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Towards Green Transformation of the Republic of Moldova:

Policy brief

Based on the National Report on Green Growth Indicators

Action implemented by:

OECD BETTER POLICIES FOR BETTER LIVES | UNECE | UN environment programme | UNIDO | THE WORLD BANK IBRD • IDA | WORLD BANK GROUP | Expert-Grup Independent Think-Tank

Introduction

The Republic of Moldova (hereinafter "Moldova") is vulnerable to shocks stemming from a model of economic growth that is poorly adapted to modern challenges and opportunities. By taking the path of climate neutrality and green economy, Moldova can make its economy and society more resilient. This path is in line with Moldova's European aspirations and the European Green Deal.

With the approval in 2018 of the National Programme on the Promotion of Green Economy, Moldova committed to make its economic development compatible with the preservation of natural resources, protection of human health, biodiversity and climate. It committed to act on green growth priorities, such as energy efficiency and renewable energy, waste recycling, sustainable forest management, greening of enterprises, organic farming, rational use of natural resources and conservation of biodiversity. These priorities are well anchored in Moldova's international commitments.

A series of monitoring reports have been produced to assess the country's green transformation based on a set of internationally-agreed "green growth indicators" (GGIs). The current policy brief summarises the key findings and recommendations of the Third National Report on GGIs, which covers the evolution of GGIs since 2010 and how it compares to other European countries. This work is contributing to the preparation of the new Programme on green economy for 2022-24 and its action plan and of Environmental Strategy 2030.

The analysis finds positive but modest results in adopting an environmentally friendly economy and calls to speed up action for closing the gap between Moldova and other European countries.

The National Report on Green Growth Indicators highlights several areas that require immediate intervention, namely:

- **Energy and carbon productivity:** Although economic benefits per unit of used energy have increased, accompanied by a decrease in greenhouse gas (GHG) emissions, the energy and carbon productivity of Moldova's economy remains low compared to other European countries. Low efficiency is a feature of both the production and final consumption of energy. This is largely due to outdated technologies and infrastructure. Modernising housing and transport is key for boosting energy and carbon productivity. District heating is another critical area for action where one can go beyond mere renovation. Also the water and agricultural sectors should be developed in line with the "energy efficiency first" principle. The share of renewable energy sources needs to be increased. Going beyond the use of biomass, especially wood, will make the expansion of renewables coherent with other environmental goals.
- **Resource productivity:** The inefficient use of raw materials is a significant problem in Moldova and waste reduction and recycling remain limited. While generation of industrial waste is declining and industrial output has decoupled from waste generation, the volume of household waste is increasing. In order to further increase resource productivity, Moldova needs to invest into waste collection infrastructure and promote waste recycling through regulatory and fiscal instruments. The alignment with the EU waste hierarchy is particularly important. More efficient use of fertilizers is needed , including to prevent groundwater pollution. Water productivity can be further improved by reducing both intake and water losses. With a changing climate, water scarcity is likely to become a limiting factor across the economy but especially in agriculture.
- **Soil, forest and biological resources**: Soil resources have not changed significantly in the last decade. Moldova remains a territory with predominantly agricultural areas, with soil as the main natural resource. Despite the slight increase in afforestation, Moldova still has limited forest resources. Biological diversity needs more protection.
- **People's access to safely managed drinking water** services has increased. However, connection to sewerage systems lags behind significantly, creating additional pressure on the quality of water returned to the natural cycle.
- **Quality of air** is worsening, calling for immediate intervention.
- The limited number of companies applying **eco-innovation** in the production process slows down adaptation to climate change and the transition to a green economy.
- **Public investments** in environment protection are modest. This is due to limited capacity in the budget and the lack of institutional capacity to implement environmental spending programmes. In addition, government policy prioritises other areas.

