so and 22% did not know who checks their self-monitoring reports. The Environmental Agency and its Reference Laboratory do not have a mechanism for verifying self-monitoring reports. The agency forwards final self-reports to the National Bureau of Statistics of Moldova.

67. According to interviews, Moldova’s self-monitoring mechanisms require further development. Given the lack of publicly available information on self-monitoring, this area would benefit from further examination and evaluation. One glaring issue is the inability of the Environmental Agency to check self-monitoring reports. It should consider creating such a mechanism or reduce self-monitoring to important data that it can check. It should look at how self-monitoring reports are used to identify environmental policy gaps and the progress of policy implementation. Armed with this information, it should assess whether the National Bureau of Statistics can use the reports effectively to support these goals.

Pollutant Release and Transfer Register (PRTR)

68. The ratification of the Protocol of the Aarhus Convention on the Pollution Release and Transfer Register (PRTR) in 2013 launched the development of a state-owned register. This PRTR aims to gather information reported by certain industrial operators and provide it to the public. Operators concerned must provide annual reports on specific types of pollution, including emissions into the air and water. These reports are accompanied by indications of whether the data are based on measurements or calculations; the analytical method and/or calculation method used; or whether the data are based on estimates. Operators may be asked to correct information submitted. In addition, operators must self-monitor through accredited laboratories. To that end, they must prepare a monitoring plan and keep monitoring records for at least five years.

69. The e-PRTR register was developed in 2016. Seventy-five operators registered for the PRTR in 2017, and 188 followed in 2018. Also in 2018, Moldova adopted a regulation on the national PRTR. During interviews in November 2020, the Office of Air Pollution of the former Ministry of Agriculture, Regional Development and Environment (MADRE) was transferring the PRTR to the Environmental Agency. The agency cannot access the PRTR yet, and it is not operational.

70. Data providers for the PRTR include: i) registered operators concerning emitted or transferred pollutants; ii) the Inspectorate for Environmental Protection concerning non-sanitary or illegal landfills; iii) the Apele Moldovei Agency concerning aquatic resources; iv) the National Agency for Food Safety concerning the use of phytosanitary products and fertilisers, data on surface livestock farms and unorganised wastewater disposal; v) the Public Services Agency concerning the number of cars and types of engines taken from the State Register of transport units; and vi) the National Bureau of Statistics concerning the energy balance (Government of the Republic of Moldova, 2018^[24]). The recipients of PRTR data are operators, the Ministry of Environment and subordinate institutions, central state specialised agencies and the public (Government of the Republic of Moldova, 2018^[24]). The Environmental Agency is the information registrar of the PRTR, which means it conducts primary registration, updates data and can remove data from records. The inspectorate is the information registrar for diffuse pollutants.

71. There are plans to integrate the PRTR with various other information systems through the interoperability platform MConnect. There are also plans to elaborate a Guide to Facilitate the Implementation of the National PRTR. This would indicate the types of activities to be monitored, methodology, indicators, data recording instructions and deadlines for sending the data.

72. It will be important to have a mechanism for checking reports to the PRTR. This could, for example, compare information provided against records required for permits, inspections and samples from the Reference Laboratory. The Inspectorate for Environmental Protection should be a recipient of the data, which can feed into its risk assessment process.

Independent monitoring by the public and NGOs

73. Environmental alerts and complaints are sent to the Environmental Agency and the Inspectorate for Environmental Protection in a variety of ways. These include hotlines (e.g. the Institutional Line and the Anti-corruption Line), official webpages and Facebook, letters and a recently launched EcoAlert application. More details on the EcoAlert application are available in Box 3.2.

Box 3.2. EcoAlert application for environmental complaints

The Inspectorate for Environmental Protection launched the EcoAlert electronic application⁷ in November 2020, which was designed by the National Environmental Centre NGO. The application allows authenticated individuals to submit environmental alerts, accompanied by pictures of environmental damage. The Global Positioning System feature facilitates the lodging of complaints and the response by the inspectorate. The application exists in a web version and a free mobile version compatible with different operating systems. Citizens can create a personal account and receive notifications about progress on addressing their complaints. This EcoAlert application is an innovative and useful tool for reporting environmental problems, and a good example of co-operation between the inspectorate and civil society. At the same time, the inspectorate has indicated two main challenges with the EcoAlert platform: i) cases of unfounded alerts due to lack of knowledge about environmental pollution limits among the general public; and ii) a lack of staff to handle the complaints received effectively. As a result, the inspectorate will attempt to develop a guidance document for the general public on cases that should be reported through EcoAlert.

74. Both the Environmental Agency and the Inspectorate for Environmental Protection handle environmental complaints received. The inspectorate can resort to the Reference Laboratory for taking samples as needed. In addition, it can involve other institutions in case of emergencies, such as the police or the forestry and hunting agency Moldsilva. The inspectorate has noted the workload of its inspectors at the central and local levels could be a constraint to immediate responses to alerts and complaints. According to information received, the inspectorate lacks capacity to respond to all environmental incidents in a timely manner. Therefore, the police and emergency services have to deal with many cases. The inspectorate should develop a 24/7 year-round response capacity to environmental incidents, especially as serious incidents require responses by specialists.

75. According to Moldova's regulations, public authorities should respond to complaints within 15-30 days. They are also obliged to inform the complainant about the time needed for a response. Should a petition be made electronically, the public authorities must communicate the registration number of the petition within two days. It takes too long to respond to requests of potentially ongoing serious pollution. It would thus be useful to examine if it is possible to shorten the response time.

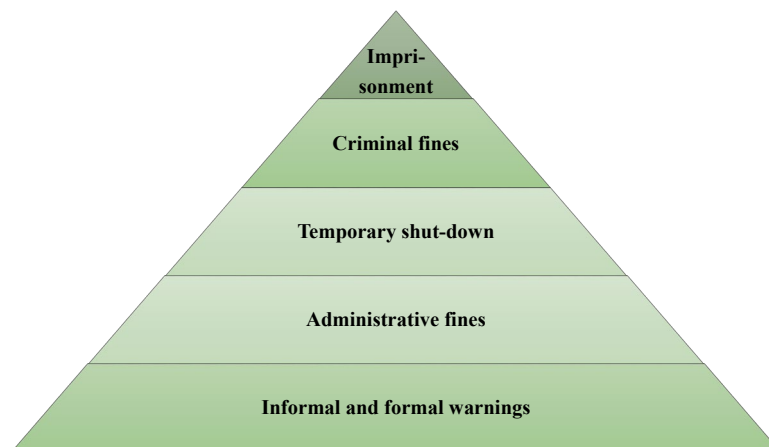
76. The Environmental Agency does not have a mechanism for tracking the status of environmental alerts and complaints received, such as action taken to address them. It is strongly advised that Moldova develop a documented and published process for dealing with environmental complaints for the Environmental Agency and the Inspectorate for Environmental Protection. Ideally, this would be supported by an electronic system for submitting, recording, reporting on and responding to environmental complaints.

⁷ www.ecoalert.md.

4 The environmental compliance enforcement regime

77. Moldova uses a variety of non-compliance responses along the “compliance enforcement pyramid” (Figure 4.1). These include verbal and written warnings for cases of non-compliance specified in legislation; administrative penalties and environmental payments; licence revocations and cessation of activities; and criminal penalties, including fines and imprisonment. The key legislation establishing penalties for non-compliance with environmental regulations in Moldova, including environmental payments, is set out in Table 4.1.

Figure 4.1. Compliance enforcement pyramid



78. The Inspectorate for Environmental Protection is the main body responsible for responses to environmental non-compliance and imposition of penalties. Inspectors report non-compliance, file reports about non-compliance, assess environmental damage, apply penalties and submit cases to courts along with supporting materials and recommendations. Local public authorities contribute to environmental enforcement by verifying committed violations, taking measures to remove non-compliance and notifying law enforcement bodies of transgressions. If a permitted entity takes steps to repair its environmental damage, this can serve as a mitigating factor when setting a penalty.

79. According to the inspectorate’s 2019 activity report, it made 8 729 prescriptions for corrective action that year. It also conducted 3 613 raids against poaching and illegal logging, leading to 5 294 contravention reports. In addition, it imposed fines of approximately MDL 7 million (EUR 0.3 million). The inspectorate planned to collect about MDL 104 million (EUR 5 million) in payments for environmental damage in 2019. It sanctioned 474 legal entities, 251 individuals in positions of responsibility and 5 125 natural persons (Gheorghe, 2020^[25]).

