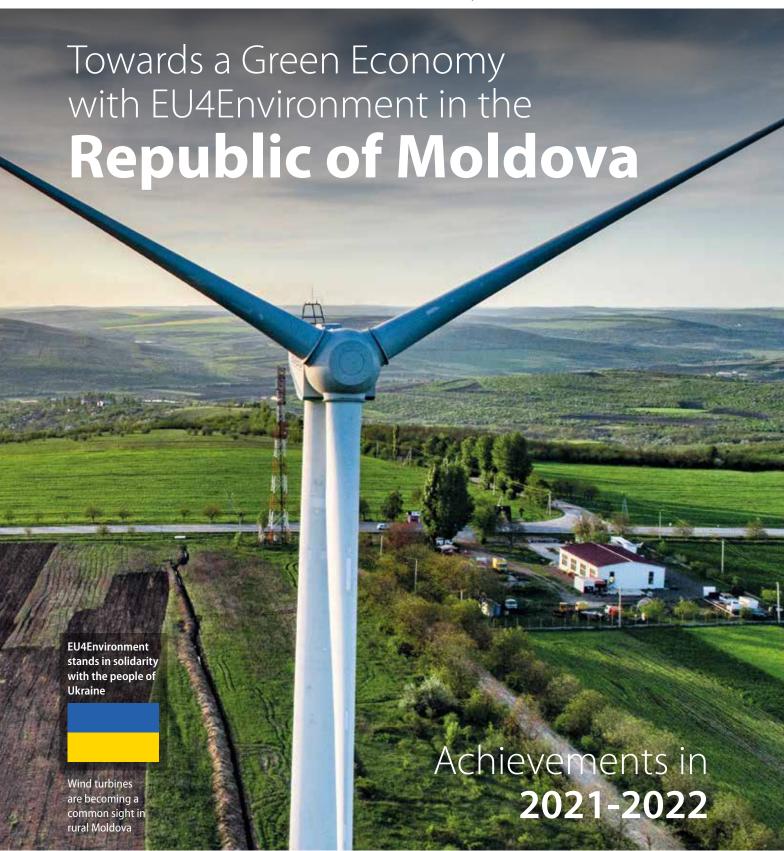


EU4EnvironmentGreen Economy in Eastern Partner Countries



Action implemented by:











Since 2019, the EU-funded EU4Environment Programme has been supporting the Republic of Moldova, along with the other Eastern Partner (EaP) countries, in pursuing a path of green transformation. It helps preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth and setting mechanisms to better manage environmental risks and impacts. To this end, it integrates into a single strategic framework greener decision making, circular economy, smart environmental regulations, ecosystem protection and knowledge sharing. Following the European Council decision to grant Moldova a candidate status for the European Union membership, **EU4Environment reinforces its support for** accelerated alignment of Moldova's legal framework with the EU acquis.

In 2021, the Ministers of Environment of the Eastern Partner countries recognised the European Green Deal (EGD) as a benchmark for their national policy design. Since then EU4Environment has built the provisions of the EGD into its activities.

In early 2022, the current work under EU4Environment became known as "EU4Environment – Green Economy". This change was driven by the launch of a new programme under the EU4Environment umbrella: "EU4Environment – Water and Data".

This brochure highlights selected achievements under "EU4Environment – Green Economy" in 2021-22, showing tangible results in Moldova and at the regional level.

Over **580 SMEs** benefitted from the online tool to assess their environmental performance

Law on environmental protection amended

New green economy action plan for 2023-27 and environmental strategy to 2030 being prepared

Amendments to EIA and SEA laws prepared Spotlight on Moldova's achievements

Legislation on sustainable public procurement developed

National waste management programme 2022-27 and national waste action plan 2022-25 developed

14 civil servants trained on green economy

Ministry of Environment established as a separate body

Greener decision making in Moldova

- The Inter-ministerial Working Group on Sustainable Development and Green Economy co-ordinated promotion of green economy in the country (three highlevel meetings in the period).
- An in-depth, online course trained **14 civil servants** on green economy.
- An online course on green economy for public servants was promoted at the Academy of Public Administration.
- A Romanian version of the introductory course on green economy was launched under the "Green Economy - Made in Moldova" event.
- The preparatory phase of the pilot strategic environmental assessment (SEA) of the draft Programme on Industry Development under the Strategy of Economic Development 2030 was launched to provide hands-on learning on the SEA to the Ministry of Economy, the Ministry of Environment and the Environment Agency to help integrate environment, climate and health considerations into the planning process in 2022-23.