Moving towards green economy requires clear long-term policies and investments. The government should deliver on its commitment to the climate and environmental action, including through close dialogue and co-operation with stakeholders and external partners. Across all areas, specific measures should be implemented:

(i) enhance the capacity of relevant institutions;

(ii) adjust the legal and regulatory framework;

(iii) improve policy coherence and co-ordination of sectoral policies and

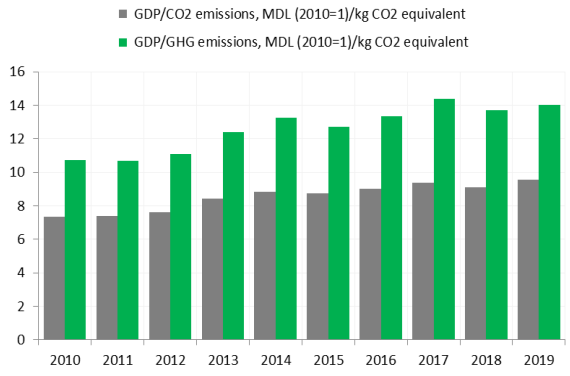
(iv) provide sufficient finance to support projects on green and sustainable growth.

Environmental and resources productivity

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

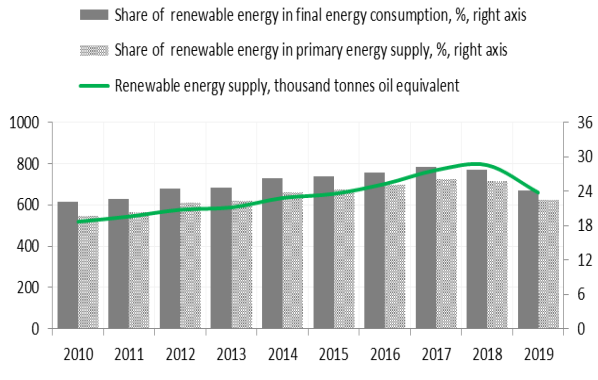
- Indicators of environmental resource productivity show positive trends: carbon, energy and water productivity have increased since 2010. Despite this progress, the level of environmental resource productivity in Moldova is much lower than in other European countries. This implies pressures on both natural capital and the sustainability of economic development, especially in the context of a globally increasing commodity prices.
- The relative stability of CO_2 emissions combined with growth in gross domestic product (GDP) resulted in higher carbon productivity, which grew from 7.3 to 9.5 MDL/kg between 2010 and 2019. Over the same period, the ratio between GDP and GHG emissions increased from 10.7 to 14 MDL/kg CO_2-equivalent (CO_2-eq) (Figure 1). Although economic growth decoupled from CO_2 emissions, Moldova is lagging behind other European countries in terms of carbon productivity.
- The supply of primary energy and final consumption of energy increased in Moldova after 2010. Since energy supply grew at a lower rate than GDP, energy productivity increased. Though energy productivity grew faster in Moldova than in other European countries, it continues to rank almost at the bottom in terms of energy productivity.
- The supply of renewable energy generally increased (except for 2019), as well as its share in the primary energy supply and in the final energy consumption (Figure 2). Nonetheless, compared with other European countries, the share of biofuels and waste in the primary supply of renewable energy is extremely high in Moldova. Biofuels and waste account for 98-99% of the primary supply of renewable energy of which firewood represents more than 80%. This shows renewable production is at an early stage of development. It is mostly obtained from cutting trees, rather than relying on modern renewable energy infrastructure and projects.
- Production waste has decreased, particularly after 2015. Between 2010 and 2019, the quantity of production waste decreased by 34.3%. In this context, production process decoupled from the waste generation. At the same time, the volume of household waste has been increasing. Between 2014 and 2020, the quantity of household waste grew by 20.9%, while household consumption increased by only 5.4%. This model of wasteful consumption continues to exacerbate pollution that originates in poor waste management. The largest amount of waste use occurred in 2010 (80% of the total). In subsequent years, the share of waste use dropped, varying between 20-50% (Figure 3).
- Use of mineral fertilisers is accelerating, but this was not accompanied by a rapid increase in crop production. Between 2010 and 2020, this indicator increased from 24 kg/ha to 95.8 kg/ha for chemical fertilisers and from 20 kg/ha to 110 kg/ha for organic fertilisers.
- Water productivity increased, but this growth did not allow Moldova to improve its position relative to other European countries. Between 2010 and 2020, water use was generally stable, while GDP increased by about 32%. As a result, water productivity increased and economic growth decoupled from water consumption.