Table 4.1. The main documents governing penalties and payments for environmental non-compliance in Moldova

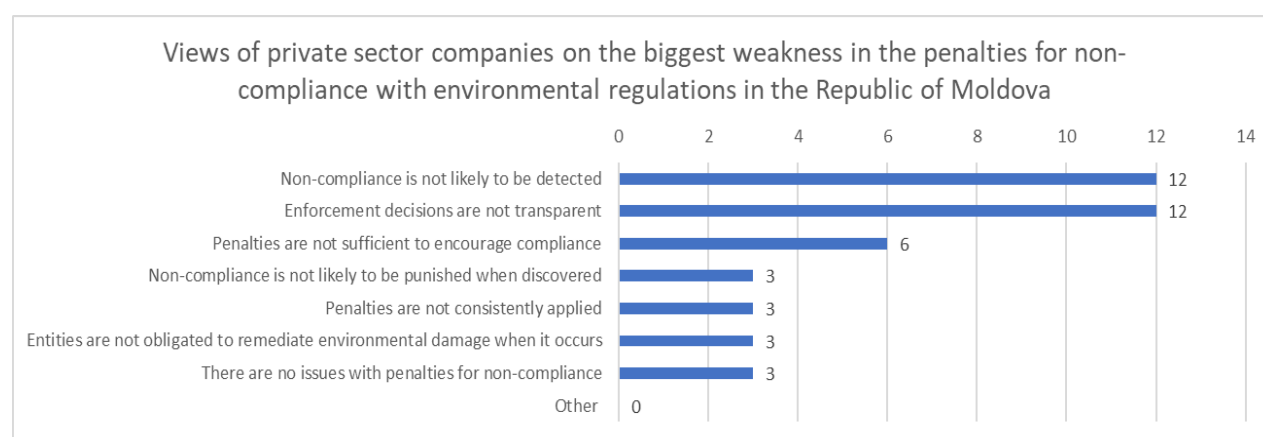
Document	Year	Description
Administrative Code of Moldova	2018	This Code sets out the following: the principles of administrative penalties and proceedings (including legality, uniformity and proportionality of enforcement measures); participants of administrative proceedings; legal competencies of governmental bodies; terms of administrative proceedings; institutional aspects, including transparency; stages of administrative proceedings, including the beginning and end of administrative proceedings, procedural incidents and rights, certification of circumstances and obtaining evidence, hearings of participants, notification of proceedings and process costs; publication procedure of individual administrative acts, including their annulment; administrative agreements; preliminary and restarted proceedings; implementation of individual administrative acts and agreements, including basic principles; implementation of monetary penalties; administrative court proceedings, including basic principles, first instance proceedings, appeal proceedings and cassation proceedings; enforcement of judicial decisions and judicial reconciliation agreements.
Offence Code of Moldova	2008	The Offence Code contains legal norms in regard to legal offences. It identifies acts that constitute legal offences, and establishes proceedings and penalties for offences. Its Chapter IX deals with environmental offences, including violation of regulations for water, fishing resources, land resources, subsoil, forest resources and plantations, green spaces, parks, reserves, hunting and bee keeping; failure to pay for environmental pollution; violation of environmental requirements during construction, commissioning and operation of enterprises, installations and other facilities; inadmissibility of inspection of facilities or failure to provide information on the state of the environment; non-use of installations for purification from pollutants and control of emissions into the atmosphere and for purification of wastewater; exceeding the standards for the admissibility of harmful effects on the environment and the release of pollutants without a permit; violation of the regime and procedure for the use of halogenated hydrocarbons that deplete the ozone layer; pollution of the environment that causes environmental damage; failure to comply with the obligation to register operations with harmful substances and mixtures in on-board documents; violation of rules for carrying out nuclear and radiological activities; violation of waste management rules; violation of the rules of accounting, transportation, storage, use and disposal of chemical, biological and other toxic substances; violation of the rules for carrying out nuclear and radiological activities; failure to comply with the requirements of legislation on state ecological expertise and environmental impact assessment. The document indicates corresponding fines for administrative violations.
Criminal Code of Moldova	2002	The Criminal Code contains legal norms of criminal law, defines acts constituting a crime and provides criminal penalties. Its Chapter IX focuses on environmental crimes, including violation of environmental safety requirements during design, placement, construction and commissioning, as well as operation of industrial, agricultural, scientific or other facilities by persons responsible for their observance; violation of the rules for the circulation of radioactive, bacteriological and toxic substances, materials and waste; intentional concealment or provision of inaccurate data on environmental pollution; failure to fulfil obligations to eliminate the consequences of environmental violations; soil pollution; violation of the requirements for the protection of subsoil; water pollution; air pollution; illegal felling of forests; destruction of or damage to forest areas; illegal hunting; illegal industries for capturing fish, aquatic resources or animals; and violation of the regime for the management and protection of natural areas protected by the state. The document indicates in which cases these activities constitute a crime, and the corresponding fines, criminal sentences and other penalties.
Law on Payments for Environmental Pollution	1998	This law aims to create a system of production and economic activities that makes it unprofitable to harm the environment. It aims to promote the construction and operation of systems for capturing and neutralising pollutants, as well as for collecting, processing and destroying waste; introduction of environmentally friendly technologies and other measures aimed at reducing the volume of emissions, dumping of pollutants into the environment, and reducing the generation of production waste and packaging waste. Finally, it aims to establish environmental funds to finance activities related to improving the state of the environment. It has a chapter on the procedure for installing and calculating payments for environmental pollution and a chapter on the procedure for collecting fees for environmental pollution. Payments are made both within the permitted volumes of pollution.

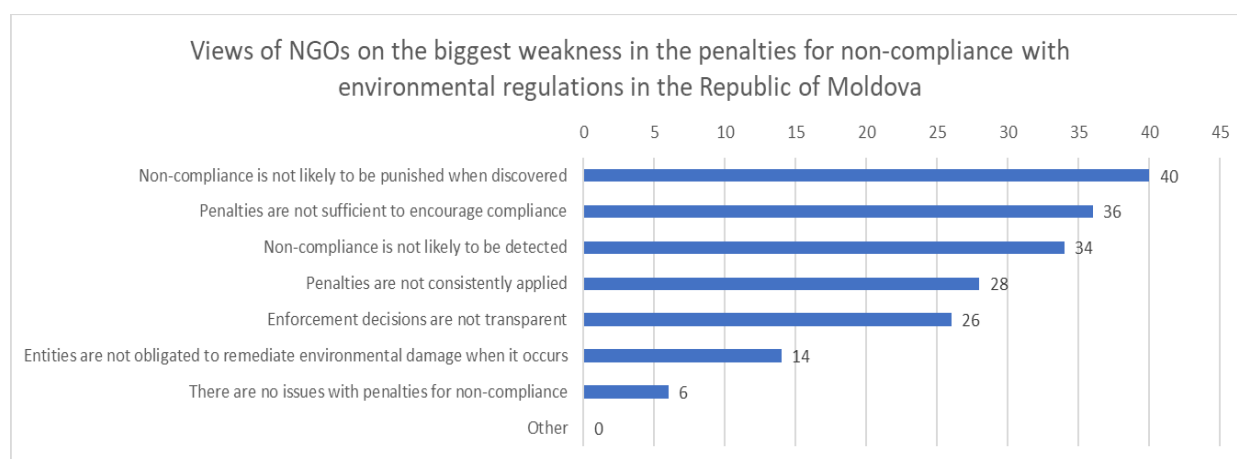
Document	Year	Description
		and for exceeding the permitted levels of pollution for pollution from stationary sources. The law states that the subjects of the law are obligated to calculate their payments themselves, make these payments and report to the governmental tax office using an electronic platform. The document includes the following annexes: standards and procedure for calculating fees for pollutant emissions from stationary sources, by region and per tonne; standards and procedure for calculating pollutant discharge fees for wastewater, by region and per tonne; standards and procedure for calculating charges for the discharge of contaminants in slurry tanks from livestock drains; standards and procedure for calculating charges for waste from production; hazard coefficients for several pollutants emitted into the atmospheric air (55 listed); hazard coefficients of several pollutants emitted with wastewater (27 listed).
Tax Code of Moldova	1997	The Tax Code of Moldova includes taxes for the use of natural resources (water captured from any sources [springs], minerals [deposits], standing timber), including water fees; fees for conducting geological surveys; fees for carrying out geological exploration; fees for the extraction of minerals; fees for the use of underground spaces for the purpose of building underground objects other than those intended for extraction of useful minerals; fees for the operation of underground constructions for the purpose of carrying out entrepreneurial activity other than those intended for extraction of minerals; fees for the use of wood.

