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THE EU SINGLE MARKET FOR GREEN PRODUCTS EXPLAINED FOR GOVERNMENT INSTITUTIONS IN THE REPUBLIC OF MOLDOVA

BACKGROUND

Within the European Union-funded EU4Environment Action, the United Nations Industrial Development Organization (UNIDO) is promoting the EU Single Market for Green Products (SMGP) initiative and the Product Environmental Footprint (PEF) in the Eastern Partnership (EaP) region. PEF is a methodology that helps companies measure the environmental performance of their products and position themselves with confidence in the market of sustainable products. In the Republic of Moldova and other EaP countries, UNIDO is also focusing on mapping existing practices and barriers to implementing PEF (and comparing those to the available labelling schemes), as well as raising awareness and understanding of the opportunities and benefits of the SMGP initiative to pave the way for piloting and promoting PEF in selected industries.

This leaflet is part of the PEF-dedicated resources created under EU4Environment to help promote environmentally-friendly practices in the country. It outlines the SMGP initiative for Government agencies and institutions, and it presents the SMGP readiness and potential benefits for implementing PEF in the Republic of Moldova.

THE EU SINGLE MARKET FOR GREEN PRODUCTS

The European Commission introduced the EU Single Market for Green Products initiative in 2013¹ to help foster a fair level playing field in the communication of environmental impacts for products or companies entering the European Union market. The initiative includes the use of the Product and Organization Environmental Footprint (PEF and OEF) methods which help companies substantiate the claims of being environmentally friendly. In turn, the methods also help ensure that enterprises follow a unified approach to assess the environmental impact of their products while raising the awareness of consumers on topics related to environmental impacts and providing them with correct information. This way, the EU SMGP initiative also aims to promote environmentally responsible economic growth.

PRODUCT ENVIRONMENTAL FOOTPRINT (PEF)

The PEF² method ensures fair competition among manufacturers and improves the comparability and communication of the environmental performance of products. The European Commission (EC) proposed the PEF method as the default way to evaluate and measure the environmental impacts of products throughout their life cycle (from the extraction of raw materials to their production, transportation, use, and disposal).

The PEF methodology also helps calculate the environmental impact of a product, based on a total of 16 different impact categories. Such categories include climate change, land use, water use, resources use, and so on. The results from the various impact categories are then standardized and multiplied by weighting variables to provide a single performance score. Together, these form the product's PEF profile. Product Environmental Footprint Category Rules (PEFCRs) are afterwards used to allow for more precise modelling and to ensure comparability and benchmarking among products within the same product category.

LIFE CYCLE THINKING AS A PATH TOWARDS SUSTAINABILITY

Life Cycle Thinking (LCT)³ is a holistic approach to considering the environmental impact of products, beyond the manufacturing process. This is because LCT focuses on enhancing sustainable practices by improving production processes. In turn, this results in a smaller environmental impact and the minimization of resource use. Here, LCA (Life Cycle Assessment) is an analytical and systematic method used for evaluating the potential environmental aspects of a product through all stages of its life cycle. LCA can support companies to communicate the environmental impacts of their products through appropriate market channels and achieve environmental labels based on quantitative and reliable metrics.

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THE LIFE CYCLE ASSESSMENT (LCA) COMPONENT

Life Cycle Assessment (LCA) is also a quantitative approach to Life Cycle Thinking. The PEF and OEF methods (introduced under the EU SMGP initiative) are designed to measure the life-cycle environmental performance of products and organizations by applying LCA.

THE PATH TOWARDS SUSTAINABILITY

In Moldova and across the EaP region, the involvement of policymakers, environmental institutions, design operations, and product design specialists is necessary to pave the way towards a sustainable and circular economy. In turn, this will help ensure that products are developed and used in an environmentally-friendly and sustainable manner.