- Draft Guidelines on Quality Control of SEA **Documentation** and **Guidelines on Quality Control of Transboundary Environmental Impact Assessment** (EIA) documentation were prepared.
- A video on transboundary EIA/Espoo Convention in Romanian helped raise awareness about transboundary EIA and promote its application.
- Over 80 representatives of national and local authorities learned how to apply **SEA** in an awareness-raising workshop.
- The High-Level Round table "Green Economy. Made in Moldova: from Green Economy to the European Green Deal" attracted more than 200 online participants. Through social media and networks, the Round table reached more than 50 000 people from Moldova and EaP countries.

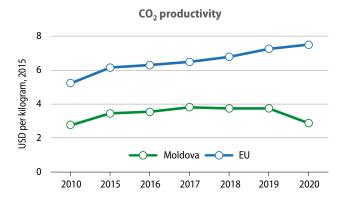


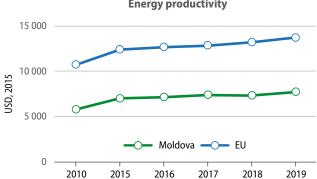
OUR SUCCESS STORY – bringing Moldova's legislation on SEA and EIA in line with international standards

Drawing on compliance gap analyses in 2020, EU4Environment supported the Ministry of Environment - in cooperation with its Working Group for Legislative Amendments – in drafting amendments to laws on EIA and SEA. Once adopted in 2022, the amendments will

bring the country fully in line with the European Union's EIA directive (as amended in 2014) and accommodate further improvements to the law on SEA in line with the SEA directive and the UNECE Protocol on SEA.

Economic growth partially decoupled from use of natural resources, but pressures remain





Circular economy and new growth opportunities in Moldova

- Evaluation of the potential transformation of selected industrial parks into **Eco-Industrial Parks** (EIPs) allowed selection of Free Economic Zone (FEZ) Valkaneş and Industrial Park (IP) Tracom as pilot sites for the feasibility assessment. The first training session on EIPs introduced the concept, toolkit and methodologies to officials and experts in Moldova.
- Cahul and Gagauzia, the priority regions in the EU-Moldova bilateral collaboration, were selected for establishing Resource Efficient and Cleaner Production (RECP) clubs.
- 15 enterprises became "demonstration" enterprises of RECP methodology; 15 RECP trainees who took part in the first RECP training session will apply RECP approaches to decrease their environmental footprint.
- A business-oriented webinar at EU Industry Week promoted the RECP experience, reaching 80 people.
- Assessment of the legal framework was completed for drafting a regulation on eco-labelling to transpose Regulation 66/2010 of the European Parliament.

- The bylaw/government decree on sustainable public procurement (SPP) was drafted for the application of SPP criteria by contracting authorities. Nearly 100 stakeholders were consulted on the newly prepared SPP and eco-labelling documents.
- A <u>Romanian version</u> of the video on benefits of the <u>SPP</u> concept was produced.
- The Programme on the Promotion of Green Economy and Action Plan for 2023-27 is being developed based on an evaluation of the 2018-20 programme.
- Market assessment for the potential of eco-innovation in key subsectors led to selection of 10 small and mediumsized enterprises (SMEs) from wine-making and apparel markets for the provision of technical support;

111 participants from public and private sectors participated in the introductory

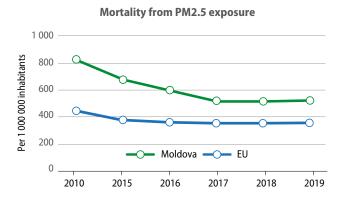
workshop for promoting
eco-innovation among SMEs in Moldova.

OUR SUCCESS STORY – towards zero waste and circular economy promotion in Moldova

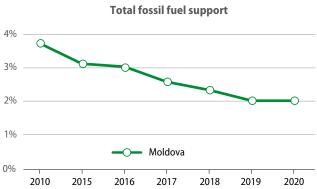
EU4Environment supported development of the National Waste Management Programme 2022-27 and National Waste Action Plan 2022-25. These were accompanied by an assessment of municipal waste streams management; legal

and institutional frameworks; and the waste management system for planning infrastructure development. It included provisions on circular economy promotion.