Source: (Government of the Republic of Moldova, 1998^[26]); (Government of the Republic of Moldova, 2018^[27]); (Government of the Republic of Moldova, 2008^[28]); (Government of the Republic of Moldova, 2002^[29]); (Government of the Republic of Moldova, 1997^[30]).

80. The regime of penalties for environmental non-compliance has several areas for potential improvement. Views on the weaknesses of environmental penalties differed between non-governmental organisations (NGO) and private companies that responded to the OECD questionnaires (Figure 4.2). However, both groups identified the likely non-detection of non-compliance as one of the biggest concerns (44% of private sector companies and 60% of NGOs). The same percentage of private sector firms identified lack of transparency in enforcement decisions as a major problem. The top two issues among civil society respondents were the likelihood that non-compliance would not be punished when discovered, and that penalties are insufficient to encourage compliance.

Figure 4.2. Private sector and NGO views on the biggest weakness of penalties for environmental non-compliance in Moldova





Note: Questionnaire respondents could select more than one option.

Source: OECD questionnaires of the private sector and NGOs, administered by the EcoContact NGO, May-June 2021.

81. Sanctions applied for environmental non-compliance do not fully reflect environmental damage and are therefore insufficient. As a result, Moldova is revising certain laws that set out penalties for non-compliance. The General Prosecutor's Office created a working group in the fall of 2019 to elaborate amendments to the Criminal Code's chapter on environmental crimes, with a set of amendments submitted to the Ministry of Justice in March 2020. The working group comprised representatives of the former Ministry of Agriculture, Regional Development and Environment (MADRE), the Inspectorate for Environmental Protection, civil society and academia. In May 2020, the former MADRE presented to the Ministry of Justice proposals for amending the Offence Code of Moldova. It is positive that steps have been taken to enhance environmental penalties. Any updates to this legislation should consider, and remove as much as possible, the benefits of non-compliance to entities (UNECE, 2014^[6]).

82. More than half of NGO respondents to the OECD questionnaire said the largest weakness of the environmental penalty regime is that penalties are not consistently applied. Moreover, almost half of NGO respondents saw applied penalties as non-transparent, in addition to 44% of private sector respondents. There is no clear and comprehensive enforcement policy guidance document available in Moldova. Such a document should outline the variety of penalties available to deal with non-compliance and cases where they need to be applied in a succinct manner. It helps to ensure the consistency of penalty application for comparable cases of non-compliance, as well as transparency of the Inspectorate for Environmental Protection's activities. Ideally, this document would be publicly available to regulated entities. A useful example of such a policy guidance document is the Enforcement and Sanctions Policy in England (Environment Agency of England, 2019^[31]).

Appeals

83. Penalties for non-compliance for legal persons can be appealed to the Council for Dispute Resolution at the Inspectorate for Environmental Protection. The council has nine members, including representatives of the appealing entity, the employers' association and the Ministry of Environment, all of whom have an equal vote. If the council's decision is not satisfactory, the appealing entity can then appeal the decision to the Ministry of Environment and to three levels of courts. Half of private sector and NGO respondents to the OECD questionnaires viewed the appeals process for penalties against non-compliance as ineffective/rather ineffective. Therefore, it would be worth examining ways to improve the appeals process for environmental penalties. It will be important to include members of the public and NGOs on the council.

Environmental payments, including administrative fines (monetary fees for non-compliance)

84. Environmental payments aim to incentivise economic entities to reduce the use of natural resources and limit pollution. The payments regime of Moldova consists of taxation for certain use of natural resources (water, minerals and standing timber); charges for pollution within the admissible limits and for exceeding the admissible limits, established by Law no. 1540/1998 on the Payments for Environmental Pollution; and fines for the violation of environmental laws, including poaching, illegal logging and ecological crimes, set out in the Criminal Code and the Offence Code of Moldova (Expert Grup and National Environmental Centre, 2020^[32]). In addition, various separate legislation establishes penalties for environmental damage caused.⁸

85. Charge rates for the same pollutant differ depending on the geographical area, and are usually larger in cities than in other areas. For example, between 2008-19, the charge rate for wastewater discharges was MDL 234 (EUR 11.6) per conventional tonne for Chisinau and Balti, and MDL 198 (EUR 9.8) per tonne for other areas and the Autonomous Territorial Unit (ATU) Gagauzia. These charge rates were increased in 2020 to MDL 280.8 (EUR 13.9) per tonne in Chisinau and Balti and MDL 237.6 (EUR 11.8) per tonne in other areas and ATU Gagauzia (Expert Grup and National Environmental Centre, 2020^[32]).

86. Expert Grup, an independent analytical centre in Moldova, and the National Environmental Centre NGO recently studied environmental payments in the country. They recommended the government adjust environmental pollution charges according to the consumer price index (Expert Grup and National Environmental Centre, 2020^[32]). They also advised the government to put in place a single pollution charge rate for the whole country starting in 2021. In addition, they recommended the rate for wastewater discharges to be MDL 428 (EUR 21.2) per tonne (Expert Grup and National Environmental Centre, 2020^[32]).

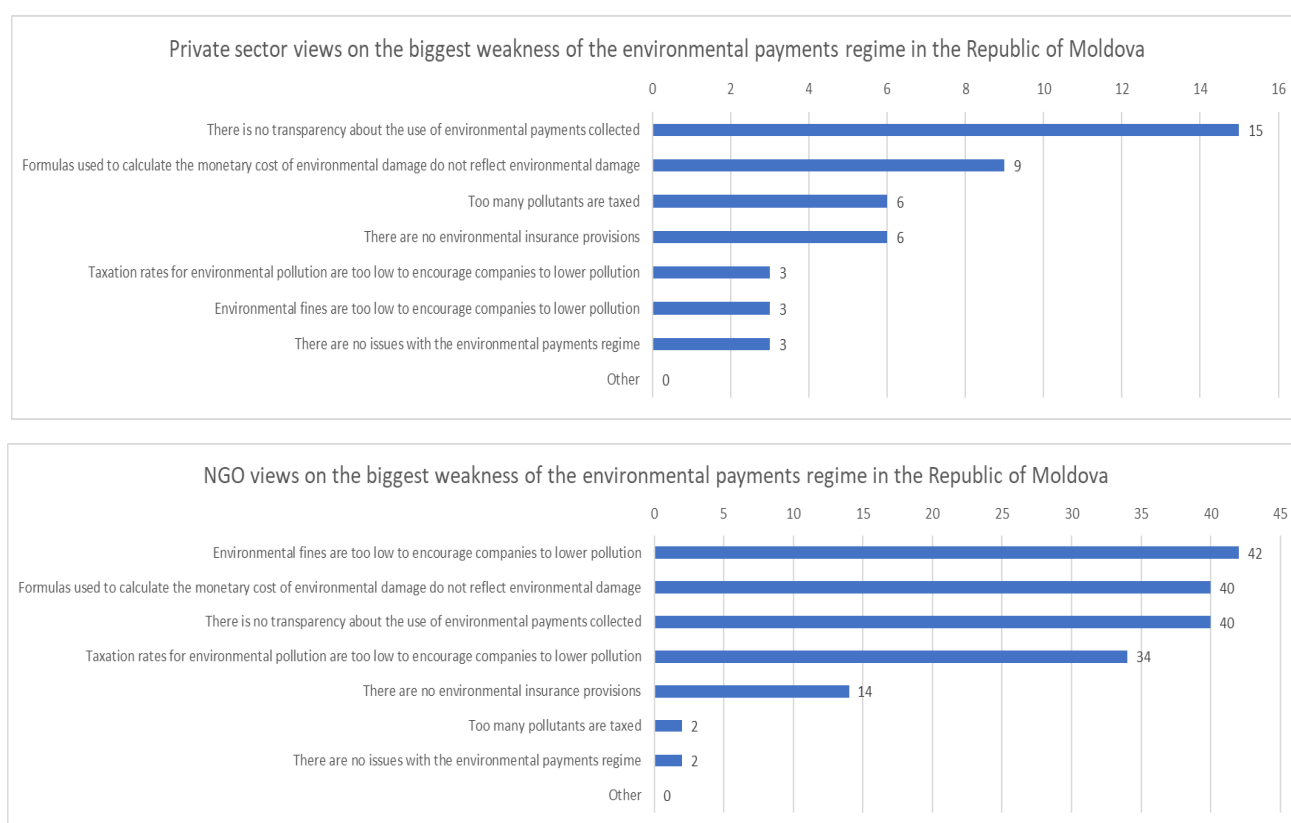
87. According to information received, fees for environmental pollution indicated in the 1998 Law on Payments for Pollution had not been amended from 1998 until 2020 and were not indexed to inflation. However, on 1 January 2020, these fees were increased by 20% compared to 2018. Even so, the increase did not make up for the rate of inflation over that period. According to the former MADRE, the fees should have increased by 88.8%. At the time of writing, the former MADRE was considering additional amendments to its environmental payments system to better reflect the situation to approximate it as much as possible to EU practice. It believed that changes should aim primarily to stimulate reduction of pollution rather than to collect environmental payments. It was seeking to review the formula for calculating environmental payments to consider the environmental impact of emissions. The former MADRE was also revising the 1998 Law on Payments for Environmental Pollution in view of the Law no. 209/2016 on Waste to base the waste payment on the degree of danger of waste stored in authorised locations (Expert Grup and National Environmental Centre, 2020^[32]). In response to complaints from economic entities and a recommendation by a decision of the Court of Accounts in 2020, it removed the double taxation of economic entities for payments for water discharges into the public sewerage system.