Figure 1. GHGs and carbon productivity in Moldova



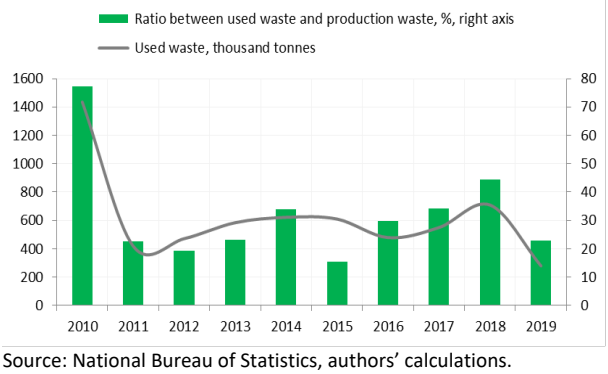
Source: http://clima.md/libview.php?l=en&idc=264&id=5024, authors' calculations, National Bureau of Statistics.

Figure 2. Supply of renewable energy and its share



Source: National Bureau of Statistics, authors' calculations.

Figure 3. Recycled waste and waste generated by enterprises



Source: National Bureau of Statistics, authors' calculations.

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Recommendations to the government:

- Upgrade and modernise district heating, as well as integrate biomass into the production cycle (e.g. larger-scale expansion of the pilot programme for the thermal power plant, which uses a valuable new crop – Miscanthus – as an energy resource).
- Finance thermal efficiency programmes for residential blocks (thermal insulation, transition to the horizontal energy distribution system, installation of individual thermal points in buildings).
- Develop programmes to increase energy efficiency for single-family homes and enterprises. These will cover expenses related to thermal insulation, installation/modernisation of heating systems, solar thermal panels, modernisation of lighting systems.
- Develop state programmes to encourage people to replace old electrical and electronic equipment, partially subsidising the purchase of new, energy-efficient equipment with much lower GHG emissions (e.g. “cash for clunkers” programmes).
- Harness the potential of renewable energy sources by promoting and implementing investment support mechanisms in green energy production technologies.
- Ensure a stable, predictable and transparent regulatory framework in the field of energy efficiency to attract investment.
- Increase coverage of waste collection and management services by investing in waste collection and transport infrastructure, especially in rural areas.
- Allocate funding for development and implementation of new waste processing, treatment and disposal capacities.
- Finance the construction of functional waste sorting lines on a larger scale, covering more regions of the country.
- Review the ‘Extended Producer Responsibility’ mechanism so it provides a sufficient incentive for each participant in the waste management process: producers, collectors, recyclers and consumers.
- Implement stricter regulations for landfills, remove unauthorised landfills and clean contaminated land.
- Rehabilitate irrigation systems and regulate water use in agriculture.
- Encourage farmers to employ practices that reduce water consumption and improve irrigation efficiency such as switching from furrow irrigation to subsurface drip irrigation, and conserving soil moisture.
- Help businesses improve water productivity by adopting water-efficient technologies (water reuse, captured rainwater).

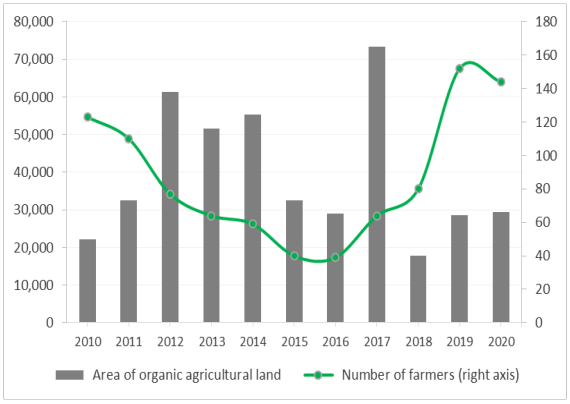
Recommendations to donors:

- Finance projects to improve efficiency of central heating systems and thermal efficiency of public buildings.
- Grant preferential financing lines through the local banking system for businesses and individuals, investing in technologies for climate change mitigation and adaptation, and renewable energy production (e.g. Green Economy Financing Facility Programme).
- Supplement financial support by the state through energy efficiency programmes for large energy-consuming enterprises.
- Finance information campaigns to increase societal readiness to reduce, reuse and recycle waste.
- Provide financial support to supplement public spending for waste management.
- Develop and finance projects for small and medium-sized enterprises or enterprise associations to invest in infrastructure for the collection and recycling of hazardous waste (e.g. collection and recycling of fluorescent bulbs or LEDs, technical oils).