Progress in improving quality of life, but more can be done



More economic opportunities can be unlocked



Environmental level playing field and monitoring progress at environment-economy nexus in Moldova

- An online self-assessment tool for greening SMEs helped Moldova's enterprises assess their environmental performance; 582 SMEs applied the tool during 2021-22 as part of the greening SMEs programme.
- The national programme on greening SMEs helped Moldova's companies plan and implement environmentally friendly practices and expand to other markets.
- An assessment of Moldova's environmental compliance assurance system (in English and Romanian) took stock of the system, identified strengths and weaknesses, and recommended improvements.
- The development of the "Clean Public Transport (CPT) Programme" demonstrated how to use scarce public funds to incentivise the private sector to invest in clean and social projects. Training increased capacities of local public authorities in Moldova to implement the designed CPT Programme and similar public investments in future with a focus on cleaner mobility and other environmental issues.
- The amended Law 1515/1993 on environmental **protection,** approved by Parliament, laid the foundations

- for reform of the National Environmental Fund (NEF). Based on this law, the government is reviewing the newly developed regulation for the NEF for approval.
- Analysis of the status of the capital market in Moldova, as part of work on "Greening debt capital markets in EaP countries and the role for green bonds", helped assess Moldova's readiness to absorb debt capital financing for green investments.
- A report on green growth indicators (English and Romanian) provided a snapshot of the country's progress towards green economy over 2015-20. This was also the first evaluation of the implementation of the National Programme on the Promotion of Green Economy in the Republic of Moldova and its Action Plan 2018-20, based on green growth indicators. The report helps prepare the new programme and action plan on green economy for 2023-27, as well as Environmental Strategy 2030.
- A Romanian version of the video on green growth indicators was produced to raise awareness on monitoring towards green economy.

OUR SUCCESS STORY – digitalisation of monitoring towards green economy

A digital platform to monitor the progress of the Republic of Moldova towards a green economy, based on green growth indicators, was developed in Romanian and English languages and hosted on the Ministry of Environment website. This is the first web portal of its kind in the Eastern Partnership region addressing the green economy monitoring. This platform helps the Moldovan government track progress towards a green economy, inform decision making, demonstrate accountability, raise public awareness of the links between economic growth and the environment, and compare progress between countries. It contributes to sustainability of the work on green growth

indicators in the country, increasing visibility and facilitating access to it.

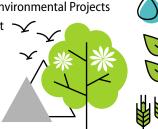
OUR SUCCESS STORY - new operational manual of the National Environmental Fund

The National Environmental Fund (previously National Ecological Fund) is a public institution within the Ministry of Environment that provides finance for green investment. Until now, the NEF mainly focused on funding water supply projects rather than addressing environmental degradation. A new operational manual developed as part of the Fund's reform aims to improve its management and operations. It provides guidance on administrative procedures, re-focusing

the Fund's role on environmental protection, climate change and sustainable resource management. The Environmental Projects Implementation Unit will take over

management from

the Fund.



Ecosystem services and livelihoods in Moldova

- In 2021, the World Bank joined EU4Environment to help preserve biodiversity and protect forests in Moldova.
- Advancing the <u>Emerald Network</u> is the main focus of the EU4Environment work in Moldova in 2022, including support to:
 - draft a National Emerald Road Map
 - develop an Emerald-related legal framework
 - prepare management plans for selected Emerald sites
 - build human and informational (communication)
 capacity about Emerald site management
 - identify high conservation value forests subject to special concern for key species and habitats as the country develops potential to expand conservation.

- Development of the National Afforestation and Reforestation Plan will benefit from the programme's expertise.
- In 2022, the Program will also focus on:
 - supporting communities in the management of forests and other natural resources through developing community-based forest management model, participatory forest and pasture management plans and improving forest management legislation;
 - strengthening timber trade control systems.



DID YOU KNOW? ... that Moldova's location on the junction between three ecological regions – Central European mixed forests, Eastern European steppe-forests and Pontic steppe – positions it as an interconnector of various biological communities from various geographical regions, such as Black Sea, Caspian and Mediterranean. Species diversity is highly influenced by the human-dominated agricultural ecosystems.