88. Private sector and civil society respondents to the OECD questionnaires expressed their views on the largest weakness of the environmental payment system in Moldova (Figure 4.3). The biggest concern for private sector respondents (56%) was the lack of transparency about the use of collected environmental payments. Their second biggest concern (about 33%) was that formulas used to calculate the monetary cost of environmental damage do not reflect the environmental damage caused. Nearly three-quarters of

⁸ This includes the Forestry Code, the Law on Production and Household Waste, the Law on Green Spaces of Urban and Rural Localities, the Law on Improvement of Afforestation of Degraded Lands, the Law on the Fishery Fund, Fisheries and Fish Farming, the Law on the Vegetable Kingdom, and the Law on the Animal Kingdom.

NGOs (74%) said the most significant weakness was that environmental fines are too low to encourage companies to lower pollution. Their second biggest concern was a tie between a lack of transparency about the use of collected environmental payments and formulas for calculating the monetary cost of environmental damage that do not reflect the real damage caused.

Figure 4.3. Private sector and NGO views on the biggest weakness of the environmental payments regime in Moldova



Note: Questionnaire respondents could select more than one option.

Source: OECD questionnaires of the private sector and NGOs, administered by the EcoContact NGO, May-June 2021.

Environmental liability

89. In accordance with Moldova's Law 1515/1993 on Environmental Protection, environmental inspectors can issue decisions regarding the repair of environmental damage caused by pollution and/or unauthorised/irrational use of natural resources. They can also initiate civil action against state bodies, enterprises, institutions, organisations and individuals that have caused such damage. The Inspectorate for Environmental Protection calculates and recovers environmental damages according to the "polluter pays" principle.

90. Moldova applies industry-specific methodologies with indicators and formulas to identify the monetary cost of environmental damage. This includes a methodology for assessment of environmental damage from violation of water legislation. There are also instructions on assessing various types of environmental damage to soil resources; to atmospheric air by pollution from stationary sources; environmental damage caused by non-compliance with legislation on subsoil; caused to atmospheric air

in the management of production of waste and household waste; and caused by illegal hunting, acquisition, marketing, possession and export of game animals.⁹

91. There are several possible areas for improving the environmental liability regime in Moldova. First, the estimated monetary cost of damages does not reflect the real damage caused to the environment. Instructions for calculating environmental damages are outdated and do not correspond to current circumstances in the country. To that end, Moldova plans to review these instructions. Second, Moldova should examine the extent it uses restoration in addition to compensation for environmental damage. Third, environmental insurance provisions are not available in Moldova. A draft law on environmental insurance was elaborated in 1999 but was not adopted.

⁹ These methodologies are available on line in the State Register of Legal Acts at www.legis.md/.

5 The use of compliance promotion instruments

92. Moldova places promotion of understanding the green economy and sustainable development high on its agenda. It makes use of online information to raise awareness about environmental protection, including on the websites of the Environmental Agency and the Inspectorate for Environmental Protection. In addition, both institutions organise information campaigns and some training activity on environmental regulations.

93. Moldova had an ambitious action plan for increasing overall understanding of the green economy and sustainable development as part of the Programme on the Promotion of the Green Economy for 2018-20 (Government of the Republic of Moldova, 2018^[33]). Specific measures included improved understanding of the green economy and sustainable development among the general public and students. It also planned to introduce courses for students and training for teachers. Additional information about ecological and sustainable development education was targeted for the websites of the former Ministry of Agriculture, Regional Development and Environment (MADRE) and non-governmental organisations (NGOs). In addition, it had plans for collaboration with the private sector and individuals to promote the green economy. Information campaigns would increase general understanding of the green economy in the country. Key elements for the campaigns included energy efficiency, clean production, resource efficiency, sustainable procurement and sustainable transport. Finally, the action plan identified activities aimed at small and medium-sized enterprises (SMEs), as well as a biannual conference on the green economy (Government of the Republic of Moldova, 2018^[33]). The programme on the promotion of the green economy was to be updated for 2022-27.

94. The Environmental Agency, the Inspectorate for Environmental Protection and the State Chancellery make certain information relevant for environmental compliance assurance publicly available on their websites. The agency publishes various permit templates, as well as lists of issued permits. Its one-stop shop for permit applications includes information on relevant legislation, permitting fees and deadlines. Its website has a tab on decision-making transparency, where it posts information on draft normative acts and approved documents. The agency and the inspectorate have published a list of all relevant laws and regulations on their websites (Inspectorate for Environmental Protection of Moldova, n.d.^[34]).

95. The inspectorate uploads online inspection plans and schedules, as well as a yearly book on the results of its work, including sanctions, monitoring and inspections. Over the last three years, the Inspectorate for Environmental Protection has published over 208 materials on compliance with environmental legislation and the results of ecological control. The inspectorate's website also has a tab on decision-making transparency for posting information on draft laws, which was empty at the time of writing. In its news section, it publishes various information about its activities such as complaints received and action taken in response. The inspectorate also uses a Facebook page. The State Chancellery publishes inspection plans and results. One of the aims behind its State Registry of Control is to increase transparency around planning and carrying out inspections among the population. The private sector respondents to the OECD questionnaire see the State Registry in a very positive light, with 78% of them finding it useful.

96. The Environmental Agency and the Inspectorate for Environmental Protection raise awareness about the importance of environmental protection in general. In July 2020, the agency launched an online campaign targeted at teachers, students, civil society and the media to address the low level of ecological education of the population. It held the first of a series of video sessions on 20 July called “Ecological Education – A Pillar of Sustainable Development”. The agency regularly posts news articles on a variety of topics related to environmental protection on its website. Some of the most recent articles focus on environmental liability, good agricultural practices for water protection, biodiversity, the role of parents in environmental education, noise pollution, excessive fishing, the ozone layer and endangered species. In addition, the agency published 20 press releases in 2020 for media coverage of environmental days. It participated in two televised interviews on amateur fishing the same year. The agency also publishes quarterly and annual activity plans and reports on its website.

97. According to its website, the Inspectorate for Environmental Protection took part in 394 different meetings, seminars, conferences and working visits related to ecological education in 2019, as well as 90 radio and TV shows. The same year, the inspectorate organised several environmental activities at national level. These included a spring campaign for sanitation and local development, an autumn sanitation campaign, and activities “Clean River from Village to Village”, “Earth Hour”, “European Mobility Week” and “A Tree for Our Survival” (Inspectorate for Environmental Protection of Moldova, 2020^[23]). Its website has a section on ecological information where it lists various awareness-raising initiatives and articles. The most recent news items comprise articles on the usefulness of environmental education, among other topics. In addition, the inspectorate publishes material in local and national newspapers.

98. The Environmental Agency and the inspectorate conduct seminars and meetings with the private sector and NGO representatives, mostly to explain environmental legislation. The agency, for example, posted news about two online meetings with manufacturers of electrical and electronic equipment. These meetings, held in August and February 2020, focused on the extended producer responsibility regime, including the enforcement mechanism and penalties for non-compliance. The agency organised a roundtable on waste management in the context of the International Day for the Recycling of Waste Electrical and Electronic Equipment (WEEE). It was attended by representatives of the Office for the Prevention of Environmental Pollution of the former MADRE; the Ministry of Health, Labour and Social Protection; the inspectorate; civil society and business representatives. The inspectorate organised a meeting in September 2020 with water basin users to explain environmental legislation. The Basarabeasca Inspectorate held a meeting with 38 hunters in February 2020 to approve the Activity Plan of the Society of Hunters and Fishermen of Moldova, as well as the 2019 report on its activity. Participants received training on hunting legislation and could ask questions about compliance with hunting rules and co-operation with relevant bodies (Inspectorate for Environmental Protection of Moldova, 2020^[35]).