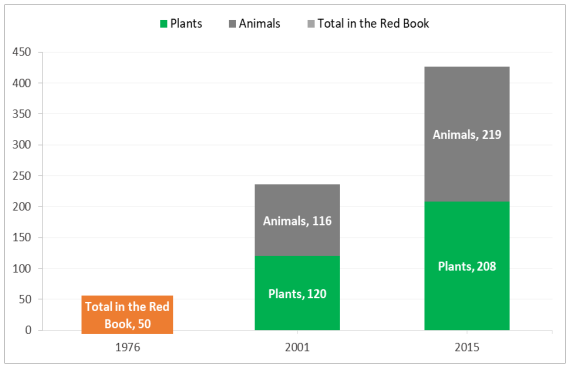
Natural asset base

Moldova needs action on several fronts to protect its natural resources:

- Moldova has limited water resources compared with most European countries. It depends on water from the Prut and Nistru rivers, which accumulate mainly outside the country. Despite the limited water resources, the volume of water intake is quite big; this is partly due to relatively large water losses during transportation. The ratio between losses and water intake is around 7-8%, which exceeds values in other European countries.
- Despite the slight increase in afforestation, Moldova has limited forest resources – 11.3% from total surface. This issue is exacerbated by illegal deforestation as wood becomes an increasingly expensive material for the furniture industry, and a cheaper one compared to other energy resources. Given that low afforestation has a direct impact on air quality, rainfall and climate change mitigation, the expansion of forest areas is critical. In 2021, Moldova committed to plant at least 100 000 ha of forest in the next ten years, reaching 15% of the country's area.
- Fertile soil is one of the country's most valuable resources as agriculture remains an important component of the national economy. Soil resources, in terms of surface cover, have not changed significantly in the last decade. However, the quality of soil is deteriorating, with erosion advancing by about 7 000 ha per year. This is related to both climatic phenomena and agricultural activities, calling for measures such as crop rotation, regulation of fertiliser use and planting of protective forest strips.
- Organic agriculture contributes only modestly to the sector given that both land area and the number of operators involved remain small – 1.4% of agricultural area and 144 farmers, respectively (Figure 4). It is heavily regulated in terms of certification and involves higher production costs than traditional agriculture. Consequently, switching to organic agriculture has limited appeal. The interest in organic agriculture started to revive in the last years, but it comes mainly from small farmers, therefore this does not transpose into significant growth in area of organic agricultural land.
- Biological diversity needs more protection in Moldova. The state of biodiversity, which underpins the proper functioning of ecosystems, can be measured by the number of endangered plant and animal species. The latest edition of the Red Book in 2015 contains twice as many species of plants and animals needing protection in Moldova as the 2001 edition. The poaching of fish and animals, as well as the illegal collection of plant species, leads to visible depletion of biological diversity (Figure 5). Given these conditions, Moldova needs clear policies and measures to restore natural habitats in order to protect rare and vulnerable species.
- Moldova has added protected areas (312 objects) but still has a small number (5.7%) compared with Aichi target of 17% and the EU target of 30% (Figure 6).



Source: National Bureau of Statistics.



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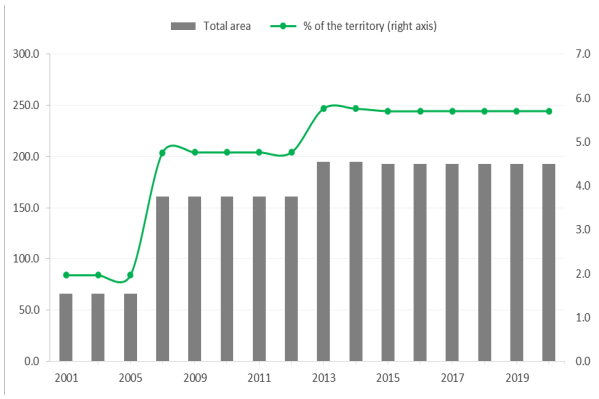

Source: National Bureau of Statistics.