ROLE AND POTENTIAL BENEFITS FOR THE MOLDOVAN GOVERNMENT

National initiatives for strategic development

The relevant authorities in the Republic of Moldova may commence and carry out the following actions, based on the newly initiated programme on the promotion of a green economy in 2023-2027:⁴

- Complete the environmental legal framework with a provision related to the PEF methodology and its application within companies and products
- Elaborate sector-specific and product-specific oriented rules
- Where necessary, evaluate and adjust the legal framework on the liability for breaching the environmental legislation
- Organization of information, awareness-raising, and educational campaigns at the local and national levels to enable consumers to understand the purpose of the PEF methodology for measuring the environmental performance of products and organizations
- Develop software tools for Small and Medium-sized Enterprises (SMEs) to provide information on their environmental performance
- Improve the availability of assessment instruments in dedicated sectors (e.g., the post-harvest management of foods such as storage, drying methods, shelling, and packing)
- Facilitate market access and increase stakeholder awareness

Capacity building

To successfully establish and promote sustainability practices, it is important to empower relevant Government agencies to create an ecosystem conducive to this development. Here, capacity building is essential for the long-term success of PEF and should involve all relevant stakeholders (including industry, academia, civil society, and the Government). Capacity-building initiatives should also be tailored to each stakeholder group's specific needs and contexts. Specific elements should include the design and implementation of environmentally-friendly labelling practices, means to ensure synergies between ongoing projects in the country, ways to empower accreditation and certification bodies, provision of training on labelling standards and requirements, and technical assistance to help implement labelling systems that support the commitment towards sustainability and circular economy goals.

Awareness raising

To effectively raise awareness of PEF in the Republic of Moldova, it is important to carefully plan and execute a range of activities that help reach and engage target audiences and create long-term impact. This should include baseline studies to understand drivers, identify target audiences and understand their current consumption patterns, as well as develop a robust digital presence, collaborate with influencer organizations, and align campaigns with national programmes, initiatives, and policymaking efforts.

Support mechanisms

Synergies between support mechanisms: To ensure the successful establishment of environmentally-friendly labelling, various projects (energy efficiency, organic agriculture, etc.), that have already been implemented or are still ongoing, could be employed. These examples could help create the necessary preconditions to boost synergies on knowledge creation, experience sharing, and the fulfilment of an expert base. Overall, these aspects are essential for creating a strong impact within stakeholder groups in the country. Here, the Programme for 2023-2027 clearly underlines the Government's long-term vision in supporting the development of a green economy. Nevertheless, specific support programmes are essential to promote green practices among relevant entities.

Financial incentives: To create favourable conditions for the development of environmentally-friendly labelling in Moldova, incentives should be provided to businesses with a history of environmental responsibility. Additionally, close cooperation between the Government, business support organizations, and financing institutions should be established to incorporate labelling, green practices, and resource efficiency considerations into current financial products. As well, environmental tax incentives (such as reduced tax schemes for resource efficient and emission-reduction technologies) could also be designed and assessed, as well as support programmes in the form of subsidies or co-financing advisory and consultancy services to establish and adopt labelling practices in the country.

HOW DOES EU4ENVIRONMENT PROMOTE PEF?

The EU4Environment Action will make the local stakeholders more aware of the potential benefits and impact of applying PEF; create local capacity in the EaP region; help national industries be better prepared for potential policies involving PEF; and provide learning opportunities for local experts by using pilot studies and making concrete suggestions for more sustainable production. In addition, UNIDO will include local awareness and capacity-building activities that contribute to the broader support of the "green" efforts and policies in Moldova.

[1] Source: www.ec.europa.eu/environment/eussd/smgp/pdf/EF%20simple%20guide_v7_clen.pdf

[2] Source: www.eplca.jrc.ec.europa.eu/uploads/LCT-Making-sustainable-consumption-and-production-a-reality-A-guide-for-business-and-policy-makers-to-Life-Cycle-Thinking-and-Assessment.pdf

[3] Source: www.ec.europa.eu/environment/eussd/smgp/pdf/EF%20simple%20guide_v7_clen.pdf

[4] Source: <https://www.medi.gov.md/ro/content/4145#:~:text=Scopul%20Programului%20de%20promovare%20a,dezvoltarea%20economic%C4%83%20C8%99i%20bun%C4%83starea%20social%C4%83>

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Contact details



United Nations Industrial Development Organization (UNIDO)
EU4Environment Project Manager
Ms. Tatiana Chernyavskaya
Tel: +43 1 26 0 26 5520
E-mail: t.chernyavskaya@unido.org
Web: www.unido.org