99. Overall, there is limited information on the website of the Inspectorate for Environmental Protection about its training activity, which might mean this type of activity is scarce. Its website has a separate section on training workshops, which is empty. NGOs in Moldova are active in environmental education and capacity building (UNECE, 2014^[6]). The inspectorate organises roundtables, meetings, workshops and conferences with NGOs. Communication between the Environmental Agency and NGOs is maintained through meetings as well.

100. Activities to promote voluntary compliance will benefit from better provision of information, more awareness-raising about environmental compliance and more frequent training on environmental regulations. First, there is room for further improving the amount and quality of information on the website of the Inspectorate for Environmental Protection. With respect to the OECD questionnaires, 67% of private sector respondents and 65% of NGO respondents categorised information on the inspectorate’s website as poor/relatively poor. Information on the website of the Environmental Agency fared much better among NGO respondents, with 73% categorising it as good/rather good. However, private sector respondents ranked it no higher than information on the inspectorate’s website. Many private sector (44%) and NGO (46%) respondents believed there should be more transparency about inspection results: they saw it as

an area for improvement in regard to environmental inspections. In view of such findings, Moldova could benefit from using metrics to check the usefulness of information on the websites of the inspectorate and the agency. They should target the available information as much as possible to the end user. It is also worth examining whether the amount of detail published on inspection results is adequate for users.

101. Second, the Environmental Agency and the Inspectorate for Environmental Protection could raise more awareness about compliance with environmental regulations. This activity would be in addition to the significant amount of awareness raising about environmental protection in general. In terms of the questionnaires, 67% of private sector respondents and 96% of NGO respondents rated awareness-raising activities on environmental regulations as insufficient. In addition, private sector respondents overwhelmingly reported they have very little knowledge of institutions involved in environmental compliance assurance in the country; 89% qualified their knowledge as very poor/poor. NGOs reported better knowledge of environmental institutions, with approximately 46% of them stating that it is good/rather good.

102. Third, the Environmental Agency and the Inspectorate for Environmental Protection should organise capacity-building events, including on environmental regulations, more frequently and with a larger variety of entities subject to authorisation. There is an overwhelming desire on the part of the private sector and NGOs to see an expansion of such outreach activity. Based on the OECD questionnaires, 85% of both private sector and NGO respondents believe that advice and guidance on compliance through tools such as education, outreach, on-site consultations or a help-line for enterprises is insufficient. In addition, NGO respondents ranked the promotion of environmental compliance through awareness raising and training as the second largest priority for reform in the area of environmental compliance assurance in the country.

6 Conclusions and the way forward

103. Moldova is undertaking large-scale and complex reforms in its environmental compliance assurance system. It has a variety of legal acts to promote a green economy, sustainable development and adoption of green practices among companies. It is revising some legislation, such as on environmental penalties and payments, or introducing new laws such as on industrial emissions and atmospheric air quality, to approximate good practices within the European Union. It plans to move towards an integrated approach to permitting and control. In addition, it has newly established institutions working on environmental compliance assurance, including the Environmental Agency and the Inspectorate for Environmental Protection, both set up in 2018. It has recently introduced a risk-based methodology to environmental assurance activities and has put in place a centralised State Registry of Control for tracking inspection information.

104. In view of the pace and ambition of reforms in Moldova's environmental compliance assurance system, Moldova must adopt a strategic approach. This should include correct risk assessment, prioritisation and sequencing of reforms, while considering the context and available financial and human resources. It will be key to allocate sufficient time for any legislative or institutional changes to avoid the speed of reforms compromising their quality. Moldova needs appropriate consultation with key stakeholders such as the private sector and non-governmental organisations to increase the effectiveness of new regulations and remove as much as possible benefits of non-compliance to polluters. It will also be useful to pay attention to the dependencies of the various components of the environmental compliance assurance chain to maintain a logical, systematic and efficient regime. It will be key to establish or improve mechanisms for the smooth co-ordination of various regulatory bodies and institutions and the flow of information within the environmental compliance assurance chain. Moldova should seek ways to enhance efficiencies, including through acquiring up-to-date technologies and software, and promoting automation. Table 6.1 below summarises the positive characteristics of Moldova's compliance assurance system, identifies shortcomings at various stages of the compliance assurance chain; and provides recommendations.

105. Many issues with the compliance assurance system in Moldova are comparable to those in other countries. Consequently, Moldova should continue to engage with relevant international organisations and networks working on environmental compliance assurance, such as the European Union Network for the Implementation and Enforcement of Environmental Law. In so doing, it could leverage their perspectives and expertise.

106. The EU4Environment Action will continue to seek ways to support the environmental compliance assurance system in Moldova. It will pursue this support both through its activities and by facilitating the Eastern Partner countries' engagement with relevant international networks.

Table 6.1. Summary of positive characteristics, gaps and recommendations for improving the environmental compliance assurance system in Moldova

CAS SYSTEM COMPONENT	POSITIVE CHARACTERISTICS, GAPS AND RECOMMENDATIONS
LEGISLATIVE AND PERMITTING FRAMEWORK	<p>POSITIVE CHARACTERISTICS</p> <ul style="list-style-type: none"> • Environmental legislation includes an overarching environmental strategy and laws governing environmental protection of various environmental media and reflects a number of international conventions. • The National Development Strategy 2030 is being developed, which will have a chapter on ensuring human rights to a clean environment. • Government Decisions outlining institutional responsibilities for environmental compliance assurance, setting up a government control registry and setting out a methodology for risk-based control by the Inspectorate for Environmental Protection have been adopted. • A move towards an integrated approach to environmental regulation, permitting and control has started with a draft law on industrial emissions. • Stakeholders are involved in environmental policy making through online consultations and meetings. • A Memorandum of Co-operation between the Ministry of Environment and non-governmental organisations (NGOs) was signed, and a National Council of Environmental NGOs has been established. • There is a transparent and digitised permitting procedure, with a one-stop shop for online applications, clear instructions available on line and issued permits published. • The Public Register of Permissive Acts, which includes environmental permits, is an official source of information on permits issued in Moldova. • Several government programmes promote the adoption of green practices. <p>GAPS</p> <ul style="list-style-type: none"> • Concerns have been expressed about the quality of the country's environmental legislation, specifically its incentives to encourage pollution reduction, overlaps and enforceability. • Private sector questionnaire respondents believe they do not have enough opportunities to comment on environmental legislation. • The approach to permits is single-media, and operators need to obtain a range of environmental authorisations. • Permit issuance is not differentiated based on the pollution potential of enterprises. • The permitting procedure is largely seen as onerous. • There are gaps in the operation of the digital system for issuing permits. • There is a lack of resource-efficient technologies in Moldova, with a general view that incentives for the adoption of green practices in the country are insufficient. <p>RECOMMENDATIONS</p> <p><u>Short-term:</u></p> <ul style="list-style-type: none"> • Review the environmental legislation in place and evaluate if it is fit-for-purpose, has enough incentives to encourage compliance, and is enforceable, clear and non-redundant. • Review the effectiveness of tools in place for consultation with private sector representatives on environmental legislation. • Streamline the permitting procedure. • Remove gaps in the operation of the digital permitting system, encourage the eGovernance Agency to introduce mechanisms to control the correctness of permit applications in the SIA GEAP. • Evaluate impediments to adoption of resource-efficient technologies and the results of programmes for adopting green practices. <p><u>Medium-term:</u></p> <ul style="list-style-type: none"> • Continue to move towards an integrated approach to permitting. • Move towards a differentiated permitting regime based on the polluting potential of enterprises.
INSTITUTIONAL FRAMEWORK	<p>POSITIVE CHARACTERISTICS</p> <ul style="list-style-type: none"> • Environmental policy making, permitting and control functions are clearly separated. • The Inspectorate for Environmental Protection (hereafter "the inspectorate") is supported by territorial divisions. • The inspectorate has an opportunity to comment on laws and permit applications, and to make policy proposals. • There is oversight over the inspectors' performance. • There is a State Registry of Control that publishes inspection plans, results and appeals for all types of inspections in the country.