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Recommendations to the government:

- Complete the institutional reform of the Waters of Moldova Agency, specifying a clear mandate and allocating sufficient financial resources for its proper functioning.
- Strengthen the informational and management system of water resources for water quality monitoring, groundwater assessment and evaluation of hydro-technical construction.
- Accurate and up to date assessment of the hydrological network condition (rivers, lakes, ponds) and appropriate financing allocation for network revitalisation. Currently, a considerable part of the accumulation lakes/ponds do not meet the technical requirements and present danger to the environment. It is also necessary to develop a regulation on the use of budgetary means for the maintenance of reservoirs/ponds, which would ensure transparency in expenditure monitoring.
- Continue the dialogue with Ukraine to protect and preserve the Nistru River, on which Moldova depends.
- Finalise development of the National Afforestation Programme and allocate an appropriate budget for its implementation.
- Increase staffing of the Inspectorate for Environmental Protection (IEP) and the Moldsilva Agency to ensure effective control of the forest fund.
- Create a mutually beneficial collaboration mechanism between IEP and Moldsilva Agency to identify illegal logging and recovery of environmental damage.
- Increase remuneration of forestry staff to reduce corruption.
- Review the mechanism for assessing damage to the environment in line with the current price of wood and the real impact on the environment and the state.
- Adjust the national regulatory framework for the soil and agricultural land regime to clearly delineate the roles of different institutions and increase their responsibility for implementing objectives.
- Establish the regulatory framework and the mechanism for monitoring observance of crop rotations, including uncultivated lands (derelict land).
- Reduce dependence on synthetic fertilisers and pesticides by promoting conservation agriculture, which is based on sustainable land use practices such as minimal mechanical soil disturbance (no-tillage), soil covered with plant residues and crop rotation.
- Ensure recognition of national certificates on organic agriculture at European level and vice versa.
- Finance modern technologies to reduce dependence on synthetic fertilisers and pesticides (composting equipment).
- Co-ordinate location of organic agriculture in a way it is not contaminated by other entrepreneurial activities with a negative impact on the environment.
- Review the licence granting mechanism for fishing, hunting and collecting plants to cover the state's effort for conservation and restoration of biological resources.
- Strengthen the capacity of IEP and streamline the application of coercive instruments to combat environmental illegalities and change human behaviour.
- Strengthen the capacity of the Environmental Agency to plan and implement biodiversity programmes.
- Expand state-protected natural areas to ensure an environment for the conservation of rare, vulnerable and endangered species; tighten the inspection of the protection and the management of the natural areas protected by the state.

Recommendations to donors:

- Provide technical support to strengthen capacities of the Waters of Moldova Agency to provide advisory, monitoring, control and technical support services to farmers and water users' associations.
- Provide financial support for implementation of programmes improving the hydrological network.
- Mediate the dialogue between Moldova and Ukraine on the situation of the Nistru River and provide support in assessing impact of building a hydropower plant on the Ukrainian side.
- Provide financial support to the National Afforestation Programme for its timely development and implementation.
- Continue reform of the Moldsilva Agency; reorganise state-owned enterprises subordinated to the agency in light of their territorial competence and the considerable number of subordinated entities.
- Provide technical assistance to strengthen capacities of state institutions and agencies responsible for, implementing and monitoring activities to increase soil fertility.
- Finance research programmes, good practices and study visits for staff involved in the scientific field of soil protection and biodiversity conservation.
- Provide funding for the 2021-25 Land Improvement Programme to ensure sustainable management of land resources.
- Provide technical assistance for development of a state monitoring and control system for the traceability of organic agri-food products.
- Provide co-financing of state programmes for farmers and processors of eco-products to access foreign markets.
- Provide support for creation of a national brand for organic agricultural products.
- Fund education programmes and consultancy centres in organic agriculture to properly train specialists in this relatively new sector.

Environmental quality of life

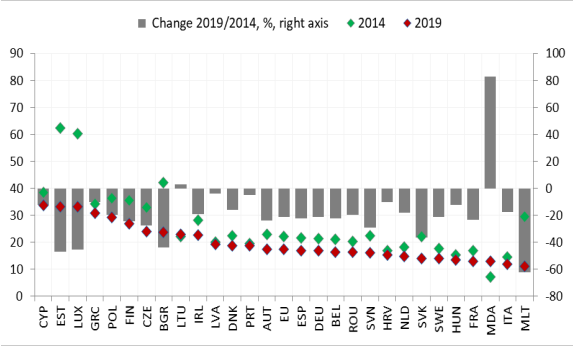
Some indicators point to progress in improving quality of life, while others identify challenges:

- Air emissions have been rising in Moldova since 2010, a trend that augments risks to the environment and human health. This increase is fuelled by road transport, including the presence of more vehicles on the road (913 thousands in 2019, or +54% compared to 2010) and an outdated car fleet. About 83% of the total registered vehicles are over 10 years old. The average age of the car park in Moldova is almost 17 years[1], while EU cars are on average 12 years old[2]. The import of old cars is an issue in Moldova. While Moldova occupies one of the lowest positions among European states in terms of air emissions per capita, they grew by almost 83% during 2014-19, the highest growth in the region (Figure 7).

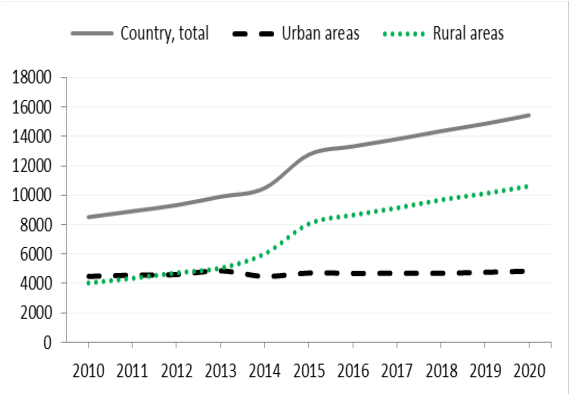
- Exposure of the population to fine particulate matter ($PM_{2.5}$) has decreased.[3] Moldova occupies an average position in relation to other European countries regarding this exposure. In 2019, for example, it had an exposure of 14 microgrammes/m^3, a level close to the EU value of 13.5 µg/m^3, but still well above the updated WHO recommended value of 5 µg/m^3.[4]

- Access to quality drinking water is of particular importance for ensuring sustainable human development. The public water supply network has rapidly expanded in the last decade. As a result, people's access to safely managed drinking water services has increased (Figure 8). This expansion was more intense in rural areas than in urban areas. In 2020, about 82.3% of the population were connected to the public water supply system. Nevertheless, Moldova is ranked near the bottom compared to other European countries.

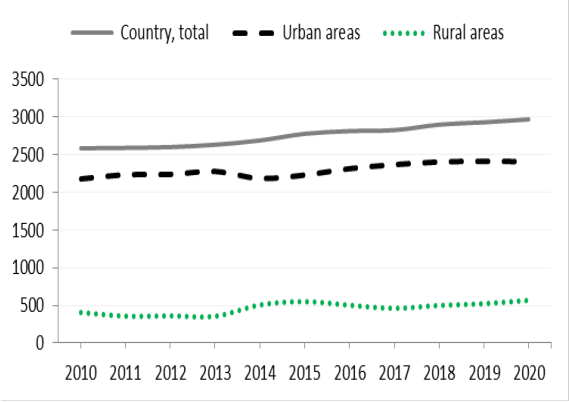
- Moldova had some progress in expanding the public sewerage network (Figure 9), but only about 40.8% of the population people benefitted from this service in 2020. In addition, because public supply networks have grown faster than the length of sewerage networks, the resulting gap puts additional pressure on water resources: a large amount of polluted water returns to the natural water cycle. This indicates the need for a better correlation between investments in water supply and sanitation infrastructure. Furthermore, about 75% of water intake are used for production needs, and most businesses do not pre-treat industrial wastewater before discharging it into the public sewerage system. This creates significant pressure on public wastewater treatment plants, which can no longer ensure efficient removal of industry-specific pollutants.



Source: EUROSTAT, National Bureau of Statistics, authors' calculations.



Source: National Bureau of Statistics.



Source: National Bureau of Statistics.

[1] Environment Agency of the Republic of Moldova www.am.gov.md/ro/content/h4-v%C3%A2rsta-parc-de-autovehicule
[2] Statista: www.statista.com/statistics/438271/average-vehicle-age-eu/
[3] The opposite trends in air emission and PM 2.5 could potentially be created by different data sources (national – for air emission pollutants and international – for PM 2.5).
[4] WHO air quality guideline values: www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health

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Recommendations to the government:

- Approximation to the EU regulation on emissions, as envisaged by the Association Agreement. In particular, development of the regulatory framework for integrated prevention and control of pollution by industrial and economic activities, and introduction of differentiated environmental permitting based on pollution levels of an enterprise.
- Modernise the transport fleet and keep outdated vehicles off the road through fiscal incentives to import less-polluting cars. Develop and implement programmes stimulating the purchase of cars that comply with EU emission standards, such as electric or hybrid vehicles.
- Allocate sufficient resources for timely and efficient implementation of the National System for Integrated Monitoring and Air Quality Management, as envisaged in the recently adopted Law on atmospheric air quality (13 May 2022). The system scope is to facilitate the obtaining of truthful information in real time on atmospheric air quality on the whole territory of the country and, respectively, inform the adoption of appropriate measures to reduce air pollution.
- Prioritise, in the national investment programmes, projects to build/rehabilitate water supply networks, sewerage and public wastewater treatment plants in cities and large communities.
- Ensure efficient use of allocations from the regional and local development fund targeting water supply and sewerage projects.
- Review the regulatory framework on public procurement, especially provisions on subcontractors, to low risks of failing to deliver infrastructure projects (including sewerage, water supply) within established deadlines.
- Enforce compliance of entrepreneurial activity with requirements of environmental pollution and installation of pre-treatment plants.
- Increase the financing of state projects related to the greening of business activities, including installation of pre-treatment plants.

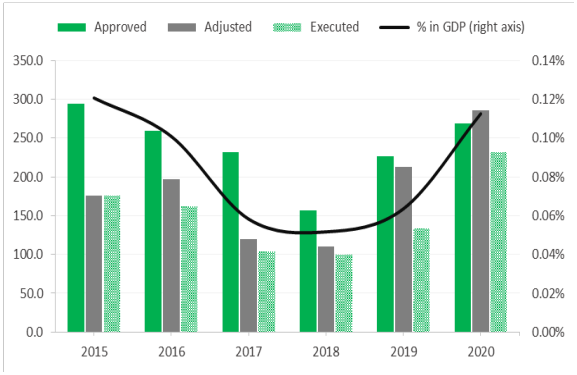
Recommendations to donors:

- Provide funding for the construction and implementation of the National System for Integrated Monitoring and Air Quality Management.
- Provide technical support for the elaboration of the normative framework necessary for application of the new Law on atmospheric air quality, including regulation on monitoring and management of air quality and methodology for developing air quality plans.
- Support grant programmes, stimulating the private sector to invest in clean technologies.
- Finance a programme for development and implementation of an air quality visualisation tool to verify the level of air pollution in real time (similar to the European City Air Quality Viewer).
- Finance development projects on construction and upgrading of water supply and sewerage systems of the communities.
- Finance programmes that provide grants and loans to the private sector for construction of pre-treatment and wastewater treatment plants.
- Support capacity development of local public authorities to attract funds for water supply and sewerage projects development and implementation.

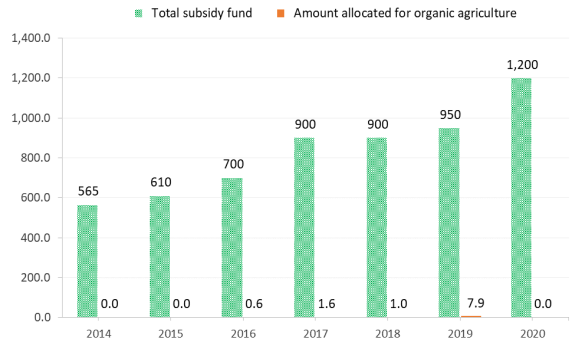
Economic opportunities and policy responses

More economic opportunities associated with green growth can be unlocked:

- The number of innovations applied in practice, including on the environmental dimension, remains low. The share of companies applying eco-innovation in the production process is modest, which slows down adaptation to climate change and the transition to a green economy. This is exacerbated by the weak relationship between research institutions and the private sector. This weak relationship, in turn, explains the low degree of transformation of scientific results into new processes, products and services with a lower impact on the environment. As environmental innovations depend on both the overall national research and development system and economic operators, both dimensions require considerable financial resources for long-term results.
- Moldova ranks lowest among European countries in terms of investment in environmental protection. In recent years, Moldova allocated around 0.1% of GDP for environmental protection, while the EU average is 0.5% (Figure 10). Although Moldova has a significant number of strategies, programmes and environmental policy documents, their financial coverage is very limited. On one side, this shows the state is mainly oriented towards investments with immediate economic impact, and less towards environmental investments, whose results take longer to achieve. On the other, both budgetary programmes and money allocation instruments have several deficiencies that limit spending. In this context, the recently created Ministry of Environment needs to secure more funds for environment protection. It must further ensure that environmental economic instruments are adjusted to develop and implement environmental policies efficiently.
- Energy subsidies largely take the form of tax relief, compensation and aid schemes on gas and electricity for households. This is due to total dependence on imported energy and the low standard of living for a large part of the population. The current context of energy resources on the international market has brought even more pressure on the national budget; the state is practically forced to come up with additional subsidies to compensate people for their high energy bills. These developments reaffirm the need for ambitious policies focused on promoting energy efficiency, harnessing renewable energy sources and stimulating investments in clean energy. Therefore, the state must ensure a gradual transition from subsidising energy consumption to subsidising and encouraging investments in energy efficiency.
- Private spending on environmental protection, estimated at under 0.1% of GDP, is well below that of other European countries. Most private spending takes the form of current expenditure and expenditure on capital repairs of fixed assets directed to wastewater collection and treatment (66%) and waste management (23%). This allocation is mainly due to increased regulation of entrepreneurial activity on water use, as well as rules for management of production waste.
- Even if the state released several strategic documents to promote organic agriculture, it offered limited financial support. Financial resources for farmers engaged in organic agriculture are extremely small, averaging around MDL 2 million per year or less than 0.2% of total subsidies in agriculture (Figure 11). However, the value chain of organic agriculture shows great potential given growing demand for organic products domestically but especially externally. The state should support organic farming though well-designed measures and subsidies to grasp this potential.



Source: Reports on State Budget execution.



Source: Agency for Intervention and Payments in Agriculture.

Recommendations to the government:

- Increase public spending to support applied research and development, with an emphasis on greening technological processes of enterprises.
- Improve framework conditions to stimulate business innovation by eliminating the administrative barrier that prevents allocation of public funds for research and development by the private sector.
- Develop a state innovation support programme to financially support enterprises investing in clean and environmentally friendly industrial products and processes.
- Stimulate the formation of clusters to catalyse collaboration between businesses and research institutions. At the European level, clusters are seen as agents of change, accelerators of the green transition that facilitate co-operation between stakeholders in industrial ecosystems.
- Review the level of environmental taxes and their application to accumulate the necessary funds for public spending on environmental protection.
- Adjust taxes for permits to cover the cost of providing service related to environmental permits and periodic assessment of the state of natural resources.
- Review the level of environmental sanctions and methodologies so that fines are large enough to recover the cost of damage to the environment.
- Provide consultancy and financial support programmes for greening business processes to accelerate the transition to a green economy.
- Assess the opportunity to introduce tax incentives and other incentives for businesses that use green technologies in the production and consumption process.
- Increase support to farmers who want to switch to organic agriculture by increasing subsidies during the conversion period. The volume of subsidies must compensate for lost income due to non-conventional land use.
- Subsidise certification costs of organic production and activities to promote organic products.
- Develop agricultural insurance schemes to cover the higher risks assumed by farmers in organic agriculture.

Recommendations to donors:

- Provide technical and financial support to cluster initiatives at national level, organise match-making events between local and European clusters, and integrate internationally.
- Provide co-financing of state programmes to help enterprises adopt innovative technologies that replace processes with a negative impact on the environment, and to help them switch to sustainable production models.
- Allocate research grants abroad for doctoral students from the national education system to encourage research activity and innovation in the business environment.
- Provide technical assistance to review and adjust environmental taxes and fees for issuing environmental permits.
- Supplement state programmes to promote various greening initiatives.

Background

Monitoring and assessment of progress towards a green economy is important for improving government policies and their implementation. The green growth indicators help track progress in greening economic growth, inform decisions, demonstrate accountability, raise public awareness and compare data between countries.

In 2022, the second monitoring report was released using the OECD-based green growth indicators to provide a snapshot of Moldova's progress in greening the economy over 2015-20, and support preparation of the new action plan on green economy for 2022-24 and of Environmental Strategy 2030.

This brief presents the main findings of the report and provides recommendations for policy makers on actions needed to accelerate green transformation. See the report on our website.

The digital platform on green growth indicators was developed and hosted on the website of the Ministry of Environment of the Republic of Moldova.

Acknowledgements

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About EU4Environment

The "European Union for Environment" (EU4Environment) Programme helps the partner countries 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. Read more here about EU4Environment.

Disclaimers

Data presented in this policy brief come from the report "Towards Green Transformation of the Republic of Moldova: State of Play in 2021". All sources are available and properly acknowledged in the report.

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