Highlights of regional activities

- Regional webinars and workshops on sustainable public procurement and eco-labelling raised awareness on standards to green products and highlighted success stories for nearly **540** registered participants.
- A new SME-targeted I-GO tool was presented to EaP countries to enhance knowledge exchange among 70+ practitioners and support RECP application in the EaP and Central Asian countries.
- The regional meeting on Greening Small and Mediumsized Enterprises in the EaP countries attracted more than 150 participants, identifying opportunities to strengthen business competitiveness. The event showcased developments of RECP and EIPs, as well as the application of industrial waste mapping methodology in EaP countries.
- A leaflet to introduce EU Single Market for Green **Products** and its Product Environmental Footprint tool for industrial enterprises and experts of EaP countries was launched on the occasion of the EU Green Week.
- A monthly series of selected stories was launched to present local manufacturing enterprises undergoing **RECP assessments** in the EaP region under the #GreeningTheIndustry communication campaign.

- The regional analytical study assessed the status of the **EPR schemes** for packaging waste in the EaP countries, with best practice case studies from EU member states.
- During the three regional webinars on building capacity for EPR, 180 representatives from EaP countries (with nearly half of them female) exchanged experiences and learnt from examples of EU countries.
- An English version of the video on benefits of the SPP concept was produced and promoted at EU Green Week.
- The second regional meeting on **environmental** compliance assurance, involving 77 participants from the OECD and EaP countries, discussed comprehensive environmental enforcement policies and tools to enforce compliance, and the optimal combination of penalties for non-compliance.
- A capacity-building seminar on information systems, organised with the Scottish Environment Protection Agency for more than **50 participants**, showcased a range of information systems used by permitting and inspection authorities in Europe. It covered existing low-technology solutions, more advanced systems and potential pitfalls in the development of such systems.



- The second capacity-building seminar on joint environmental inspections with 55 participants from Eastern Partner and OECD countries included a practical exercise where participants brainstormed a joint inspection plan for waste shipments.
- EaP policy makers gained knowledge from the international **compliance network** through trainings and events. These were organised by the EU Network for Implementation and Enforcement of Environmental Law (IMPEL) and the EU Forum of Judges for the Environment (EUFJE). They included "Criteria for the Assessment of Environmental Damage", "Practical Perspectives on Waste Enforcement Planning and Inspections with a Focus on Forensic and Damages Analysis Relating to Waste Crime" and "Strategies for Verification of Self-monitoring and Reporting on Air Emissions Workshop".
- Four webinars on greening public expenditure for government officials supported design and implementation of green public investment programmes in the EaP countries. The webinars shared experience in managing similar expenditure programmes in the EU countries. These included use of environmental funds in the Czech Republic and Poland and alternative schemes in Austria, Switzerland and the Netherlands. Experts from Denmark, Italy and the international bioenergy sector presented ways of using biodegradable residues for energy purposes. Specialists from Austria, Romania and Slovakia conveyed best practices

- on increasing water supply and wastewater treatment in rural and remote areas in their countries.
- The report on Fossil-Fuel Subsidies in the EU's **Eastern Partner countries** was published in English and Russian. The data from these analyses are now available in the OECD database on government support to fossil fuel production and consumption. The report was supplemented by an additional round of collection of fossil fuel data and information that focused on fossil fuel support measures put in place by EaP governments in 2020.
- Policy Highlights on fossil fuel subsidies in the EaP region were published, covering 2016-20 with a focus on subsidies in 2020.
- Special sessions on green bonds were organised during the 2021 Annual OECD GREEN Action Task Force meeting and the Sustainable Finance Forum in Eastern Europe, Caucasus and Central Asia. The events shared experience with issuing and using green bonds and provided practical suggestions to newcomers in this market. They also discussed the potential role of **debt capital markets** in financing long-term green infrastructure investments in the region.
- EU4Environment participated in the **communication** campaign "Invest in our Planet" around Earth Day 2022. It contributed articles on "Greening the industrial sector" and "How tracking fossil fuel subsidies can help secure more resources for the green energy transition".
- The third annual Regional Assembly assessed EU4Environment progress on greening the EaP economies. It was attended by 110 people, including high-level participants at the level of state secretary and deputy ministers from the EaP countries.
- Over 250 000 people in the region were reached by five national and large-scale communications campaigns on various topics such as zero pollution, waste management, green economy and EU Green Deal promotion.
- The EU4Environment website reached 360 000 people, while social media reached 500 000.
- EU4Environment newsletters were sent to more than 600 recipients.