CAS SYSTEM COMPONENT	POSITIVE CHARACTERISTICS, GAPS AND RECOMMENDATIONS
	<p>GAPS</p> <ul style="list-style-type: none"> • Private sector and civil society representatives believe that co-operation among the environmental compliance assurance institutions is insufficient. • The inspectorate's reporting line is fragmented and involves institutions other than the Ministry of Environment. • The inspectorate's structure is fragmented, with staff spread out thinly among 35 territorial offices. • The National Anti-corruption Centre has identified a number of corruption risks within the inspectorate. • The number of staff working on permitting within the Environmental Agency is critically low. • There are staff skills shortages among environmental inspectors, and all inspectors have general knowledge with no specialisation. • The inspectorate has deficiencies in equipment, software and automation <p>RECOMMENDATIONS</p> <p><u>Short-term:</u></p> <ul style="list-style-type: none"> • Increase the amount of staff working on permitting at the Environmental Agency. • Reduce the number of territorial offices of the inspectorate, with more resources in each individual office. • Conduct a skills gap analysis of environmental inspectors and create a tailored training programme. • Consider having a mix of inspectors with general and more specialised knowledge. • Reduce corruption risks identified within the inspectorate. <p><u>Medium-term:</u></p> <ul style="list-style-type: none"> • Look for ways to ensure better co-operation among environmental compliance assurance institutions. • Review the reasoning behind the fragmented reporting line of the inspectorate and see how it could be streamlined. • Invest in the inspectorate's equipment and software, and explore automation options.
MONITORING	<p>POSITIVE CHARACTERISTICS</p> <ul style="list-style-type: none"> • A rather advanced risk methodology governs many areas of the inspectorate's activity, including planned and ad hoc inspections, and foresees a regular review of information on permitted entities and of the weights assigned to the risk criteria. • The yearly environmental inspection plan is published on the State Registry of Control. • The inspectorate uses inspection checklists. • The Reference Laboratory of the Environmental Agency has recently received ISO 17025 accreditation. • The Environmental Agency plans to publish national reports on the state of the environment every four years. • The Reference Laboratory has been engaged in international capacity-building projects. • Moldova is developing a National Integrated Air Quality Monitoring and Management System. • Annual self-reporting on pollution by permitted entities is a requirement. • Moldova is establishing a Pollutant Release and Transfer Register (PRTR). • There are various methods for alerting the authorities about environmental transgressions (e.g. hotlines, webpages, Facebook, letters and a recently launched EcoAlert application). • The EcoAlert application for environmental alerts was designed by an NGO (the National Environmental Centre) and is a good example of co-operation between the inspectorate and civil society.

CAS SYSTEM COMPONENT	POSITIVE CHARACTERISTICS, GAPS AND RECOMMENDATIONS
	<p>GAPS</p> <ul style="list-style-type: none"> • Private sector and civil society representatives largely see the environmental monitoring regime as ineffective, and many believe that non-compliance is not likely to be detected. • Information on permitted entities might be incomplete, and the method for updating this information is disjointed and cumbersome. • There are gaps in inspection planning (a low number of planned inspections, a large discrepancy between planned inspections and those carried out, and a disproportionately large number of inspections for checking permits). • The risk methodology for inspection planning has some areas for improvement, such as general risk categories and no minimum inspection frequency. • There is no guidance document at the inspectorate for planning inspections based on risk. • The inspectorate experiences difficulties with inspections of mineral extraction activity. • There are no provisions for inspector rotations, even given the scarcely staffed territorial offices. • There is a lack of equipment such as cars and laptops. • The Reference Laboratory has technological deficiencies, which do not allow it to monitor all aspects of environmental quality, and lacks automation, resulting in predominantly manual sample collection. • There is feedback from the private sector and civil society that Moldova lacks official information on the environment. • There is no mechanism for the Environmental Agency to check the self-monitoring reports that it receives. • The PRTR of Moldova is not functional. • There is no 24/7 year-round response capacity at the inspectorate to handle urgent environmental incidents. • Response times to environmental complaints are too long for handling cases of potentially serious ongoing pollution. • Neither the Environmental Agency nor the inspectorate has a mechanism to track the handling of environmental complaints received. • Some stakeholders believe there is insufficient information on monitoring in permits. <p>RECOMMENDATIONS</p> <p><u>Short-term:</u></p> <ul style="list-style-type: none"> • Establish a unified database of environmental permits that is easily updated and accessed by the inspectorate. • Further improve the risk assessment methodology. • Prepare a guide on developing an inspection plan based on the estimation of risk for the inspectorate. • Enhance inspection planning. • Look into ways of simplifying inspections of mineral extraction activity. • Put in place a mechanism for ensuring that inspectors do not routinely visit the same sites. • Ensure good equipment to support inspections. • Strengthen the technological equipment and automation of the Reference Laboratory. • Speed up the transfer of the PRTR to the Environmental Agency and its launch. • Ensure a 24/7 year-round fast response capacity to environmental incidents by the inspectorate. <p><u>Medium-term:</u></p> <ul style="list-style-type: none"> • Ensure the Environmental Agency has a mechanism for checking company self-monitoring reports or reduce them to important data that can be checked. • Look into whether the National Bureau of Statistics can use company self-monitoring reports effectively to identify policy gaps and progress with policy implementation. • Establish a mechanism for checking reports submitted to the PRTR. • Ensure the inspectorate is a recipient of PRTR data. • Develop a process for keeping track of dealing with environmental complaints at the Environmental Agency and the inspectorate. • Publish more official environmental information. • Increase information on environmental monitoring.

CAS SYSTEM COMPONENT	POSITIVE CHARACTERISTICS, GAPS AND RECOMMENDATIONS
ENFORCEMENT	<p>POSITIVE CHARACTERISTICS</p> <ul style="list-style-type: none"> • Moldova uses a variety of penalties for non-compliance along the “enforcement pyramid”. • Reparation of environmental damage by a company serves as a mitigating factor when setting penalties. • Moldova is amending legislation to improve its environmental enforcement regime and increase penalties for environmental non-compliance. • There are five steps of appeal against penalties for non-compliance, with the first appeal going to the Council for Dispute Resolution at the inspectorate. • Pollution charge rates slightly increased in 2020. • Environmental inspectors have the right to order polluters to repair environmental damage caused. • Industry-specific methodologies are used to evaluate the monetary cost of environmental damage. • A National Environmental Fund is responsible for spending collected environmental payments on environmental protection activities. <p>GAPS</p> <ul style="list-style-type: none"> • There is no comprehensive enforcement policy guidance document on penalties for non-compliance. • Sanctions, including environmental payments, are seen as not severe enough and not corresponding to environmental damage. • There is a view among the private sector that imposed penalties are non-transparent. • Many NGOs believe that non-compliance is not likely to be punished when discovered. • The appeals process against penalties for non-compliance is seen as ineffective. • Pollution charge rates for the same type of pollution differ between cities and other areas. • Private sector representatives believe there is a lack of transparency about the use of collected environmental payments. <p>RECOMMENDATIONS</p> <p><u>Short-term:</u></p> <ul style="list-style-type: none"> • Adopt a clear enforcement policy guidance document and make it publicly available. • Raise the level of sanctions, including environmental payments, to reflect environmental damage and remove the economic benefit of non-compliance. • Introduce uniform charge rates for the same type of pollution in cities and other areas. • Increase transparency about the use of collected environmental payments. <p><u>Medium-term:</u></p> <ul style="list-style-type: none"> • Look into ways of making the appeals procedure against penalties for non-compliance more effective. • Consider including members of the public and NGOs on the Council for Dispute Resolution at the inspectorate. • Examine the extent to which restoration is used in addition to compensation for environmental damage. <p><u>Long-term:</u></p> <ul style="list-style-type: none"> • Establish an environmental insurance regime.
COMPLIANCE PROMOTION INSTRUMENTS	<p>POSITIVE CHARACTERISTICS</p> <ul style="list-style-type: none"> • The government had in place an ambitious programme to promote understanding of the green economy and sustainable development over 2018-20. • Relevant information is published on the websites of the Environmental Agency, the inspectorate and the State Chancellery. • Detailed permit information, templates and permits are available on line. • The State Registry of Control contributes to improving transparency about inspections by publishing inspection plans and results. • The inspectorate and the Environmental Agency each use a Facebook page. • The Environmental Agency and the inspectorate actively promote awareness about environmental protection through campaigns, events and online articles. • The Environmental Agency and the inspectorate conduct some meetings with the private sector to explain environmental regulations. • NGOs in Moldova are active in environmental education and capacity building.

CAS SYSTEM COMPONENT	POSITIVE CHARACTERISTICS, GAPS AND RECOMMENDATIONS
	<p>GAPS</p> <ul style="list-style-type: none"> • Many private sector and civil society representatives find that information provision on the inspectorate's website is poor. • Many private sector representatives find that information provision on the website of the Environmental Agency is poor. • Many private sector and civil society representatives believe there should be more transparency about inspection results. • There is a prevailing view of insufficient awareness-raising activity about environmental regulations in the country. • Many private sector representatives lack knowledge about institutions involved in environmental compliance assurance in Moldova. • Training activities on environmental regulations are infrequent, and both private sector and NGO representatives see a need for more education, outreach, on-site consultations or a helpline. <p>RECOMMENDATIONS</p> <p><u>Short-term:</u></p> <ul style="list-style-type: none"> • Use metrics to check the take-up and usefulness of online information relevant for environmental compliance assurance. • Improve information provision on the website of the inspectorate and the Environmental Agency by taking the user point of view. • Make information about inspection results more transparent. • Organise awareness-raising and training activities about environmental compliance assurance institutions and environmental regulations more frequently.

Source: Author's own elaboration.

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Annex A. The main environmental compliance assurance legislation in Moldova

Document	Year	Description
Law on Industrial Emissions	Tbc	<i>Draft</i> This draft law aims to establish a regulatory framework for integrated prevention and control of pollution by industrial and economic activities, promote the development of technologies by applying BAT, and introduce integrated environmental permitting.
Law on Atmospheric Air Quality	Tbc	<i>Draft</i> The law aims to set air quality standards, assessment thresholds, and management regimes for air pollutant concentration; set up a National Air Quality Monitoring and Management System; delimit areas and agglomerations in Moldova for air quality assessment; approve the unitary concept of drawing up air quality plans and air quality maintenance plans; upgrade air monitoring and reporting; and make provisions for information-sharing with the public about atmospheric air quality and its impact on health and the environment.
Government Decision about the Organisation and Functioning of the Ministry of Environment	2021	The decision establishes the mission, the areas of activity, the main functions and rights of the Ministry; provisions for the organisation of Ministry activities; the organigramme of the Ministry and a list of subordinate bodies; and a list of changes to public regulations.
Law to Control the Danger of Occurrence of Major Accidents, Caused by Hazardous Substances	2020	This law sets out measures to prevent major accidents caused by hazardous substances, as well as to limit their impact on human health and the environment. It states that operators are obliged to take measures to prevent major accidents and limit their consequences on human health and the environment, and demonstrate to competent authorities that they have taken measures to prevent major accidents caused by hazardous substances. The law also includes provisions on the responsibilities of central competent authorities, information on a security report that operators must prepare, public awareness and consultation, information provided by operators and their actions after major accidents, actions to be taken by competent authorities after major accidents, exchange of information etc.
Government Decision on Establishing Provisions on Maintaining a Government Control Registry	2018	This decision establishes procedures and a mechanism for keeping track of governmental control of activity; the maintenance, functioning and use of a Government Control Registry as well as a database and an information system for keeping and processing data about planned and ad hoc inspections, carried out by government control bodies. The decision aims to increase transparency of control activities by providing all interested parties information about control carried out by control bodies. It also aims to implement the State Chancellery's responsibilities in regards to the monitoring of control, and the 2012 Law on State Control of Entrepreneurship Activities.
Government Decision on the Approval of the Methodology for State Control of Entrepreneurial Activity Based on Risk Analysis in Areas within the Competence of the Inspectorate for Environmental Protection	2018	This decision adopts a methodology of governmental control over entrepreneurial activity on the basis of risk analysis in areas of competency of the Inspectorate for Environmental Protection of Moldova. The aims of the methodology are to increase objectivity, effectiveness and accuracy of decisions on control activity, ensure appropriate use of resources for carrying out control activity, and to increase the effectiveness of governmental control over entrepreneurial activity.

Document	Year	Description
Government Decision on the Establishment, Organisation and Functioning of the Environmental Agency	2018	This document regulates the legal status, mission, areas of activity, responsibilities, basic powers and rights of the Environmental Agency, as well as the organisation of its activities. The Environmental Agency is an administrative body subordinate to the Ministry of Environment, responsible for the implementation of state policy.
Government Decision on the Organisation and Functioning of the Inspectorate for Environmental Protection	2018	This document regulates the organisation and functioning of the Inspectorate for Environmental Protection, including its legal status, mission, areas of activity, responsibilities, main powers and rights, its place in the public administration structure, as well as the procedure for organising its activities. The inspectorate operates as a subordinate administrative body of the Ministry of Environment. It is authorised to exercise state supervision and control in the field of environmental protection and the use of natural resources.
Law on Waste	2016	This law establishes the legal framework, state policy and necessary measures to protect the environment and public health by preventing or reducing the negative impacts caused by waste generation and management, reducing the overall impact of resource use, and increasing the efficiency of resource use. It sets out the powers of the central and local public administration bodies in the area of waste management, requirements for waste permitting and control, the authorities that will exercise control in the field of waste management, obligations of legal entities in the field of waste management, and requirements for managing certain categories of waste. It has a provision for liability for violating waste legislation.
Law on State Control of Entrepreneurship Activities	2012	The purpose of this law is to strengthen the legal and institutional framework in the field of state control of entrepreneurial activity. The objectives of this law are: a) to ensure a higher level of protection of the environment, life, health and personal property; b) supervision over market products that are circulated in order to ensure their safety; c) implementation of a risk analysis system based on risk criteria. It states that a consolidated public register must be filled in by control authorities. It also states that control actions must correspond to risk. The law also provides that light transgressions need to be dealt with through recommendations, and that more serious transgressions must be dealt with by sanctions. It includes information on the public body responsible for control functions, scheduled and ad hoc control, the control procedure, the right to appeal, and annual reports. It states that the Inspectorate for Environmental Protection is responsible for protection of the environment, forest, fish, water resources, soil, subsoil, natural resources, energy efficiency, and radiological and nuclear safety.
Law on Water	2011	<i>A procedure has been initiated for its amendment.</i> The purpose of this law is: a) to create the necessary legal basis for the effective management, protection and use of surface and ground waters based on public participation in assessment, planning and decision making; (b) to establish water use rights and support investment in water resources; c) to establish mechanisms for protection of water conditions, prevent any further deterioration of water conditions, protect and restore the aquatic environment, gradually and systematically improve water protection and water resources management to bring it in line with European requirements; (d) to prevent further deterioration, conserve and improve aquatic ecosystems, terrestrial ecosystems and wetlands that are directly dependent on aquatic ecosystems; (e) to ensure an adequate supply of good quality surface and groundwater for sustainable, balanced and equitable water use; f) to establish a legal basis for international co-operation in the field of joint water resources management and protection. The law states that the system of payment for water and the amount of tax for water use is established in the Tax Code.
Law on Regulation of Entrepreneurship by Permitting	2011	The purpose of this law is to introduce uniform provisions concerning the procedure for regulating entrepreneurial activity through permitting, applied by state bodies - issuers in relation to individuals and legal entities in order to carry out entrepreneurial or other activities provided for by law, related to and necessary for entrepreneurial activity. It states that the issuing state authorities are obliged to include all permit information issued by them in a government portal of public services. The law provides information on categories of permits, information on the issuing authority, principles and procedure for regulating business activities by permitting (transparency, balance between societal and applicant interests and rights, and the use of a single-window approach), the validity and suspension of a permit.
Law on State Protected Areas	1998	This law establishes the legal basis for the creation and functioning of the fund of natural areas protected by the state, the principles, mechanism and procedure for its preservation, as well as the powers of central and local public authorities, non-governmental organisations and citizens in this area. This laws states that citizens have the right to exercise public control over compliance with legislation on the fund of protected areas.

Document	Year	Description
Law on Hydro-Meteorological Service	1998	The purpose of this law is: a) establishment of legal requirements for hydro-meteorological activities; b) legal support for the co-ordinated and effective functioning of the national hydro-meteorological network; c) harmonisation of national legal norms with international legal norms in the field of hydro-meteorological activities; d) creation of conditions for the formation of market relations in the field of production, collection, processing, analysis, storage and use (provision, sale) of information on the state of the environment and its pollution. Notably, this law states that legal entities and individuals are obliged to inform the territorial subdivisions of the Service and local public administration authorities about natural phenomena, accidents, disasters and disruptions to technological processes that can lead to or have led to environmental pollution, consequences that are hazardous to human health and life, as well as destruction and damage to hydro-meteorological equipment.
Law on Protection of Atmospheric Air	1997	The purpose of this law is to preserve the purity of atmospheric air; improve its quality; and prevent and reduce the level of harmful physical, chemical, biological, radioactive and other effects on the atmosphere, leading to negative consequences for the population and/ or for the environment. It sets out competences in the field of atmospheric air protection (e.g. the government, the ministry and local authorities). It provides for the participation of public associations and individuals in activities related to atmospheric air protection. It has a section on air quality standards, measures for regulating atmospheric air protection, state accounting and control in areas of atmospheric air protection, and liability for violating provisions in this law.
Forest Code	1996	This law aims to regulate sustainable forest management through the rational use, restoration and protection of forests; maintaining, preserving and improving forest biodiversity; and providing forest resources to the current and future needs of society based on the multifunctionality of forests. It has provisions regarding the competences of various institutions in regulating forests, management and maintenance of forestry, rights and obligations of forest users, economic incentives for rational forest use, forest restoration and protection, state monitoring of forests, resolution of disputes, and calculation of damage caused.
Law on Environmental Protection	1993	This law regulates the relationship between people and the environment, and constitutes the basic legal framework for the elaboration of special normative acts and instructions in the field of environmental protection. It sets out the polluter pays principle, as well as the competences and structure of the central authority charged with environmental protection. It has sections on environmental impact assessment, strategic environmental assessment and state ecological expertise, on the Inspectorate for Environmental Protection, the protection of aquatic resources and ecosystems, air quality standards, the management of waste, toxic substances, mineral fertilisers and pesticides. It also has a section on the National Ecological Fund to be established in order to finance environmental protection programmes, and has a provision on environmental liability, stating that the violation of provisions of this law entails civil, administrative or criminal liability.
Land Code	1991	This Code regulates land relations in Moldova. It states that environmental protection of land must be a priority over other activities and includes a chapter on land protection and improvement, stating that Maximum Allowable Concentration rates of harmful substances in soil are set out in order to protect human health and the environment. It includes a section on state control and monitoring of state land, stating that the government is obliged to ensure the rational and efficient use of land, and a section on environmental liability, stating that individuals that have violated land legislation are subject to administrative and criminal liability.

Source: (Pscenicinii, 2020^[19]); documents shared by stakeholders in Moldova and found on official governmental websites of Moldova; (MADRE, 2011^[36]).

Annex B. Excerpt on the Industrial Emissions Directive (IED) from the Annex to Chapter 16 on the Environment of the EU-Moldova Association Agreement

Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control)

The following provisions of that Directive shall apply:

- adoption of national legislation and designation of competent authority/authorities

Timetable: those provisions of that Directive shall be implemented within 4 years of the entry into force of this Agreement.

- identification of installations that require a permit (Annex I)

Timetable: those provisions of that Directive shall be implemented within 3 years of the entry into force of this Agreement.

- implementation of BAT taking into account the BAT conclusions of the BREFs (Articles 14(3-6) and 15(2-4))

Timetable: those provisions of that Directive shall be implemented within 10 years of the entry into force of this Agreement.

- establishment of an integrated permit system (Articles 4 – 6, 12, 21 and 24 and Annex IV)

Timetable: those provisions of that Directive shall be implemented within 6 years of the entry into force of this Agreement.

- establishment and implementation of a compliance monitoring mechanism (Articles 8, 14(1)(d) and 23(1))

Timetable: those provisions of that Directive shall be implemented within 8 years of the entry into force of this Agreement.

- establishment of emission limit values for combustion plants (Article 30 and Annex V)

Timetable: those provisions of that Directive shall be implemented within 4 years of the entry into force of this Agreement.

- preparation of a transitional national plan to reduce total annual emissions from existing plants (optional to setting emission limit values for existing plants) (Article 32)

Timetable: those provisions of that Directive shall be implemented within 6 years of the entry into force of this Agreement.

Annex C. Strategies for promoting the adoption of green practices in Moldova

Document	Year	Description
National Greening Programme for SMEs	2019	The National Greening Programme for SMEs aims to promote and support the capacity of SMEs to adopt green practices and processes. It aims to improve the knowledge and skills in regards to green planning such as the efficient use of resources and new technologies in production and service provision; create an information infrastructure to support SMEs, including customised solutions, guidelines and self-assessment tools; provide training, counselling, information and business assistance; advise on the implementation of international standards and eco-labelling (ISO and Eco-Management and Audit Scheme (EMAS)); provide economic incentives to SMEs for pursuing greening actions and the development of energy efficiency and eco-innovation technologies; exchange good practices in the field of the circular economy and the application of greening principles; and ensure synergies with other entrepreneurial support programmes implemented by the Organisation for SME Development and local/international partners.
Law on Energy Efficiency	2018	The purpose of this law is to create the legal framework necessary to promote and improve energy efficiency through the implementation of action plans in the field of energy efficiency, the development of the energy services market, and the introduction of other energy efficiency measures.
Programme on the Promotion of the Green Economy for 2018-2020	2018	The programme aims to promote the adoption of green economy principles in the country that go in line with its economic development and social well-being. The programme foresees 11 specific measures covering improvements in the governance and institutional potential of green economy management, an increase in news about renewable resources and energy efficiency, adoption of green economy principles among SMEs, as well as in the agricultural sector and the construction sector, reduction of air pollution, improvement of energy efficiency and clean production practices, sustainable procurement, enhancement of knowledge of the green economy and sustainable development among students and the general public, as well as a system of monitoring of green growth indicators.
Environmental Strategy 2014-2023	2014	The purpose of the strategy is to guarantee the population of Moldova the right to a sustainable, unpolluted and healthy environment, in harmony with economic development and social welfare. This programme states that environmental priorities for the industrial sector will be integrated through the introduction of integrated control systems of pollutant emissions; a voluntary participation system in the management and audit system; environmental risks assessment for activity implementation; and elaboration of ecological assurance mechanisms. It also aims to promote the transition to best available techniques and investment in the modernisation of techniques and management. It aims to continuously improve integrated management systems in accordance with ISO standards. It also aims to elaborate and promote measures for risk prevention and monitoring; create incentives for upgrading and refurbishing installations of pre-water/wastewater treatment and the application of the Resource Efficiency and Cleaner Production concept in enterprises and organisations; and to promote eco-innovations that can prevent or reduce the adverse effect of products or activities on the environment and that can contribute to the creation of new business opportunities.
Energy Strategy until 2030	2013	The Energy Strategy of Moldova until 2030 contains a clear indication of the way to develop the energy sector in Moldova in a way that will ensure economic growth and improve the well-being of the population. Its priorities are to strengthen the special status of the country as a transit country for electric energy and natural gas by improving transport possibilities, as well as the construction or refurbishment of existing generating capacities for strengthening the use of its internal electrical energy production.
Programme on Energy Efficiency for 2011-2020	2011	This document sets out the policy and priority actions to be implemented in 2011-2020 in order to meet the challenges of rising energy prices, dependence on energy imports and the energy sector's impact on climate change. The Programme also proposes a National Communication Strategy, emphasising the need for thematic campaigns to inform the public and encourage citizens to use energy efficiently and make conscious

		decisions about the purchase of utilities, building materials, housing, household appliances and energy appliances.
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Source: (OECD, 2020^[37]); (Government of the Republic of Moldova, 2014^[4]); (Government of the Republic of Moldova, 2018^[33]); (Government of the Republic of Moldova, 2013^[38]); (Government of the Republic of Moldova, 2011^[39]); (Government of the Republic of Moldova, 2018^[40]).



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The environmental compliance assurance system in the Republic of Moldova: Current situation and recommendations

Ensuring compliance with environmental regulations is key for countries to achieve their environmental goals and reduce pollution.

An effective environmental compliance assurance system (CAS) comprises good-quality environmental regulations and permits; an adequate institutional arrangement, including an environmental inspectorate; robust monitoring of compliance; functional enforcement action and proactive promotion of voluntary compliance.

The goal of the document is to help environmental authorities of the Republic of Moldova prioritise and plan activities aimed at strengthening environmental compliance. It describes the various components of Moldova's CAS, identifies their strengths and weaknesses, and provides recommendations for further improvement.

This report is part of a series of environmental CAS country reviews undertaken within the EU-funded EU4Environment programme that promotes a green economy and environmental improvement in the EU's Eastern Partner countries.

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