



EU4Environment

Green Economy in Eastern Partner Countries

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Sustainable Public Procurement

in the Republic of Moldova



Action implemented by:



Why implement SPP in Moldova?

1. “The power of the purse”: public authorities wield great purchasing power in Moldova:

- Public procurement expenditure accounts for a significant share of Moldova’s GDP: 5.5% in 2020 (World Bank).

2. “The multiplier effect”: Sustainable public procurement (SPP) represents a great opportunity to drive markets towards innovation and sustainability and move towards a green economy:

- SPP fosters job creation
- SPP boosts the production and consumption of greener products

3. “SPP is good public procurement”: SPP has value as an instrument to to further economic, social and environmental development by bringing benefits in all three areas.

- Purchasing organizations are uniquely positioned to **demand transparency** about the upstream and downstream impacts of goods and services.
- SPP is about buying better products from better companies.

Trajectory of SPP implementation in Moldova

- In 2014, the Republic of Moldova signed an **Association Agreement with the European Union**. Several articles in the Agreement foresee a **transformation towards a green economy with SPP considered an efficient tool** to facilitate this shift.
- **Since 2014** Moldova has been initiating steps on SPP within the framework of the **EaP GREEN** project and since 2019 the country has been implementing activities on SPP and eco-labelling as part of the **EU4Environment** project.
- Moldova has been assessing and reviewing its **environmental legal framework**, which affects public procurement and existing instruments to support implementation of SPP practices, including procurement data, current tender documents and contract awards.
- **A Government Decree on SPP** that was drafted in 2022 encourages Contracting Authorities to apply SPP criteria. It also defines priority areas and gives specific responsibilities to procurement authorities to monitor the application of SPP criteria in national public procurement.

Priority product groups for SPP implementation

- Supported by several international donors and organizations and following UNEP's approach to SPP, **Moldova conducted an analysis to identify the products most purchased by state organizations.** The study involved:
 1. Reviewing the availability of green products and services on the market.
 2. Reviewing the readiness of the market (including small and medium sized businesses) to produce and offer environmentally friendly and resource-efficient products.
 3. Prioritizing the product groups where greener alternatives are already available for SPP pilot tenders.
 4. Analyzing the environmental risks of these products and services.
- **The priority product groups identified for SPP pilot tenders in Moldova are:**
 - Organic fruits and vegetables
 - Eco-efficient doors and windows

Priority product group: food production and consumption

In Moldova, **food** is one of the products groups most purchased by state organizations, including **organic fruits and vegetables**.

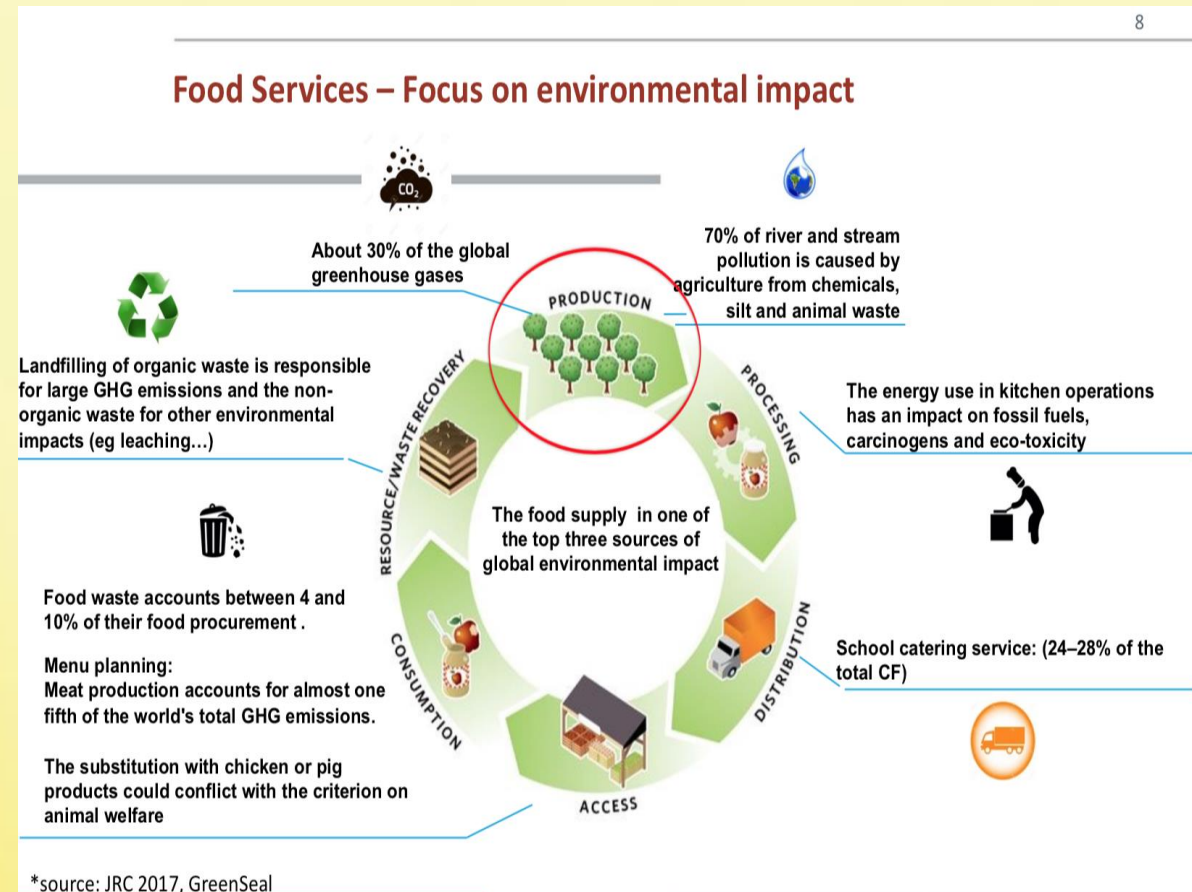
This reflects the **fundamental role of agriculture** in Moldova's economy:

- The share of agricultural production in Moldova's GDP has stood at around 12% in recent years.
- The cultivation of fruits is one of the main strategic branches of the economy, representing about **40% of the value of agricultural production** in 2020 (total fruit production in 2020 was about 1,156,000 tons).
- **Apples and grapes** are the most important crops with a cumulative share of over 80% of total fruit production (480,000 tons of apples and 462,000 tons of grapes).

(Source: Invest Moldova, 2022)

The environmental impacts of food are spread across its life cycle

1. **Production:** Greenhouse gas emissions, water and soil pollution from pesticides, deforestation.
2. **Processing:** Energy and water use, fossil fuels, toxic substances and materials.
3. **Distribution:** Greenhouse gas emissions.
4. **Access and consumption:** Plastic and non-recyclable wrapping, food waste, meat consumption accounts for a large percentage of world's total greenhouse gas emissions.
5. **Disposal:** landfilling of organic waste generates greenhouse gas emissions, nonorganic waste releases toxic substances; leaching, etc.



Unsustainable cultivation of apples and grapes can lead to:

1. Increased greenhouse gas emissions (e.g. through use of fossil fuels)
2. Land and soil degradation
3. High water use and water pollution
4. Pollution from pesticides and chemical fertilizers
5. Depletion of natural resources (e.g. deforestation for create agricultural land)

Key benefits of sustainable procurement of apples and grapes:

1. **Improved environmental and social performance** by ensuring fair working conditions and helping Moldova transition to a **green economy**.
2. **Long-term financial benefits**, e.g. lower public health costs from more organic, healthy, and plant-based products; reduced reliance on non-renewable energy; reduced chemical use; lower costs of soil degradation; reduced waste management costs.
3. **Lower greenhouse gas emissions and energy use**, e.g. from more energy-efficient production methods
4. **Preservation of natural resources**, e.g. reduced water waste and pollution; lower deforestation; less soil degradation.
5. **Driving markets towards innovation and sustainability** by boosting production and demand for organic products; increasing adherence to eco-labels; improved technical capacities of producers; access to new and expanding markets.
6. **Improved human health and food security**, e.g. greater availability of organic products; reduced use of pesticides and chemical fertilizers; less food waste; less soil degradation.

SPP is not a stand-alone practice

SPP is more effective if a **favourable procurement framework** is in place. This entails several elements, including:

- A transparent public procurement system
- Skilled and trained personnel
- Strategic evaluation of procurement bids (i.e. not only by lowest price)
- A legal framework with direct reference to SPP
- Clear communication of environmental, social and economic criteria for bidders
- Shared values and environmental consciousness among personnel

For more information


- “Second Edition of UNEP’s Sustainable Public Procurement Guidelines”. UNEP, 2021. <https://www.unep.org/resources/publication/second-edition-uneps-sustainable-public-procurement-guidelines> [18.11.2022].
- “EU GPP Criteria”. European Commission, 2019. https://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm [18.11.2022].
- “Green products and public procurement”. EU4 Environment, n.d. <https://www.eu4environment.org/areas-of-work/green-products-and-public-procurement/> [18.11.2022].
- “Case Studies on Sustainable and Circular Procurement”. ICLEI Sustainable Procurement Platform, n.d. <https://sustainable-procurement.org/case-studies/> [18.11.2022].



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