EU4Environment

National waste **Green economy** action plans, concepts management action plans and strategies developed in being developed in **Armenia** Georgia and Moldova and Moldova Ministry of **Environment** established as a Green separate body in economy Law on Moldova 195 experts introductory environmental **New Forest** trained on SEA course available protection amended **Code** adopted in 5 national in 2021 in Georgia, in **Georgia** languages Moldova and Ukraine At a glance: Law on Nearly 50 **EaP** countries environmental experts trained progress towards liability adopted on green a green in **Georgia** economy economy Legislation on sustainable 1 500 000 About 270 public procurement 10 RECP clubs people developed in experts trained reached by the created since **Georgia** and on RECP in programme programme Moldova since its launch 2021 launch in 2019 Over 100 SMEs in 2019 benefitted from applying RECP methodology 75 civil servants and experts **About 45 experts** trained on green trained on information public investments systems to reinforce programmes in environmental Azerbaijan, Georgia compliance assurance Amendments to EIA and and Moldova SEA legislation prepared in Azerbaijan and Moldova Draft bilateral agreement on transboundary EIA under preparation for **Ukraine** and Romania

New Programme in the **EU4Environment** family launched in 2022

Water Management and Environmental Data

In early 2022, the launch of a new programme – "Water Management and Environmental Data" in the Eastern Partner countries ("EU4Environment – Water and Data") – reinforced EU4Environment.

The new programme will contribute to improving sustainable water resources management by focusing on the following: strengthened river basin management planning; water allocation; increased stakeholder involvement; promotion of novel approaches to water monitoring, including for COVID-19; progressing the water and health agenda; transboundary cooperation; improved economic soundness of water strategies and policies; and support to finance mobilisation for priority interventions. National-level progress will be focused through multi-stakeholder national policy dialogues in each EaP country.

The new programme will also support strengthening environmental information on waste, land use, agriculture, air and water quality and improve access to this data for decision makers and citizens.

The identified measures build on, and ensure continuity of, the Shared Environmental Information System Phase II and the EU Water Initiative Plus for Eastern Partnership programmes. These two programmes were instrumental for modernising environmental monitoring and data analysis systems, promoting evidence-based policy making and increasing the partner countries' alignment with EU and international law, in particular the Water Framework Directive.

The implementing partners of "EU4Environment – Water and Data" are Austrian Development Agency (ADA), Environment Agency Austria (UBA), International Office for Water (OiEau) (France), Organisation for Economic Co-operation and Development (OECD) and the United Nations Economic Commission for Europe (UNECE).



"EU4Environment -Water and Data" in a nutshell

Objective: improving people's well-being and enabling green transformation in line with EU Green Deal and SDGs

Two pillars:

- Water resources: support a more sustainable use of freshwater resources
- **Environmental data**: extend and improve the use of sound environmental statistics

Countries: Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine

Duration: 2021-24

Budget: EUR 12.75 million (EU contribution: EUR 12 million)

Implementing partners: ADA, UBA, OiEau, OECD, UNECE

Regional launch event: 9 February 2022

About

EU4Environment

Green Economy in Eastern Partner Countries



- Budget: about EUR 20 million (with EUR 19.5 million EU contribution)
- Duration: 2019-24

Implementing agencies: Organisation for Economic Co-operation and Development (OECD), **United Nations Economic Commission** for Europe (UNECE), United Nations Environment Programme (UNEP), **United Nations Industrial**

Development Organization (UNIDO) and the World Bank

Overall guidance: **European Commission**

Key national partners: Ministries of Environment and Ministries of **Economy**

Greener decision making

sharing **EU4Environment Green Economy** architecture

Circular economy & new growth opportunities

Ecosystem services & livelihoods

Environmental level playing field







Regional

knowledge









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Sources: OECD.stat. This profile was prepared with the valuable $contribution\ of\ the\ \text{``EU4Environment}-Green\ Economy''\ and$ "EU4Environment – Water and Data" Implementing Partners. The valuable support with information collection and verification, provided by Tigran Sekoyan (EU4Environment National Coordinator), is particularly acknowledged. The profile was edited by Mark Foss.

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Action implemented by:









