



Funded by
the European Union

EU4Environment
Green Economy in Eastern Partner Countries

Strengthening administrative capacity for green transition in the Republic of Moldova

State of play and reflections on possible improvements



Action implemented by:



Foreword

A well-functioning public administration is a prerequisite for transparent and effective democratic governance. It is the foundation for the functioning of the state, determining a government's ability to provide public services and to encourage competitiveness and growth. Public institutions are the principal drivers of a country's economic and sectoral policies. Public authorities also play an important role in aligning various goals and interests and evaluating progress in meeting policy objectives.

The same applies to the institutions that develop and execute policies on environmental management and greening economic growth. They set up ambitious but realistic objectives of environmental policies and design mechanisms that minimise the impact of human activity on the environment and natural resources. Environmental agencies also help build the scientific understanding to meet such objectives as the sustainable use of natural resources, protection of public health, and protection of valued species or places. They also provide needed information and infrastructure, resolve conflict, enforce compliance with rules and facilitate adaptation to change.

Public authorities responsible for environmental management in the Eastern Partnership (EaP) countries are key partners of the EU-funded EU4Environment Programme. The programme supports environment-related action, demonstrates and unlocks opportunities for greener growth, and sets mechanisms to better manage environmental risks and impacts.

EU4Environment analyses the administrative capacity for environmental management and the green economy in Armenia, Azerbaijan, Georgia, the Republic of Moldova (hereinafter Moldova) and Ukraine to identify strengths and weaknesses of the system and reflect on possible improvements. This report takes a snapshot of administrative capacity in the field of environment management and the green economy in Moldova at the central and subnational levels. It provides recommendations for strengthening the capacity of government institutions and their staff.

Acknowledgements

This report was prepared by Venelina Varbova and Ruslan Zhechkov (GreenEdge Consulting) under supervision of Krzysztof Michalak (OECD) and Irina Belkahia (OECD) with the valuable contribution of national and international experts: Angela Bularga (DG NEAR, European Commission); Andrzej Januszewski and Madalina Ivanica (DG Environment, European Commission); Mia Dubois-Boussaid (EU Delegation in Moldova); Maria Nagornii (Ministry of Environment); Ina Coseru (National Environmental Centre); Rodica Iordanov (Ecocontact); Tatiana Chernyavskaya (UNIDO); Leonid Kalashnyk (UNECE); Ria Tsutsumi (UNEP); Andrew Davis (OECD SIGMA); Isabella Neuweg (OECD); Olga Olson (OECD); and Nelly Petkova (OECD).

The authors acknowledge the valuable support of Andrei Isac (EU4Environment National Co-ordinator in Moldova) in information collection and verification.

Victoria Elliott edited the report.

This report was developed within the framework of the regional “EU4Environment – Green Economy” programme funded by the European Union and facilitated by the Organisation for Economic Co-operation and Development, the 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 Partnership countries or the implementing partners.

This report, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

This report was produced with the financial assistance of the European Union.

The text of this report may be used with proper reference to the source.

Sale of this document is prohibited.

The cut-off date for information collection was December 2022.

Please cite this publication as: *EU4Environment (2023), Strengthening administrative capacity for green transition in the Republic of Moldova: State of play and reflections on possible improvements.*

Photo credits: ©iStock.com/Alex_Schmidt

Table of contents

Executive summary	8
Overview	8
Key findings	8
Key recommendations	11
2 Introduction	13
Background and objectives	13
Scope and methodology	20
Target audience	22
Definitions and elements of environmental administration	24
Capacity improvements: Enabling conditions and obstacles	26
Institutional capacity assessment tools: Benchmarks and indicators	27
3 Snapshot of environmental institutions in Moldova and their capacity	32
Central legislative authority	32
Co-ordination mechanisms for greening the economy	77
Role of regional and local governments relevant to the green economy	81
The role of civil society and academia	87
Capacity building	90
4 Progress, challenges identified and ways forward	103
Areas of progress and challenges identified	104
Ways forward and insights for the action plan	119

FIGURES

Figure 2.1. Administrative capacity for a green economy in Moldova: Views from different angles	20
Figure 2.2. Elements of effectiveness of environmental administration	25
Figure 2.3. Building blocks of institutional capacity development	26
Figure 2.4. Main elements of capacity assessment and development cycle	28
Figure 3.1. Budget of the Ministry of Environment in 2023, by percentage	46
Figure 3.2. Budget of the Ministry of Economic Development and Digitalisation (MEDD) for 2023	66

TABLES

Table 3.1 Structure of the new Ministry of Environment (approved in August 2023)	41
Table 3.2. Staff working in the Ministry of Environment and subordinate institutions	43
Table 3.3. Staff turnover in the Ministry of Environment: Numbers hired vs. staff leaving	44

Table 3.4. MARDE budget in 2021	46
Table 3.5. Structure of the Ministry of Economic Development and Digitalisation	65

Abbreviations and acronyms

ADA	The Austrian Development Agency
CSO	Civil society organisation
DG	Directorate General
EBRD	European Bank for Reconstruction and Development
ECRAN	Environmental and Climate Regional Accession Framework
EECCA	Eastern Europe, Caucasus and Central Asia
EEA	European Environment Agency
EIA	Environmental Impact Assessment
EPR	Environmental Performance Review
EUAA	Association Agreement between Moldova and the European Commission
EaP	EU Eastern Partnership
GPP	Green Public Procurement
RECP	Resource-Efficient and Cleaner Production
IMPEL	European Union Network for the Implementation and Enforcement of Environmental Law
MARDE	Ministry of Agriculture, Regional Development and Environment
MEI	Ministry of Economy and Infrastructure
ME	Ministry of Environment
MEC	Ministry of Economy
MOLDAC	National Accreditation Centre
NDC	Nationally Determined Contributions
NEF	National Ecological Fund
NFP	National Focal Points
ODIMM	Organisation for the Development of the Sector of SMEs
OECD	Organisation for Economic Co-operation and Development
PEF	Product Environmental Footprint
PIU	Project Implementation Unit
PARs	Public administration reforms (PARs)
RENA	Regional Environmental Network for Accession
REPIN	Regulatory Environmental Programme Implementation Network
Sida	The Swedish International Development Co-operation Agency
SEA	Strategic Environmental Assessment
SBA	Small Business Act
SMEs	Small and Medium Enterprises
SPP	Sustainable public procurement
TAIEX	Technical Assistance and Information Exchange instrument of the European Commission
UIEP	Unit for Implementation of Environmental Projects
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environmental Programme
UNIDO	United Nations Industrial Development Organisation
WEF	World Economic Forum

Executive summary

Overview

Although it is the smallest of the European Union's Eastern Partnership (EaP) countries and has limited natural resources, Moldova has been a pioneer in the region on the green transition in several domains. It was the first of the EaP countries to develop and adopt the Programme on the Promotion of the Green Economy and its Action Plan (the plan for 2023-28 is now under development) and to set up the inter-ministerial co-ordination mechanism on the green economy, which has proved successful for eight years. Institutional reforms, however, progressed slowly.

In 2021, Moldova went through considerable political changes, unblocking the reforms. The year was crucial in reinforcing institutional capacity for environmental management and greening the economy. After the Ministry of Environment, which had been merged with the Ministries of Agriculture and Regional Development, was re-established again as a separate body, the environment gained new prominence on the political agenda.

Since 2021, reform of the environmental institutions has been ongoing. On 3 March 2022, Moldova officially applied for EU membership, and on 16 June 2022, it was granted candidate status, with the prospect of becoming a EU member. In December 2023, the European Council announced it would open accession negotiations. Moldova's EU aspirations accelerated the reforms, as new legislation was adopted and institutions reorganised to provide the capacity to undertake the accession process.

This study highlights Moldova's progress towards these reforms, pointing out the main gaps and weaknesses of its environmental administration at the national, regional and local levels. It offers realistic, actionable and country-tailored suggestions to help improve environmental management. The aim is to support national efforts for a green transition, and to help achieve Moldova's international commitments.

Key findings

- **Central legislative authority:** The creation of the Environment, Climate and Green Transition Commission in 2023 was a major step in building institutional infrastructure for a green transition.
- **Administration of the President.** The Administration of the President plays a central role in shaping the green agenda. The National Forest Extension and Rehabilitation Programme for 2023-32, for example, was initiated by the president. It is supported by an adviser on environmental protection and climate change and an economic adviser charged with covering the green economy, as well as by an adviser on foreign policy and European integration.
- **Central executive authority:** Institutional reforms are ongoing. The concepts of a green and circular economy are by definition cross-institutional and cross-sectoral and involve dynamic and constant change. The current Cabinet, voted in by the Parliament in February 2023, introduced additional structural changes, renaming the Ministry of Economy the Ministry of Economic Development and Digitalisation (MEDD) and creating a new ministry, the Ministry of Energy.

- **State Chancellery.** Although the green economy is not explicitly mentioned in the State Chancellery's activities or structure, it plays a key role in co-ordinating policy documents (e.g. the Programme on the Green and Circular Economy 2024-28). It is also a member of the Inter-ministerial Working Group on the Promotion of the Green and Circular Economy. The two principal units involved are the Direction of Strategic Planning and Priorities and the Directorate of Economic Policies. The Department on approximation with EU legislation is increasing in importance in the light of the EU candidacy, because the approximation process includes environmental issues.
- **Policy frameworks for a green economy.** Most legislation and policies relevant to a green economy have been adopted or are in development, in line with the EU standards. The new Programme for the Promotion of the Green and Circular Economy for 2024-28 is in its final phase of development and is expected to be adopted by March 2024. "European Moldova 2030", Moldova's key development strategy, was adopted in 2022, the draft Environmental Strategy 2023-30 was presented for public consultation in October 2023 and the draft National Strategy for Economic Development of Moldova 2030 is being drafted.
- **Digitalisation and innovation in public administration.** Moldova can leverage e-government solutions to enhance environmental protection with the Digital Transformation Strategy 2023-30 (approved in September 2023), aiming to create a fully digital future and pro-digital government. The Ministry of Environment has automated three information systems: the waste management system; a common platform for environmental authorisation of special water use; and a national register of emissions and transfer of pollutants. The e-procurement portal needs to apply sustainability criteria.
- **Ministry of Environment.** Since its restoration as a separate body in 2021, the ministry has played a leading role in developing the Programme on the Green and Circular Economy 2023-28. In 2023, its capacity was reinforced in light of the EU accession process, with a staff increase of 96 units. A new management position, the deputy general secretary in charge of the EU accession was created, as was a new Division on public policies co-ordination and European integration. The capacity of the Section on the circular economy and economic instruments policies responsible for a green economy was increased to four units, and expenses for environmental protection in 2023 were double the figure for 2021. Significant salary increases as of 1 June 2023 have increased the appeal of employment in the environmental administration. Some important issues need to be addressed, however. These include understaffing (with 45% positions vacant), staff turnover, lack of institutional memory and knowledge retention, knowledge gaps, financial resources and the increase in workloads for the EU accession process.
- **Institutions reporting to the Ministry of Environment:** Environmental institutional reform in the past few years has helped improve all subdivisions. In 2018, the creation of the National Office for the Implementation of Projects in the Field of the Environment (ONIPM), as well as the Environmental Agency, strengthened project management and policy implementation, as did the certification of the Environmental Reference Laboratory in 2021. However, these agencies face the same issues as the ministry.
- **National Fund for the Environment:** The fund was reformed to improve management of environmental funds and redirect them to environmental protection under new regulations in 2022 and a new operational manual (with additional changes in June 2023). The fund's administration was transferred to the ONIPM, but its budget was still modest in 2023, at MDL 75 million, and the projects to be funded are still under evaluation.
- **Environmental compliance and enforcement.** In September 2023, Moldova initiated the process of institutional reform of the Inspectorate for Environmental Protection to address functional deficiencies, including staff working on permitting. This reform builds on the recent

OECD analysis within EU4Environment on Moldova's environmental compliance assurance system. The Inspectorate is critically understaffed, with 1 out of 3 positions vacant.

- **Ministry of Economic Development and Digitalisation (MEDD).** The ministry has been increasingly engaged in promotion of the green economy and alignment of sectoral policies for the EU accession. As in other government bodies, institutional reform is ongoing. In 2021, the ministry was split into the Ministry of Economy and the Ministry of Infrastructure and Regional Development, and was renamed MEDD in 2023. The latest amendment in October 2023 (entering into force in January 2024) provides for a new section with two staff units responsible for the environment, social and governance (ESG) matters. The state secretary leads green economy initiatives and from five to ten staff in the ministry (5% to 10% of the ministry's total staff) work on green issues, based on specific needs. The ministry leads the National Strategy for Economic Development 2030 (under development); the National Programme for Promoting Entrepreneurship and Enhancing Competitiveness 2023-27 (approved in September 2023); and the Digital Transformation Strategy for 2023-30 (approved in 2023). The MEDD co-chairs the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy and promotes the green economy through the Economic Council under the prime minister.
- **Institutions reporting to the MEDD relevant to the green economy.** The MEDD has two subordinate structures for green elements, the Organisation for Entrepreneurship Development (ODA, in the field of greening SMEs) and the National Accreditation Centre (MOLDAC, in the field of eco-labelling). Institutional reform is ongoing, as it is in other government bodies.
- **Other sectoral ministries and government institutions relevant to the green economy.** Sectoral ministries are increasingly involved in greening the economy, but progress is still modest, due to the lack of the appropriate institutional structures and a centralised approach. This includes the newly created Ministry of Energy, the Ministry of Agriculture and Food Industry, the Ministry of Infrastructure and Regional Development, the Ministry of Education and Research and the Ministry of Finance. The National Bureau of Statistics, an institutionally independent administrative authority, is involved in monitoring green growth indicators.
- **Co-ordination among government agencies on the green economy.** The Inter-ministerial Working Group for the Promotion of Sustainable Development and the Green Economy, set up in 2015, has proved to be an effective platform for co-ordination of the green economy for the past eight years. In July 2023, it was reorganised to co-ordinate the provisions on the green and circular economy of the National Development Strategy "European Moldova 2030", with greater focus on the EU Green Deal and the Moldova-EU Association Agenda 2021-27, and to align with recent changes in governmental structure.
- **Regional (districts) and municipal levels: local authorities.** Environmental protection is concentrated in the central government. Local authorities are empowered to deal with local environmental issues (green spaces, waste, wastewater treatment, energy and compliance with environmental legislation), but their capacity in practice is weak, due to their limited financial resources and knowledge, understaffing and low involvement in decision-making processes. All green initiatives at local level are project driven. The EU Covenant of Mayors supports local authorities in advancing their environmental objectives through a bottom-up approach. The Congress of Local Authorities strengthens the dialogue between local and central authorities.
- **Public participation in decision making and awareness.** Environmental NGOs play an important role in protecting the environment in Moldova and partly compensate for lack of capacity at the national or subnational levels. More than ten strong environmental NGOs often participate in public consultations, with a total of more than 300 across the country. Their participation is ensured through the National Council of Environmental NGOs and the National Council of NGOs.

- **The role of universities in institutionalising environmental education.** Moldova began working with Moldova State University (and its structural subdivision, the Institute of Public Administration) and the Academy of Public Administration to develop human capital on the green economy. It also aimed to institutionalise the courses offered in the EU4Environment programme, to ensure sustainability after the project ended. Green economy courses are being offered by both institutions, and options are being explored for integrating the course on strategic environmental assessment (SEA). Another positive example is the greening of vocational education.
- **Capacity-building opportunities for environmental professionals.** Human capital is a pillar of sound environmental administration. In 2022, 32 staff of the Ministry of Environment and by 15 November in 2023, 29 more, had attended professional training at the Institute of Public Administration, taking courses on general issues of public administration. Most training on the green economy or related issues for the ministry is provided with external support. Nine nominated participants completed the in-depth course on the green economy, although no formal data has been collected, and it is not clear whether they attended on a voluntary basis. If such courses are available (they are not included in the ministry's training plan), they are not mandatory and the staff has little time to attend, given the heavy workload.
- **Regional and international co-operation.** The donor community and international organisations, as implementing entities, play a crucial role in capacity building (on training, methodological support on policy design and gap analysis). This includes various EU-funded initiatives and instruments of bilateral interventions, such as twinning, TAIEX and fellowship programmes, as in other EaP countries. In 2021, the ministry's capacity was reinforced with the addition of the EU high-level adviser on the green transition. To increase capacity to finance environmental projects, Moldova joined the EU LIFE programme in 2022.

Overall, Moldova has made a good start, accelerated by its EU aspirations and acknowledged in the report, on developing the green economy and strengthening administrative capacity for its management.

Key recommendations

- Develop an **action plan** for strengthening capacity for environmental management and the green economy, focusing on the institutions that have been redesigned and optimised and on how to make them work; and maintain the **Inter-ministerial Working Group** for the Promotion of the Green and Circular Economy as an effective co-ordination mechanism, extending its mandate to discussions on capacity needs. Establish links with the co-ordination mechanism for the EU integration process.
- Reinforce legislation and policies with adequate **capacity needs assessments**, strengthen capacity of the legislative pillar to oversee the EU accession agenda, and continue to make the most of digital opportunities and innovations in public administration.
- Take advantage of the **EU accession process** and EU Green Deal to accelerate reforms, without underestimating the capacity needed for the increase in workload involved in EU accession.
- Continue to enhance the appeal of employment in the **environmental administration** and strengthen the Ministry of Environment by addressing understaffing, staff turnover, institutional memory, the value-added of trained specialists, getting the most out of performance assessment and closing knowledge gaps on the green economy at all levels. Scale up the role of universities in green education. Focus on improving policy implementation, in particular strengthening the capacity of the Environmental Agency.
- Continue reinforcing the role and capacity of the **Ministry of Economic Development and Digitalisation** (MEDD) on greening the economy through a centralised approach, a dedicated

structural unit and staff working on the green agenda. Explicitly define the roles between the Ministry of Environment and MEDD, leverage expertise and address knowledge gaps.

- Strengthen the capacity of the **subordinate institutions**.
- Continue strengthening environmental **compliance and enforcement** and environmental **financing**.
- Enhance green thinking and capacities of **sectoral ministries** through a holistic approach for dealing with the green agenda, and scale up the role of the State Statistical Committee in monitoring progress towards a green economy. Reinforce the partnership with the newly created Ministry of Energy and the Agency for Energy Efficiency.
- Empower **local authorities** with budget and expertise on green economy issues to develop institutional capacity on a subnational level and address local environmental issues assigned in legislation (green spaces, waste, wastewater treatment, energy and compliance with legislation).
- Continue reinforcing dialogue with **civil society**, especially at the local level.
- Continue engaging in **regional** and **international co-operation** and replicating best practices.

Build capacity at national and subnational levels with **technical support** from donors and international partners, to ensure sustainability, engage civil society and international networks, and develop a tool for (self-)assessment and monitoring of administrative capacity.

2 Introduction

Background and objectives

The drive to integrate environmental and economic policies

In the European Union's Eastern Partnership (EaP) countries, ministries of the environment traditionally drive ambitious, strategic and legal frameworks for environmental improvements and support policy implementation at national and subnational levels. However, they have been relatively weak compared with other ministries relevant to a green and circular economy (economy and finance). Environmental measures were considered an unnecessary obstacle to economic development.

More recently, environmental ministries have received more support for greening public policies from line ministries. For instance, ministries of economy took the lead on developing national green economy strategies. They also led work on specific policies or regulations related, for example, to sustainable public procurement, greening small and medium-sized enterprises (SMEs) and green finance. The engagement of economic agencies resulted from two factors. First, recognition of how environmental problems affect economic growth has been growing. Second, economic decision makers worldwide have been under pressure to engage in some of the most critical environmental problems.

This study examines Moldova's institutional framework for managing the environmental impacts of human activities and promoting green growth. It also reviews the co-ordination mechanisms for integrating environmental concerns into sectoral policies; and the role of central executive and legislative authorities, regional and local governments and civil society organisations (CSOs). It applies universal approaches to administrative capacity, outlining the role of institutions in environmental management and the green economy, and offers good practices, benchmarks and indicators for evaluating governmental performance on the environment.

In this context, the study highlights reform and capacity-building efforts. It also points out the main gaps and weaknesses of environmental administration at the national, regional and local levels. Finally, it offers realistic, actionable and suggestions for improvement, tailored to Moldova's circumstances.

The study aims to help improve environmental management and support national efforts for a green transition, as well as to help achieve Moldova's international commitments. These commitments are underlined in the EaP Summit declarations, Paris Agreement, the UN 2030 Agenda for Sustainable Development and the European Union's Association Agreement with Moldova (which was signed on 27 June 2014 and entered into force on 1 July 2016). In the EU agreement, environment and climate action, as well as public administration reform, are designated as among the main areas of co-operation (Chapters 16-17).¹ In 2022, the new, revised EU-Moldova Association Agenda, the main tool for implementing the Association Agreement, was adopted and established the joint priorities in implementing the Association Agreement for 2021-27, notably in the field of the environment. This includes, among other things,

¹ Association Agreement between the European Union (EU) and the Republic of Moldova, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22014A0830%2801%29>.

completion of the **institutional reform in the sector** to build a **sound environmental administration**, with the necessary budget allocations and staff to implement and enforce the EU environmental *acquis*.²

Box 2.1. EU-Moldova association agenda 2021-27: Priorities in the field of environment

Within three to four years:

- alignment with the EU laws
- completion of the **institutional reform in the sector** in order to build a **sound environmental administration** with the necessary budget allocations and staff to implement and enforce the EU environmental *acquis*, as well as develop economic instruments for the environment
- co-operation on developing a green and circular economy and ensuring sustainable management of natural resources, thus contributing to the goals of the European Green Deal
- initiating the process of promoting the Eco-Management and Audit Scheme
- co-operation on Multilateral Environmental Agreements
- introducing sustainable forestry, conserving biodiversity and protected areas
- enhancing the management of water resources
- enabling an effective civil society network on environmental issues
- ensuring efficient enforcement of environmental legislation.

Within seven years:

- establishing a modern, resource-efficient and competitive economy, in line with the principles of the circular economy, low emissions development and targets of the European Green Deal, including by integrating environmental concerns into every sector of the economy.

Source: Official Journal of the European Union, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22022D1997&from=EN>.

The study also aims to help guide Moldova on its path towards the EU. On 23 June 2022, Moldova was granted candidate status, opening up the prospect of European membership. In December 2023, the European Council decided to begin accession negotiations. Moldova's ability to assume the obligations of membership has been evaluated based on the commitments in the Association Agreement and adoption of the *acquis*, structured around six thematic clusters. These include the **green agenda** and sustainable connectivity cluster, including the chapters of the *acquis* on the environment and climate change. The European Commission's Opinion on the application for membership states that significant efforts are needed to align Moldovan legislation with the EU *acquis* in the field of environment and climate action, highlighting a need for reforms in view of European Green Deal targets.³

² The new Association Agenda was published in the Official Journal of the European Union L 273 on 21 October 2022, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22022D1997&from=EN>; Ministry of Foreign Affairs and European Integration of the Republic of Moldova, <https://mfa.gov.md/en/content/association-agenda>.

³ Commission Opinion on the Republic of Moldova's application for membership of the European Union, <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-06/Republic%20of%20Moldova%20Opinion%20and%20Annex.pdf>.

The need to build institutional and human capacity

Progress has been made in the EaP countries over the past 20 years in strengthening institutional capacity for environmental management and greening economic growth. However, many government agencies remain poorly resourced, with high staff turnover. Those in charge of the environment face challenges due to insufficient budget allocations and low remuneration of public civil servants. In addition to deficiencies in human and financial capacity, they have been subject to frequent structural changes, including mergers with other line ministries. Although sectoral ministries develop environmental policy, they lack co-ordination and mechanisms to monitor the environment and green economy issues.

Lack of understanding about the economic cost of poor administrative and institutional capacity in the environmental sector is one reason for the slow pace of institutional reform. Institutional capacity is the “ability to perform tasks and produce outputs, to identify and solve problems, and to make informed choices”. The effectiveness of an environmental administration can be defined as its ability to fulfil its mission to protect the environment, while allowing sustainable economic development.

Insufficient capacity to manage the environment has a number of tangible consequences. These include lack of, or poor-quality, legislation; weak policy implementation and enforcement; low levels of funding for the environment; and, ultimately, a low level of protection of the environment and of citizens’ health.

Institutional structures for managing a country’s environment and natural resources can take many forms. The architecture of public institutions is a result of political, cultural and economic factors. No universal benchmark can be prescribed for assessing environmental capacity. Several benchmarks do exist, however, and a combination of them and other tools could provide guidance.

Public authorities in the EaP countries are the key partners and beneficiaries of the regional EU-funded “EU4Environment – Green Economy” programme, which helps partner countries introduce environment-related actions. The programme can demonstrate and unlock opportunities for greener growth and set up mechanisms to better manage environmental risks and impacts.

Box 2.2. EU4Environment – Green Economy

The “European Union for Environment” (EU4Environment – Green Economy) Programme aims to help the Eastern Partnership countries preserve their natural capital and increase the environmental well-being of their people. It is structured around five work streams (“Results”): 1) greener decision making; 2) circular economy and new growth opportunities; 3) an environmental level playing field; 4) ecosystem services and livelihoods; and 5) regional knowledge sharing and co-ordination. EU4Environment is funded by the European Union and implemented jointly over 2019-24 by five international organisations – the OECD, the United Nations Economic Commission for Europe (UNECE), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO) and the World Bank.¹

¹ For more information on EU4Environment, see www.eu4environment.org.

Output 3.4 of EU4Environment, which is implemented by the OECD, provides analytical and technical support to strengthen the institutional and human capacity of the public administration for greening the economy. This support is mainly intended for the ministries of environment, as key players of environmental action. However, it also extends to the ministries of economy, as their ability to promote green economy development has increased and requires reinforcement.

As part of this effort, the institutional capacity for environmental and green growth management have been analysed in Armenia, Azerbaijan, Georgia, the Republic of Moldova and Ukraine, to review the strengths and weaknesses of the system and provide recommendations for improvement.

Setting the scene in the Republic of Moldova

Sound environmental administration can help Moldova's government achieve its priorities and facilitate the transition to a greener economy. Every country has its own historical and socio-economic context and its constantly evolving priorities, and no single approach to the task can be prescribed. Strengthening environmental governance is a comprehensive, continuous process of reforming environmental institutions and building human capital.

Driven by its European aspirations, Moldova has embarked on ambitious reforms. This report comes in the dynamic context of ongoing structural reforms of environmental institutions, laying out a strategic vision and modernising legislation in line with the EU *acquis*.

In the past decade, Moldova has pioneered the green transition in the EaP region on a number of fronts. It was the first country in the EaP to develop and adopt the Programme on the Promotion of the Green Economy, and its Action Plan 2018-20 (a new plan for the period from 2023-28 is under development) and set up a successful inter-ministerial co-ordination mechanism on the green economy, which has been in place for eight years. A number of factors, however, have slowed reform. Interviewees in Moldova in the spring of 2021 generally agreed that despite numerous reports and analyses, the institutional reforms in Moldova were not bearing fruit. A lack of political will, the weak position of the environment in the structure of the government and the perception of the environment as a cost rather than as an opportunity were inhibiting reform.

In recent years, several factors have accelerated the drive towards a green transformation. The COVID-19 crisis and the deep economic retrenchment in 2020-21 focused attention on health and the environment, highlighting the links between social, economic and environmental issues and citizens' well-being.

In 2021, Moldova saw important political changes. Snap elections in July 2021 were won by the reform-minded centre-right liberal Party of Action and Solidarity. The elections broke the stalemate and opened up the road for reform.

The year 2021 was crucial for Moldova in reinforcing institutional capacity for environmental management and greening the economy. The **Ministry of Environment** was restored as a separate body in mid-2021 (after being merged with the Ministries of Agriculture and Regional Development) (Governmental Decision No. 145/2021). In March 2021, the **Environmental Reference Laboratory** was finally certified (three years after it was established, removing what was perceived as a serious obstacle to prosecuting environmental offences). In August 2021, the government programme "**Moldova of Good Times**" (Parliamentary Decision No. 88 of 6 August 2021) formulated a vision for good governance and environmental protection, among other things. To achieve the sustainable development objectives set out in this programme, the government adopted its Action Plan for 2021-22 (Governmental Decision No. 253 of 13 October 2021).⁴ In public administration, its key objectives are the creation of a modern, professional public administration designed to provide useful, citizen-oriented public services.⁵ As for the environment, its key objective is application of European principles of public administration, rationalisation of institutional structures, and consolidation of the regulatory framework in the areas laid out in the Moldova-EU Association Agreement, to provide quality public services and improve the quality of the environment.⁶

⁴ https://gov.md/sites/default/files/document/attachments/hg_nr.235_13.10.2021-engl.pdf.

⁵ https://gov.md/sites/default/files/document/attachments/hg_nr.235_13.10.2021-engl.pdf.

⁶ https://gov.md/sites/default/files/document/attachments/hg_nr.235_13.10.2021-engl.pdf.

⁷ Opinion on the applications for EU membership submitted by Ukraine, Georgia and the Republic of Moldova, European Commission (17 June 2022), https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3790; Opinion

Another factor was the effect of the Russian war of aggression on Ukraine, started in February 2022, with its severe socio-economic impact, energy crisis and sharp inflation on neighbouring Moldova. On 3 March 2022, Moldova applied for EU membership, and was granted candidate status on 23 June, with the prospect of becoming a member of the EU, on the understanding that the country undertake a number of reforms, outlined in nine steps, including public administration.⁷

Also in 2022, Moldova framed its strategic vision for socio-economic development for the next decade. In November, the Parliament adopted the National Development Strategy “**European Moldova 2030**” (Law No. 315 of 17 November 2022)⁸, a key strategic document, which calls for a transition to a green and circular economy. Objective 10, “Ensuring a healthy and safe environment”, sets four subordinate goals: improving water, air and soil quality; sustainable growth of the forest and protected areas; sustainable consumption of natural resources and transition to a green and circular economy (sub-objective 10.4).⁹

The year 2023 accelerated reforms in environmental institutions. In March, Moldova’s government approved the new **Public Administration Reform Strategy 2023-30**.¹⁰ The strategy mainly focuses on strengthening the general capacity of the government and its institutions (e.g. transparency, digitalisation/e-governance, public services and training). It does not cover specific sectors, such as the environment, but it lays out a strategic vision for all public institutions, including the Ministry of Environment. It calls for Moldova to have a central and local public administration by 2030 to ensure the conditions for the sustainable development of the country, around three pillars: 1) managing quality public services efficiently and inclusively; 2) earning the respect and trust of citizens; and 3) strengthening its capacity to substantiate and implement public policy to respond to the challenges raised by the EU accession process.

In June 2023, the new **operational manual** of the **National Fund for the Environment**, an instrument for financing environmental projects, was approved.¹¹

In August 2023, changes to Government Decision No. 145/2021 took effect, and the new **regulation of the Ministry of Environment** was adopted (with a new structure, composition and functions for the ministry).¹² The changes are oriented towards the **alignment of sectoral policy with the chapters of accession to the EU**, in order to spell out Moldova’s contribution to the EU enlargement package and gradual preparation for opening Moldova’s accession negotiations to the EU. These changes cover an increase in staff and changes to a number of divisions/sections. Structural changes include a significant increase in the number of staff (96 units); the creation of a new position of deputy general secretary to

on the EU membership application by Moldova, European Commission, https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3801; see also Moldova, DG NEAR, European Commission, https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/moldova_en.

⁷ Opinion on the applications for EU membership submitted by Ukraine, Georgia and the Republic of Moldova, European Commission (17 June 2022), https://ec.europa.eu/commission/presscorner/detail/en/ip_22_3790; Opinion on the EU membership application by Moldova, European Commission, https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3801; see also Moldova, DG NEAR, European Commission, https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/moldova_en.

⁸ www.legis.md/cautare/getResults?doc_id=134582&lang=ro ; <https://monitorul.gov.md/ru/monitorul/view/pdf/2579/part/1#page=1>; <https://gov.md/ro/moldova2030>.

⁹ <https://moldova.un.org/en/15729-national-development-strategy-moldova-2030-approved-government>.

¹⁰ <https://gov.md/en/content/government-approved-public-administration-reform-strategy-moldova-2023-2030>.

¹¹ Operational Manual, <https://onipm.gov.md/sites/default/files/Manualul%20operational%20FNM.pdf>.

¹² https://www.legis.md/cautare/getResults?doc_id=138706&lang=ru.

assist the minister in implementing the accession requirements of Moldova to the EU; and the creation of a new the Division on public policy co-ordination and European integration.¹³

In September 2023, Moldova began institutional **reform of the Inspectorate for Environmental Protection**, to address its functional deficiencies and develop an effective governance structure that allows for implementation of the ambitious objectives of the national and international environmental documents.¹⁴

In October 2023, the draft **Environmental Strategy 2023-30** was presented for public consultation¹⁵ with a draft of the **National Strategy for Economic Development of Moldova 2030** (which includes passages on transition to a green economy).

The new **Programme of the Promotion of the Green and Circular Economy for 2024-28** and its Action Plan under the final stage of development is expected to be adopted by March 2024.

After confirmation of Moldova's EU membership candidate status in June 2022, the government's reform agenda has focused on reforms related to the accession process. On 14 December 2023, the European Council decided to open **accession negotiations**.¹⁶ As for the environment, the EC has encouraged Moldova to be more ambitious and strengthen its co-ordinated action for the **green transition**, particularly by prioritising mainstreaming of the European Green Deal in all policy areas (see Box X). This is included in Objective 1 of the draft Programme on the Promotion of the Green and Circular Economy for 2024-28.

Box 2.3. Environment and climate change: Takeaways from the EC 2023 report

Moldova is at an early stage of preparation in the area of the environment and climate change. Some progress has been achieved in cross-cutting environmental legislation, conservation of nature and regulation of industrial emissions. Moldova has been encouraged to be more ambitious and to ramp up its co-ordinated action on the green transition, especially by prioritising mainstreaming of the European Green Deal in all areas of policy. Climate-related commitments under the Energy Community in view of moving towards carbon pricing require urgent action.

In the coming year, the country should:

- strengthen implementation and enforcement of legislation, with a focus on horizontal legislation, conservation of nature, water management and waste management
- allocate the necessary human and financial resources to the Ministry of Environment and to subordinate bodies
- implement commitments under the Energy Community's Decarbonisation Roadmap.

Source: https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_698%20Moldova%20report.pdf.

In tandem, the sectoral legislation has been modernised, with the development, adoption or amendment of several laws and policies to harmonise national legislation with that of the EU. This includes the **Waste Law**, setting up separate waste collection and recycling; the **Air Law**, setting new rules for monitoring air quality and communicating the results online; the **Industrial Emissions Law**, setting new rules for

¹³ For sources and further details on the Government Decision and the new organisational chart, see <https://www.mediu.gov.md/ro/content/4406> and <https://gov.md/sites/default/files/document/attachments/subiect-10-nu-644-mm-2023.pdf>.

¹⁴ <https://particip.gov.md/ro/document/stages/anunt-privind-intentia-elaborarii-proiectului-hotararii-de-guvern-cu-privire-la-reorganizarea-inspectoratului-pentru-protectia-mediului-in-continuare-proiectul-a-fost-elaborat-de-ministerul-mediului-cu-suportul-autoritatii-administrative-subordonate-inspectoratul-pentru-protectia-mediului/11137>.

¹⁵ <https://particip.gov.md/ro/document/stages/anunt-privind-organizarea-consultarii-publice-a-proiectului-hotararii-de-guvern-pentru-aprobarea-strategiei-de-mediu-pentru-anii-2023-2030/11309>; <https://www.mediu.gov.md/ro/content/4548>.

¹⁶ https://neighbourhood-enlargement.ec.europa.eu/european-neighbourhood-policy/countries-region/moldova_en.

economic agents to prevent pollution from the economic sector (Law No. 227/2022),¹⁷ and the amended **Law on Ecological Agricultural Production** (amended in 2022). Amendments to environmental impact assessment (EIA) and strategic environmental assessment (SEA) laws were prepared, legislation on **sustainable public procurement** developed and the Regulation on **ecological labelling** approved (Government Decision No. 204/2023). It will enter into force in April 2024.

The National **Afforestation** Programme 2023-32 was launched (aiming to plant at least 100 000 hectares of forest within ten years). The **National Programme for Promoting Entrepreneurship and Enhancing Competitiveness 2023-27** was approved (including green provisions) and the National Programme on **waste** management for 2023-27 is under approval.

The **Digital Transformation Strategy** of Moldova for 2023-30 was approved, to guide Moldova in European integration.¹⁸ The **Energy Strategy of Moldova 2050** promotes energy efficiency and reducing greenhouse gas emissions. In 2023, Moldova also adopted a number of strategic documents towards a carbon-free economy. They included the adoption of its first-ever Low Emission Development Programme until 2030 (approved in September 2023 and entering into force on 1 January 2024), the National Climate Change Adaptation Programme until 2030 (approved on 30 August 2023),¹⁹ the Law on fluorinated greenhouse gases (F-gases) No. 43 of 3 March 2023²⁰ and the draft Climate Law Concept. While the EU pledged to reduce greenhouse gas emissions by 55% by 2030, compared to 1990 levels, Moldova aims to reduce emissions by 70% in the same timeframe.²¹

Moldova is undertaking ambitious commitments to protect the environment. The newly adopted programme documents and the ongoing institutional changes hold significant promise that the deficiencies identified in interviews in 2021 and in this report will be addressed in the coming years.

Against this backdrop, the environmental administration in Moldova needs significant capacity to carry out effective policies in line with national and international commitments towards a green transformation. Good environmental governance and the development of human capital are a fundamental requisite for this transformation.

The Ministry of Environment is the main player in environmental action in Moldova and the primary focus of this report, along with the Ministry of Economic Development and Digitalisation, which serves as its counterpart in encouraging the green and circular economy. The green economy concept requires a multi-faceted approach, engaging multiple actors at all levels. Thus, the report covers central legislative and executive authorities, subordinate institutions, inter-ministerial dialogue, and the roles of the subnational level, civil society and academia.

The matrix below presents different angles covered by the report and progress/areas for improvement, estimated by the authors (from 1 to 10). This assessment is inevitably subjective. It should be seen as offering possible directions for in-depth analysis, support and potential reform rather than as a definitive prescription for action.

¹⁷ <https://www.parlament.md/Actualitate/Comunicatedepresa/tabid/90/ContentId/8159/language/ro-RO/Default.aspx>.

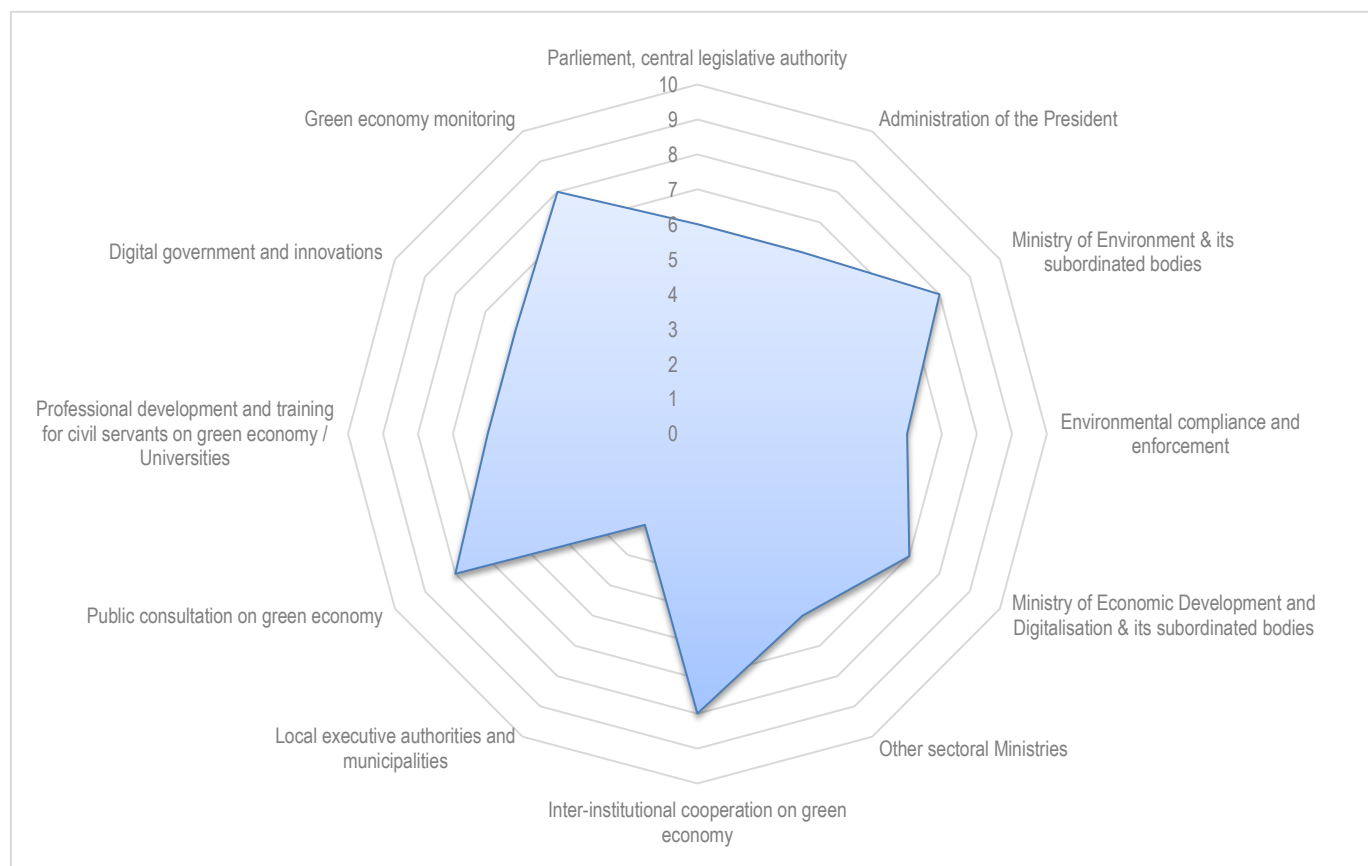
¹⁸ <https://www.undp.org/moldova/projects/accelerating-digital-transformation-public-sector-republic-moldova> ; <https://gov.md/ro/content/strategia-de-transformare-digitala-republicii-moldova-pentru-anii-2023-2030-aprobata-de>.

¹⁹ In the energy sector, the electricity supply infrastructure is to be improved to minimise losses caused by extreme weather events. <https://www.undp.org/moldova/press-releases/moldova-has-national-climate-change-adaptation-programme-developed-support-undp>.

²⁰ The law establishes the legal basis for measures concerning both mitigation of the consequences of climate change, and environmental protection, by emissions reduction of fluorinated greenhouse gases.

²¹ <https://www.undp.org/moldova/press-releases/eu-and-undp-support-environment-agency-will-provide-reliable-data-greenhouse-gas-emissions>.

Figure 2.1. Administrative capacity for a green economy in Moldova: Views from different angles



Note: Score scale is from 1 to 10 (1 is lowest; 10 is highest).

Scope and methodology

This report was based on several methodological tools:

- A literature review delved into previous work by the European Commission as a funding agency, the OECD and its partners the UNECE, UNEP, UNIDO and the World Bank, and into recent national strategic and policy documents, including public administration reform (PAR) strategies.
- A questionnaire collected information and was completed with support from the EU4Environment National Action Co-ordinators, in close consultation with the Ministry of Environment and Ministry of Economy.
- Interviews with relevant stakeholders were held between January and August 2021, including with the government representatives and CSOs. In addition, other relevant experts helped identify some of the less tangible issues, obstacles and drivers of change (see Acknowledgements).
- Discussions with representatives of the European Commission (DG NEAR and DG Environment) and the EU Delegation in Moldova provided additional perspectives on alignment with the EU *acquis*, donor co-ordination and enforcement of adopted legislation.

The report singles out several factors influencing the effectiveness of implementation of legislation to analyse implementation in detail, as well as the overall effectiveness of the administration (Ecotec, 2000):²²

- the number and type of national ministries, whether national, regional or local, that carry out the work, and the relationship between them
- structures within an institution (e.g. whether each ministry has a separate department for the environmental issues), including whether an institution can consider an integrated approach to environmental protection and greening economic growth
- the formal and informal communication and co-ordinating mechanisms horizontally between institutions and also vertically between different levels – national, regional, municipal – to ensure feedback between policy and practice
- the number of staff in an institution, working conditions and how staff are deployed
- technical support, such as equipment resources
- staff expertise
- staff morale and organisational ethos.

The study focuses on themes covered by EU4Environment: the green and circular economy; strategic planning; EIA and SEA; public awareness raising and education; Resource Efficient and Cleaner Production (RECP); eco-innovation; green public procurement; waste management; “smart” regulation and greening SMEs; environmental compliance assurance; green finance and investment planning; and monitoring progress at the economy-environment nexus. The report focuses on underlying, horizontal issues in these sectors. Concrete thematic insights and suggestions for strengthening administrative capacity are also provided where possible.

Structure

The structure of this report is as follows:

- The executive summary presents the main findings and recommendations from the analysis.
- Chapter 1 explains the objectives of the assignment, its scope and methodology.
- Chapter 2 provides the theoretical background, by introducing definitions and various assessment tools and methodologies.
- Chapter 3 presents the administrative capacity in Moldova for environmental management and the green economy.
- Chapter 4 summarises progress, remaining challenges and ways forward.
- Annexes contain the administrative and policy context for strengthening administrative capacity for a green economy in Moldova, as well as various assessment tools.

²² Ecotec, 2000, “Administrative Capacity for Implementation and Enforcement of EU Environmental Policy in the 13 Candidate Countries”.

Target audience

The report is intended both for national and for international stakeholders. National stakeholders include the government of Moldova and its Ministries of Environment and of Economy as the key counterparts and beneficiaries of the EU4Environment Programme. Additional audiences include other line ministries, regional and local administrations, and different governmental structures involved in environmental reform, public administration reform and the green transition (EaP, CSF, n.d.).

International stakeholders include all implementing agencies of the EU4Environment Programme and the European Union. The report could also be useful to other international donors in Moldova.

This chapter defines terms related to environmental administration, including institutional (or administrative) capacity, capacity development, effectiveness and efficiency. It suggests that three “fracture points” in environmental administration can lead to policy failures: implementation of legislation; a weak voice for environment in government; and power imbalance between different ministries. The chapter also identifies four building blocks of institutional development: enabling conditions; organisational set-up and stakeholder interaction; intra-organisation processes; and individual competence. It argues that this process should improve overall effectiveness instead of focusing on individual issues. Referring to the OECD/SIGMA Principles of Public Administration, the chapter identifies enabling conditions and obstacles to improve capacity, including the importance of political will. In addition, it presents benchmarks and indicators to assess institutional capacity, as well as areas of good governance and capacity, types of benchmarks and methodological tools.

Definitions and elements of environmental administration

A well-functioning public administration is a prerequisite for transparent and effective democratic governance. It is the foundation for sound functioning of the state, determining a government's ability to provide public services and encourage competitiveness and growth. Achieving the necessary standard of public administration requires reforms in many areas of policy and administration. This study aims to build the institutional capacity to implement developed policies and legislation and ensure they meet government objectives (OECD, 2017).

Institutional (or administrative) capacity can be defined as the “ability to perform tasks and produce outputs, to identify and solve problems, and to make informed choices”. Government's capacity is crucial for creating a policy and regulatory system conducive to economic and social development. It must be able to deliver the basic public services that enable adequate living standards. Lack of capacity can undermine development or lead to a development model that disregards production externalities. This, in turn, affects the wealth of citizens and send the wrong signals about the real level of economic growth (OECD, 2010).

Achieving results requires governments to co-ordinate an overall reform vision and prioritise objectives of capacity development. Public administration reforms should be sequential, with a coherent plan, and adopt a whole-of-government perspective.

Capacity development is the way in which individuals, groups and organisations, institutions and countries develop, enhance and organise their systems, resources and knowledge. Actual capacity development is reflected in their individual and collective abilities to perform functions, solve problems and achieve objectives (OECD, 2006). In public management systems, capacity has several dimensions, which include:

- individual competences, i.e. knowledge and skills of individuals, as well as their ability to set objectives and achieve those objectives
- organisational capacity, i.e. mission, planning and decision-making processes, structure and resources, and the organisational culture
- partnerships/networks of organisations, i.e. quality of interaction and co-operation among relevant public and private actors, as well as with development partners
- enabling environment, i.e. legal and policy frameworks and work approaches (OECD, 2010).

The same definitions and features apply to institutional capacity for environmental management and greening economic growth. Government institutions in charge of the environment require the ability to define a national vision to protect natural endowments and public health and sustainable use of natural resources. They need to formulate evidence-based policies to achieve set objectives and targets and manage policies to improve the state of the environment and minimise the impact of different investments or activities on economic sectors.

Effectiveness can be defined as the extent to which environmental administrations and institutions “are able to fulfil their own mission” or achieve the desired result of balancing environmental protection with sustainable economic development (DG NEAR, 2017). Each institutional reform should aim to make institutions more effective and efficient.

Efficiency relates to the ability of achieving a level of performance that uses the least inputs (in people, money, equipment) to achieve the highest output.

Even with an effective and efficient public environmental administration, environmental degradation can occur. It is usually difficult to establish a direct relationship between the effectiveness of public institutions and the state of the environment. Consequently, several countries have introduced *intermediary* objectives to act as proxies, such as:

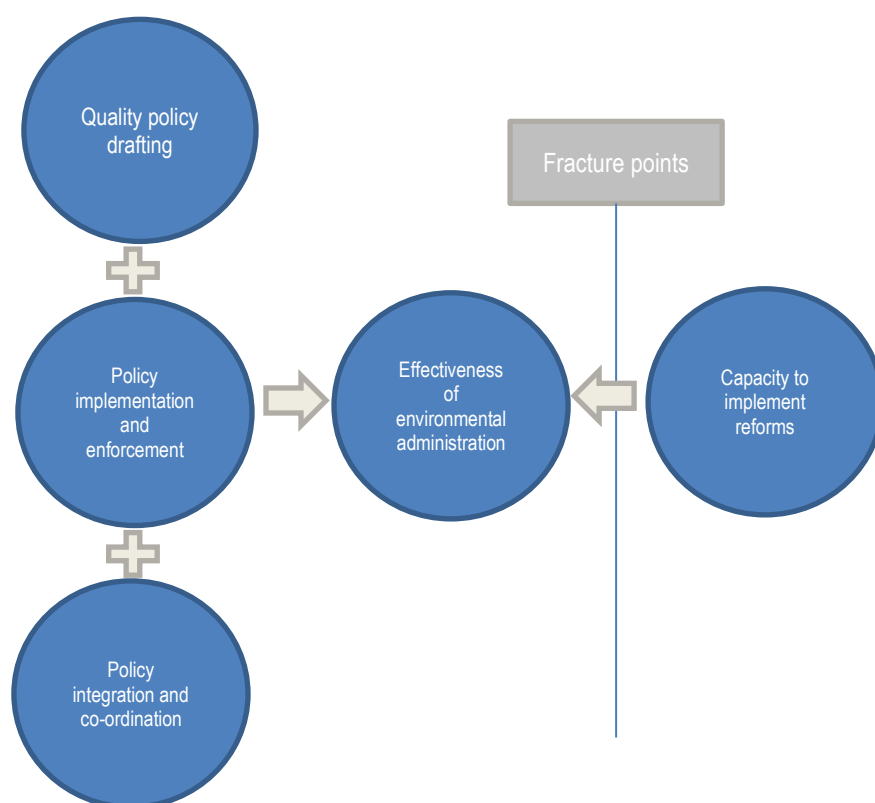
- formulating well-drafted, evidence-based environmental strategies, policies and legislation

- ensuring implementation and compliance of the adopted legislation across the whole country and at every level of governance
- integrating environmental concerns into other sectoral policies – economy, innovation, transport, agriculture – to ensure a co-ordinated approach.

Achieving these intermediary objectives will depend on the administration's capacity to reflect on its own performance. It must be able to analyse gaps and adjust institutional and administrative reforms, aligning them with political will and the capacity for change (**Error! Reference source not found.**).

Fracture points can lead to administrative failures

Figure 2.2. Elements of effectiveness of environmental administration

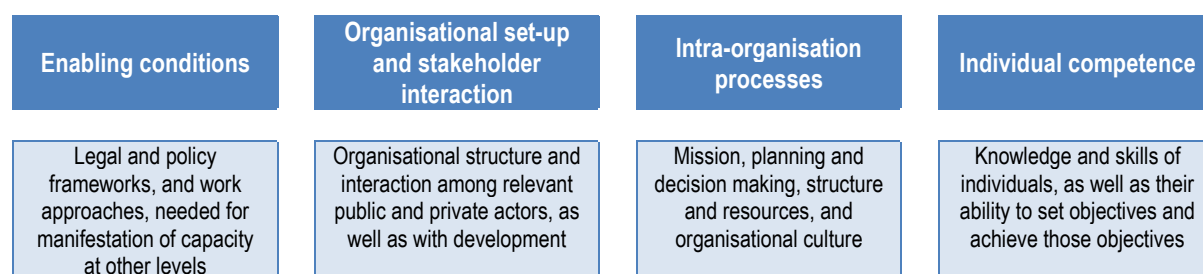


The goal of public administration reform should be to find the fracture points and raise political support to address them. Lack of political will to repair fractures may lead to administrative failures in which, despite intensive efforts, reforms do not take place as intended (Kakabadse, 2021). This report attempts to discover these fracture points and suggest realistic approaches to tackling them.

Three fracture points have been identified: 1) implementation of legislation, an issue that proved problematic for EU members that joined in 2004 and 2007; 2) the dominance of economic considerations and weak advocacy for the environment in government; and 3) the lack of a power balance between different ministries, which undermines institutional reforms in the environment and the green economy.

There is wide consensus that institutional capacity development should improve overall effectiveness, rather than focus on individual issues. Such an approach instead stresses enabling conditions, organisational set-up, stakeholder interaction, intra-organisational processes and individual competences.

Figure 2.3. Building blocks of institutional capacity development



Source: Based on Asian Development Bank (2008), “Effectiveness of ADB’s Capacity Development Assistance: How to Get Institutions Right”, and OECD (2010), “Assessing Environmental Management Capacity: Towards a Common Reference Framework”.

Capacity improvements: Enabling conditions and obstacles

The political will for enhancing capacity of institutions is a prerequisite of successful change. The Support for Improvement in Governance and Management (SIGMA-OECD) Principles of Public Administration stress that “successful implementation of public administration reform (PAR) requires a country’s key decision makers to share both an understanding of, and a collective commitment to, its purpose and the will to develop an effectively functioning public administration” (OECD, 2017).

In addition to top-level ministerial and official leadership, PAR requires strategic and business-planning documents to provide a clear roadmap for individual policies. The planning documents should translate political-level priorities into clear objectives, establish performance indicators to measure the level of achievement, designate actions and institutions to realise them, allocate the necessary resources and provide other information for the reform agenda. With planning documents in place, adequate funding is needed, and data on identified performance indicators must be used to monitor the progress of reform.

Several other factors must be considered in reforms that can both help improve capacity and create obstacles (Boesen et al., 2002).

Box 2.4. Capacity improvements: Enabling conditions and obstacles

Enabling conditions

- Top management provides visible leadership for change.
- Change is approached in an integrated manner across segments, units and professions.
- A critical number of staff members are committed to the change and motivated to embrace changes.
- Organisational innovations are embraced, tested and adapted.
- Quick wins become visible early in the process.
- The scope of change is commensurate with internal commitment.
- Resources for developing capacity are prioritised.
- Top management and change agents manage the process strategically and proactively.

Obstacles

- segmented and compartmentalised organisations where centralism, strict hierarchy and authoritarian management prevent information and ideas from reaching decision makers
- an overload of reform and change initiatives
- unpredictable, unbalanced or inflexible funding and staffing
- salary levels incompatible with living standards
- entrenched corruption and clientelism
- substantial dependence on fragmented and unpredictable donor support
- formal but not invariable commitment to a performance-oriented culture.

Source: Boesen et al. (2002).

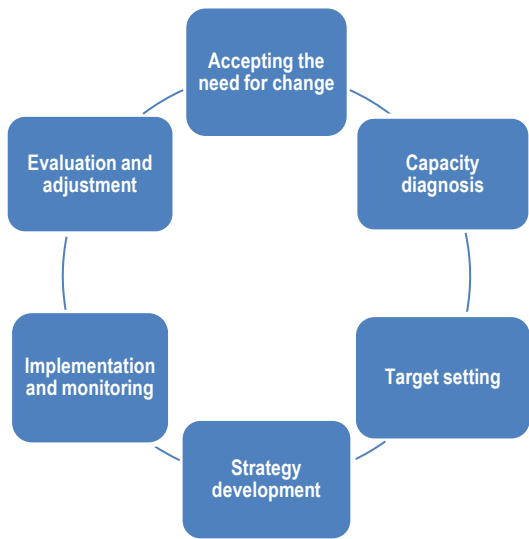
Institutional capacity assessment tools: Benchmarks and indicators

Capacity assessment begins with recognising the need for change

No single ideal institutional structure can be recommended for managing a country's environment and its natural resources. The level of administrative and institutional capacity is also not fixed for all time. The shape of public institutions is the result of historical and cultural developments, and institutional reform adjusts to changes in domestic policies that reflect the evolving political landscape. Institutions also change as a result of the need to regulate previously unregulated activities introduced to develop the economy, increase effectiveness and efficiency of the public sector or to respond to environmental *acquis* adopted at the international level and ratified at the national level.

Capacity development, assessment and the necessary adjustments to support them should thus be embedded in the institutional culture. Capacity assessment should start with acceptance of the need for change. The political will for change opens the door for a capacity diagnosis/gap analysis. An honest recognition of capacity gaps can serve as a basis for target setting and strategies for future capacity development. Reforms should be monitored and periodically evaluated and adjusted.

Figure 2.4. Main elements of capacity assessment and development cycle



Source: OECD (2010), “Assessing Environmental Management Capacity: Towards a Common Reference Framework”.

A combination of tools can guide assessments

No one single framework can be recommended for assessment of environmental governance and environmental capacity. However, several benchmarks, indices and tools, used in combination, can provide guidance and a sense of direction.

Figure 2.5. Areas of good governance and capacity, types of benchmarks and methodological tools

Ares of good governance and administrative capacity	Good and transformative governance	Adoption of EU <i>acquis</i>	Enforcement and compliance	Transition to the circular economy
Types of benchmarks	Indices			
	Descriptive criteria			
	Minimum criteria			
Methodological tools	Self-assessments			
	Performance reviews			
	Peer reviews			
	Evaluations			

Annexes B-E present examples of benchmarks related to administrative and institutional capacity, as well as the assessment frameworks that go with them. Some of these governance and capacity benchmarks have their own assessment tools.

The first category of benchmarks revolves around the **OECD/SIGMA Principles of Public Administration**. The SIGMA principles are a set of guidelines developed by the European Union to support public sector reform and improve governance in countries receiving EU assistance. Although SIGMA

principles comprise only key requirements for horizontal aspects of good governance, they are kept flexible and can be applied to all sectors and policies, including the environment. Annex B presents the six core principles of public administration and the methodological framework in more detail. Their 41 indicators provide a comprehensive approach for assessing the state of play against each principle.

The application of SIGMA principles in Moldova is a part of the broader reform agenda aimed at strengthening governance. The EU Association Agreement with Moldova, signed on 27 June 2014, commits Moldova to approximate its institutions with EU standards. Strengthening environmental governance is stipulated among the priorities in the new Association Agenda for the period 2021-27. Stepping up implementation of public administration reform and update of the public administration reform strategy are among the reform steps to be taken in the light of the European Commission's recommendation on 16 June 2022 to grant Moldova a candidate status and the prospect of becoming a member of the European Union.²³ In November 2023, the European Commission recommended starting accession negotiations with Moldova.²⁴

Since 2010, SIGMA has supported reforms in public administration in Moldova. The Baseline Measurement Report, published in 2015, reviewed its public administration against the Principles of Public Administration, with recommendations for improvement.²⁵ The recent SIGMA support to Moldova focused on reforming four areas of public administration and public financial management, in collaboration with the following institutions:

- the State Chancellery, on the functional review of the policy development function and developing a new Public Administration Reform Strategy
- the Ministry of Finance, on developing and drafting the Public Financial Management Reform Strategy and Action Plan
- the Public Procurement Agency and the National Agency for Complaints Settlement on carrying out public procurement reform, capacity building of the central procurement institutions and a professionalisation/certification programme for procurement officers
- the Court of Accounts (CoA) on a peer review, the alignment of CoA's legal framework with international standards and strengthening co-operation with the Parliament.²⁶

In October 2023, SIGMA published a monitoring report providing a comprehensive overview of the public administration in Moldova, assessed against the Principles of Public Administration (Box X).²⁷

Box 2.5. SIGMA assessment of public administration reform in Moldova: Key takeaways

The assessment rates Moldova's performance in the six public administration areas from 1 to 3.2 on a six-point (0-5) scale. The highest average rate was awarded in the area of public financial management, and the lowest average rate in the strategic framework of public administration reform.

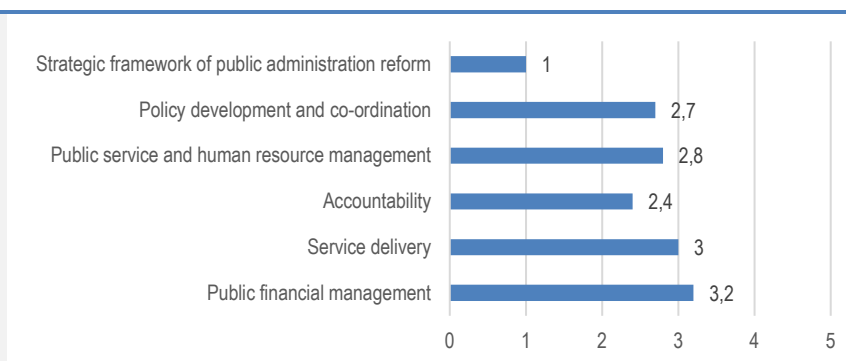
²³ Opinion on Moldova's application for EU membership, European Commission, https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_3801.

²⁴ https://commission.europa.eu/news/enlargement-commission-recommends-starting-accession-negotiations-ukraine-moldova-bosnia-and-2023-11-08_en.

²⁵ Main findings and recommendations of the SIGMA assessment of public administration in the Republic of Moldova, <https://www.slideshare.net/SIGMA2013/main-findings-and-recommendations-from-the-eu-delegation-in-moldova> and Baseline report (2016), <https://www.sigmaweb.org/publications/Baseline-Measurement-Moldova-2015.pdf>.

²⁶ Moldova and SIGMA, OECD SIGMA website, <https://www.sigmaweb.org/countries/moldova-sigma.htm>.

²⁷ <https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.



The following key messages emerge from the report:

- Since public administration reform (PAR) is one of its priorities, Moldova's government has enacted a new strategic framework for PAR but has not yet implemented it.
- Co-ordination mechanisms for policy planning and development have been largely established in law, but their functioning needs to be improved and the capacity of responsible centre-of-government bodies strengthened.
- Legislative and policy frameworks provide a sufficient basis for professional civil service and human resource management in public administration, but attracting and retaining qualified staff is a serious challenge.
- While the legal framework for various aspects of accountability is mostly adequate, flaws in implementation and enforcement persist.
- Progress has been made in modernising administrative service delivery and accessibility.
- The foundation for managing public finances and public procurement is solid, but weaknesses are apparent in budget planning, internal control and audit.

The government of Moldova recently adopted the strategic framework for public administration reform, including the Public Administration Reform Strategy 2023-30, the Programme for Implementation of the PAR Strategy for 2023-28 and the Public Financial Management Development Strategy 2023-30.

Source: www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf.

To date, no attempt has been made to transpose the SIGMA principles and its Methodological Assessment Framework to the environmental sector in Moldova. This effort, in the format of self-assessment, would require more data and analytical capacity than the scope of this report allows. Instead, Annex B gives some insights into ways the SIGMA principles could be used in Moldova. Investing the necessary resources in an assessment of the environmental sector would help Moldova improve its governance and environmental management. In addition to SIGMA principles, Annex C presents other benchmarks related to administrative and institutional capacity.

The second category of benchmarks includes assessments with relatively simple methodologies. These are designed as light self-assessment tools (e.g. transition to a circular economy, see Annex D).

A third category of assessment benchmarks, such as handbooks, has acquired a reputation through extensive use in similar circumstances (Handbook on implementation of the environmental *acquis*, see Annex E) and could be used as guidance for public administration.

None of the benchmarks and tools can be presented as a definitive approach. Each still requires the political will to integrate findings and recommendations and improve the institutions and their functioning. Some might better be applied in a formal process with the help of external consultants. For others, the administration could consult the tools to align with good practices.

Box 2.6. New Public Administration Reform Strategy 2023-30

In March 2023, the government of Moldova approved the new Public Administration Reform Strategy for 2023-2030.²⁸

The strategy focuses on development and strengthening of the government's general capacity and its institutions (including transparency, digitalisation/e-governance, public services, training). It does not cover any specific sector/domain.

The aim of the strategy is to ensure that by the end of 2030, Moldova has a central and local public administration able to ensure conditions for the sustainable development for the country, with a high level of integrity and competence, so as to: 1) manage quality public services efficiently and inclusively with professionalisation and stability, simplification and rationalisation, predictability and co-ordination; 2) to earn the respect and trust of citizens through: honesty, transparency and responsibility, accessibility and openness; 3) to strengthen its capacity to substantiate and implement public policies, so it can respond to the challenges of accession to the EU.

Source: <https://gov.md/en/content/government-approved-public-administration-reform-strategy-moldova-2023-2030>.

²⁸ <https://gov.md/en/content/government-approved-public-administration-reform-strategy-moldova-2023-2030>.

3 Snapshot of environmental institutions in Moldova and their capacity

This chapter presents government bodies, beginning with the central legislative authority (Parliament and its committees) and central executive authorities (government and its ministries). It reviews the mandate of the Ministry of Environment for environmental management, assessing its progress towards e-government. It examines how the Ministry of Economic Development and Digitalisation (MEDD) encourages a green and circular economy. Subordinate institutions for the two ministries, as well as other ministries and committees relevant to a green economy, are also highlighted. In addition, it reviews the role of regional and local governments relevant to a green economy, and the engagement of civil society and academia. The chapter ends with efforts to upskill civil servants, including through external support such as twinning and exchanges.

Central legislative authority

Parliament and its committees

Moldova is a parliamentary republic, with legislative power vested in the one-chamber **Parliament**, the supreme representative and legislative authority (Article 60 of the Constitution). It oversees the executive

branch, which until 2016, was empowered to elect the president (Constitutional Court Decision No. 7 of 4 March 2016, restored the citizens' right to elect the president).²⁹

The Parliament consists of 101 members, elected for a four-year period. The current Parliament, elected in July 2021, has a Standing Bureau consisting of 15 members and 11 committees and commissions, the working bodies ensuring its functionality. The committees are regulated by the Regulation of the Parliament and Decision No. 48-XVIII of 29 October 2009.³⁰ Table A.2 of Annex A provides a more detailed overview of the Parliament's structure, committees and commissions.

The Parliament plays a crucial role in greening the economy by legislating and overseeing policies, laws and initiatives related to environmental sustainability and economy development. Of **11 committees and commissions of the Parliament**, at least four are relevant to the environment and green economy:

- the Environment, Climate and Green Transition Commission (until recently, Committee on Environment and Regional Development)
- the Economy, Budget and Finance Committee
- The Agriculture and Food Industry Commission
- The Public Administration and Regional Development Commission (until recently, the Public Administration Commission).³¹

The key role is played by the **Environment, Climate and Green Transition Commission**, which reviews draft laws on environmental protection, sustainable use of natural resources, mitigating climate change and ensuring the green transition of economic sectors.³² The creation of the Commission on 8 June 2023 (on the basis of the Committee on Environment and Regional Development) is a major milestone in building institutional infrastructure of the legislative pillar for a green transition.

The commission is responsible for legislation on the use, protection and improvement of natural resources (soil, water, air, biodiversity and energy), household waste, ecological security, renewable energy sources, subsoil protection, green technologies, integration of environment in sectoral policies, climate change adaptation and mitigation, and monitoring implementation of international conventions and treaties. It also monitors projects financed by the **National Environmental Fund** and national strategies on environmental protection. It executes relevant decisions and addresses of the Constitutional Court, and examines the assigned petitions.³³ For example, the Commission's Action Plan for Q1 2023 anticipated a parliamentary inquiry in July 2023 to assess the progress achieved after establishment of the National Environmental

²⁹ Amendment to the Constitution No. 1115-XIV of 5 July 2000 and Constitutional Court Decision No. 7 of 4 March 2016.

³⁰ The Parliament of the Republic of Moldova,
www.parlament.md/StructuraParlamentului/SecretariateleComisiilorpermanente/tabid/84/language/en-US/Default.aspx.

³¹ <https://www.parlament.md/StructuraParlamentului/SecretariateleComisiilorpermanente/tabid/84/language/en-US/Default.aspx>.

³² Comisia parlamentară mediu a fost redenumită în Comisia mediu, climă și tranziție verde, <https://multimedia.parlament.md/comisia-parlamentara-mediu-a-fost-redenumita-in-comisia-mediu-clima-si-tranzitie-verde/>.

³³ Official website of the Parliament:
<https://www.parlament.md/StructuraParlamentului/Comisiipermanente/tabid/84/CommissionId/47/language/en-US/Default.aspx>.

Fund.³⁴ Until recently, it reviewed legal acts related to regional and local development, land use planning and public communal services, a responsibility that was transferred to the Public Administration and Regional Development Commission.

The commission includes a chairman, deputy chairman, secretary and six members of Parliament.³⁵ It often invites representatives of the Ministry of Environment to its meetings when new legal acts are discussed. It also co-ordinates with the government legal initiatives passed by members of Parliament. Given the relatively small number of members of the commission, determined based on the total number of deputies, its capacity plays an important role. The commission is generally considered to have enough capacity and expertise to deal with its responsibilities. On *ad hoc* basis, additional expertise could be mobilised through the well-established professional network. The commission could also receive support from external experts – from the ministry, projects and non-governmental organisations.

The commission also plays an active role in encouraging international co-operation on the environment. It co-operated with the Romanian Senate on transition to an energy system based on renewable sources (in a joint meeting hosted by the Moldovan Parliament in June 2023).³⁶ The Parliament also organises special plenary sessions on the environment, including one in November 2022, with the participation of the EU Commissioner for Environment, Oceans and Fisheries.³⁷

Box 3.1. Recent developments on the extended producer responsibility and taxation at the initiative of the Commission – amending the Law on payment for environmental pollution

The vice president of the Environment, Climate and Green Transition Commission initiated a legislative initiative to amend **Law No. 1540 on payment for environmental pollution**, to eliminate legislative inconsistencies in the implementation of extended producer responsibility.

On 31 July 2023, the Parliament adopted the draft law, which stipulates that economic agents will be exempted from the tax on packaging if they recover or recycle the packaging they put on the market.

Source: <https://multimedia.parlament.md/votat-agentii-economi-ci-vor-fi-scutiti-de-taxa-pentru-ambalaje-daca-vor-recupera-sau-recicla-ambalajele-pe-care-le-introduc-pe-piata/>; Law No. 1540 of 25 February 1998 on payment for environmental pollution (amended 31 July 2023), https://www.legis.md/cautare/getResults?doc_id=138909&lang=ro.

The **Committee on Economy, Budget and Finance** is responsible for the legal framework for sustainable development and economic growth. The green economy is not explicitly mentioned among its activities, but the committee is charged with approving Moldova's key strategic documents, which include references to the green economy. It approved the National Development Strategy "**European Moldova 2030**" (Law No. 315 of 17 November 2022)³⁸, Moldova's main strategic document, whose goals include transition to a

³⁴ www.parlament.md/LinkClick.aspx?fileticket=Y5%2bUD6aVfwY%3d&tabid=84&mid=486&language=en-US; the inquiry was probably not performed (or postponed), since the fund was not active in July 2023. The first call for projects under the new Regulation and conditions was launched on 18 July 2023, <https://www.mediu.gov.md/ro/content/4372>.

³⁵

<https://www.parlament.md/StructuraParlamentului/SecretariateleComisiilorpermanente/tabid/84/CommissionId/47/language/ro-RO/Default.aspx>.

³⁶ <https://radiomoldova.md/p/15278/chisinau-parliament-and-the-romanian-senate-will-co-operate-in-the-field-of-environmental-protection>.

³⁷ Discursul Preşedintelui Parlamentului, Igor Grosu, în cadrul şedinţei plenare, la care a participat Comisarul european pentru mediu, oceane şi pescuit, Virginijus Sinkevičius, <https://www.parlament.md/Actualitate/Comunicatedepresa/tabid/90/ContentId/8159/language/ro-RO/Default.aspx>.

³⁸ https://www.legis.md/cautare/getResults?doc_id=134582&lang=ro.

green and circular economy. Objective 10 “Ensuring healthy and safe environment”, has four sub-objectives:

- improving the quality of water, air and soil
- encouraging sustainable growth of forests and protected areas
- ensuring sustainable consumption of natural resources
- accelerating the transition towards a green and circular economy.³⁹

Activities of the **Committee on Agriculture and Food Industry** explicitly include “organic farming” and approximation with EU legislation. In 2022, the Parliament amended the Law on ecological agricultural production (Law No. 115 of 9 June 2005).⁴⁰

The **Commission on Public Administration and Regional Development** covers organisation and functioning of central and local public administration authorities; administrative-territorial organisation of the country; regional and local development, and public communal services. Its scope of activities, however, does not include any environmental provisions.

The commissions and committees maintain good communication and co-operation overall on the green agenda, supported by the parliamentary majority and the clear governance programme. No issues were noted for improvement in this respect.

Box 3.2 Strengthening Parliamentary Governance in Moldova

The project on Strengthening Parliamentary Governance in Moldova (ending in 2023) noted the following baseline weaknesses in 2018, which are also applicable to the environment/green economy:

- Only 1.11% of the EU Directives and Regulations included in the Association Agreement are transposed in national legislation.
- Parliamentary oversight on the EU integration agenda is not as effective as it could be.
- Co-operation between Parliament and independent institutions (the Ombudsman, Court of Accounts) is underdeveloped.
- Co-operation between Parliament and community service organisations, the media and citizens is weak.
- The Parliament’s systems and processes for information management are weak.

Source: <https://open.undp.org/projects/00088088>.

The Administration of the President

Moldova’s Administration of the President plays a significant role in advancing the green economy and environmental sustainability. The extent of the president’s influence in different domains, including the environment, depends on the constitutional powers granted to it. The president serves as the head of state (Article 77) and represents Moldova in the international arena. The office has limited power in domestic affairs, since legislative power is vested in Parliament and executive power is exercised by the government. The president is empowered by the Constitution to convene and dissolve Parliament (Articles 63, 85), attend its working sessions (Article 84) and holds the right to mount a legislative initiative (Article 73). As

³⁹ <https://monitorul.gov.md/ru/monitorul/view/pdf/2579/part/1#page=50>.

⁴⁰ https://www.legis.md/cautare/getResults?doc_id=132886&lang=ru#.

for the government, the president appoints the prime minister and the government in consultation with Parliament (Article 98).⁴¹

The Administration of the President's influence on the environment and green economy lies primarily in foreign policy. It plays a significant role in promoting the green economy and environmental sustainability, however, and can shape the green agenda and promote sustainable initiatives in several ways:

- **Setting the agenda through public statements and events**, advocating policy changes and promoting a green economy. In an opening speech on World Environment Day on 5 June 2023, for example, the president advocated taking care of the environment, planting forests, properly managing waste and reducing air pollution. The president actively participates in national campaigns on tree planting, clean-up and promotion events for local eco-products.⁴²
- **Encouraging international co-operation on green economy initiatives**, and supporting research and innovation on green technologies, education and public awareness. In November 2022, the president and the European commissioner for the environment discussed environmental co-operation,⁴³ and at the UN Climate Change Conference COP 26 in November 2021, the president made a statement advocating extension of forests, efficient waste management technologies, transition to a green and circular economy, improving energy efficiency and promotion of renewable energy.
- **Initiating and promoting green initiatives**. The president initiated the **National Forest Extension and Rehabilitation Programme for 2023-32** in 2021, which was approved by the government in February 2023.⁴⁴ The target is to plant at least 100 000 hectares of forest.⁴⁵

The Cabinet of the President consists of ten advisers and several departments, dealing with foreign affairs, relations with citizens, security, budget and finance, e-administration. No department is dedicated to environment or the green economy. The president's advisers include **an adviser on environmental protection and climate change** and an **economic adviser**.⁴⁶ The green economy is not specifically mentioned, but both the environment and economic advisers cover various green economy issues.

Central executive authorities

The government and its ministries

⁴¹ <https://presedinte.md/eng/statutul-si-atributiile>.

⁴² <https://www.presedinte.md/rom/comunicate-de-presa/presedinta-maia-sandu-a-plantat-puieti-la-cruzesti-impreuna-cu-echipa-corpului-pacii-in-moldova>; and <https://trm.md/ro/social/maia-sandu-a-plantat-puieti-de-stejar-alaturi-de-mai-multi-voluntari>; <https://presedinte.md/presa/presedinta-maia-sandu-impreuna-cu-presedintele-leoniei-egils-levits-au-plantat-arbori>.

⁴³ <https://www.presedinte.md/rom/comunicate-de-presa/co-operarea-in-domeniul-protectiei-mediului-discutata-de-presedinta-maia-sandu-si-comisarul-european-pentru-mediu-virginijus-sinkevicius>.

⁴⁴ <https://ecopresa.md/programul-national-de-impadurire-discutat-la-presedintie-au-fost-trasate-principalele-actiuni-pentru-urmatoarele-luni/>.

⁴⁵ <https://www.presedinte.md/rom/comunicate-de-presa/programul-national-de-impadurire-a-tarii-discutat-la-presedintie>, <https://gov.md/ro/content/guvernul-aprobat-programul-national-de-extindere-si-reabilitare-padurilor-2023-2032>.

⁴⁶ <https://presedinte.md/rom/aparatul-presedintelui>.

Executive power is vested in the government, which is headed by the prime minister. The executive branch at the national level consists of the prime minister, Cabinet of Ministries, 15 ministries, the State Chancellery (headed by the prime Minister) and other agencies, some of which have Central Public Authority status, independent of any ministry.

The current cabinet was voted in by the Parliament in February 2023. While the ministers of the environment and economy remained in place, the Ministry of Economy was recast as the Ministry of Economic Development and Digitalisation (MEDD), and a new ministry, the Ministry of Energy, was created.

The Ministry of Environment is the key government agency for environmental action in Moldova. Other ministries, including the MEDD, the Ministry of Energy, Ministry of Infrastructure and Regional Development, Ministry of Agriculture and Food Industry, Ministry of Education and Research, Ministry of Finance and the National Bureau of Statistics, as well as agencies reporting to the Ministry of Environment, are involved in environmental protection.

State Chancellery

The State Chancellery assists the prime minister in managing the executive branch and co-ordinating policy making. In Moldova, it is a central public administration institution reporting to the prime minister. It serves as the central executive office and assists the prime minister in carrying out the government agenda. Its main task is to support the planning, elaboration and implementation of public policies by the government authorities, monitor implementation of the government programme, present analytical and informational materials, prepare draft government acts and verify their execution, and supervise the exercise by the government of prerogatives related to relations with local public administrations.⁴⁷

It is headed by the general secretary of the government, who is assisted by three deputy general secretaries. Structurally, the State Chancellery is made up of its leadership, the prime minister's Cabinet, the prime minister's Control Body, departments, sections and other subdivisions. The green economy is not explicitly mentioned in its structure, but at least two departments handle such issues, including the **Department of Strategic Planning and Priorities** and the **Directorate of Economic Policies** (in the General Directorate of sectoral policies). The **Department on Approximation with EU Legislation** has become increasingly important in light of the EU candidacy, as the approximation process covers the environment.

The state chancellery consists of 210 staff units, including 7 people working in the Directorate of Economic Policies, 7 working in the Direction of Strategic Planning and Priorities, and 11 working in the department on approximation with EU legislation.⁴⁸

Although the green economy is not specifically mentioned in its activities, the State Chancellery plays a key role in co-ordinating development of policy documents, and all strategies and programmes approved by the government must pass its review and approval (as in the case of the Programme on the Promotion of the Green Economy 2018-20). It helped co-ordinate the concept of the new **Programme on the Green and Circular Economy 2024-28**, after which public consultations and co-ordination with the ministries are to begin.

A representative of the State Chancellery is a member of the Inter-ministerial Working Group for the Promotion of the Green and Circular economy and participates in its regular biannual meetings.

⁴⁷ Regulation on the organisation and operation of the State Chancellery, <https://cancelaria.gov.md/ro/apc/regulamentul-privind-organizarea-si-functionarea-cancelariei-de-stat>.

⁴⁸ State Chancellery organisation chart (January 2023), https://cancelaria.gov.md/sites/default/files/organigrama_cs_ianuarie_2023_2.pdf.

The state chancellery also supports regional projects promoting the green economy, and the general secretary of the government launched the EU4Environment in Moldova in 2019. Planned activities of the Chancellery are publicly available on its website.

Ministry of Environment

The **Ministry of Environment** is the key government agency for environmental action in Moldova. It is the central body responsible for the development and promotion of national policies in environmental protection and rational use of natural resources. In EU4Environment areas of work, the ministry covers the the circular economy, air pollution, waste, forests and biodiversity.

It was restored as a separate institution on 25 August 2021 by Government Decision No. 145 on the Organisation and Operation of the Ministry of the Environment.⁴⁹

Its new regulation entered into force after approval of its **new organisational structure, composition and functions** (Government Decision No. 145/2021, amended 14 August 2023).⁵⁰ These changes aim to strengthen the institutional capacity of the ministry and increase the efficiency of management processes arising from the complexity of environmental issues. This also reflects the increasing importance of the environment on the government agenda and the additional tasks assigned to European integration. The main changes involve alignment of sectoral policy under accession to the European Union in order to formulate the contribution of Moldova to the annual EU Expansion Package and gradual preparation for opening accession negotiations for Moldova to join the EU.

The ministry in its activities is guided by the Constitution and a number of the Laws and Government Decisions, listed below (Box 3.3).

Box 3.3. National legislation on institutional management and human resources, relevant to the the Ministry of Environment

- Constitution of the Republic of Moldova
- Administrative Code and Labour Code of the Republic of Moldova
- Law No. 136/2017 “Regarding the Government”
- Law No. 98/2012 “Regarding the specialised central public administration”
- Law No. 982/2000 “On access to information”
- Law No. 158/2008 “Regarding the public office and the status of the civil servant”.
- Law No. 25/2008 “Regarding the code of conduct of the civil servant”
- Law No. 133/2016 “Regarding the declaration of wealth and personal interests”
- Law No. 133/2011 “Regarding the protection of personal data”
- Law No. 181/2014 “Public finance and fiscal-budgetary responsibility”
- Law No. 270/2018 “Regarding the unitary salary system in the budgetary sector”
- Law No. 239/2008 “Regarding transparency in the decision-making process”

⁴⁹ https://www.legis.md/cautare/getResults?doc_id=127621&lang=ru# (original: https://www.legis.md/cautare/getResults?doc_id=127621&lang=ro#).

⁵⁰ https://www.legis.md/cautare/getResults?doc_id=138706&lang=ru# (original : https://www.legis.md/cautare/getResults?doc_id=138706&lang=ro#).

- Law No. 155/2011 “For the approval of the Single Classifier of public functions”
- Law No. 199/2010 “On the status of persons holding positions of public dignity”
- Law No. 80/2010 “Regarding the status of staff in the office of persons holding positions of public dignity”
- Government Decision No. 145/2021 “On the organisation and operation of the Ministry of the Environment” (amended on 14 August 2023)⁵¹
- Government Decision No. 1231/2018 “For the implementation of the provisions of Law No. 270/2018 Regarding the unitary salary system in the budgetary sector”
- Government Decision No. 1211/2010 “Regarding the unit of information and communication with the mass media of the central public administration authority”
- Government Decision No. 201/2009 “Regarding the implementation of the provisions of Law No. 158/2008 Regarding the public office and the status of the civil servant”.

Source: <https://mediu.gov.md/ro/node/4432> and <https://mediu.gov.md/ro/node/4431>.

The new structure of the Ministry of Environment consists of 10 main divisions/sections and is presented in Table 3.1 Structure of the new Ministry of Environment (approved in August 2023). The **main structural changes**, approved in 2023, include:

- The number of the units of staff of the ministry was increased from **62 to 96 persons** (three times more than in 2021).
- The structure was completed with an additional management position, the **deputy general secretary**, who will assist the minister in implementing Moldova’s accession requirements to the EU and reports to the ministry’s general secretary.
- The Division of analysis, monitoring and evaluation of policies was transferred into the **Division on public policies co-ordination and European Integration**.
- A **new Section on International Relations and External Assistance** was established.
- The new structure contains a separate Division on policies on nature conservation and biosecurity and a Section on policies on forestry and hunting (replacing the Division on policies on biodiversity).
- A new Division of policies in atmospheric air protection and a Section on policies on climate Change (replacing the Division on policies on air and climate change) were established.
- The Service on policies in the field of the circular economy and economic instruments was transformed into a section.⁵²

No state secretary was nominated to cover the green economy, which is currently the direct responsibility of the minister (who serves as a focal point for regional programmes such as EU4Environment).

The new structure has a dedicated **Section on the Circular Economy and Economic Instruments Policies** responsible for the green economy. The change in its status from service to section mainly reflects adding one unit of staff, bringing the total number of staff units to four. This will allow it to cover more responsibilities related to the EU Association and Green Deal objectives. Its power and responsibilities are no different from the other structures. Divisions or sections are each responsible for transposing EU Directives, drafting laws or developing programmes. This change is perceived as an improvement, but further implementation of Moldova’s obligations under the EU Association Agreement and its candidate

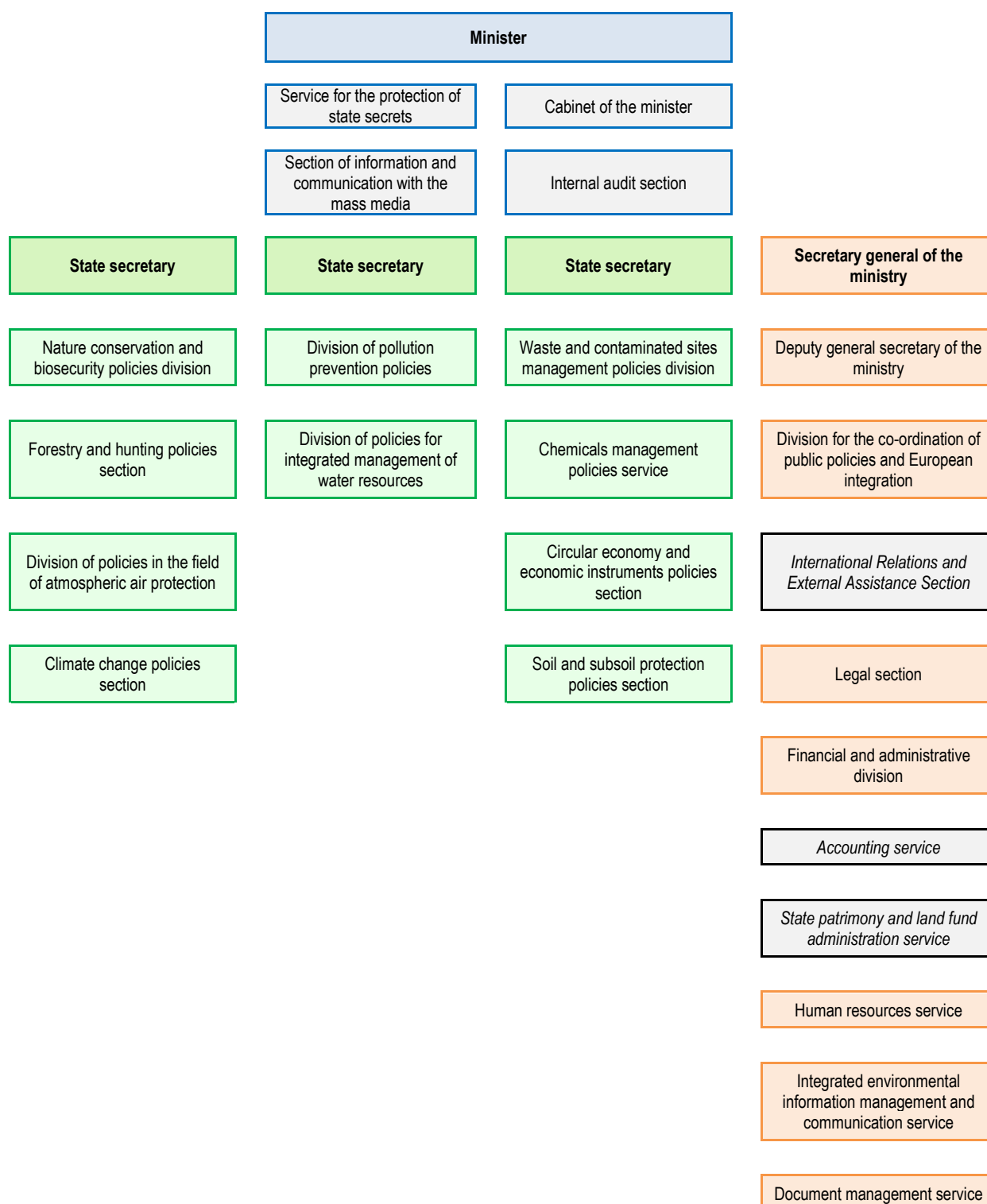
⁵¹ <https://mediu.gov.md/ro/node/4432>.

⁵² See more details, including the original text (Rom) of the Government Decision and the new organisational chart: <https://www.mediu.gov.md/ro/content/4406> and <https://gov.md/sites/default/files/document/attachments/subiect-10-nu-644-mm-2023.pdf>.

status (transposition of directives, adjustment of existing laws, co-ordination of implementation of GE Programme and indicators) will increase the volume of work and require additional staff.

These recent changes will require the ministry both to find qualified people for the new positions and find additional space.

Table 3.1 Structure of the new Ministry of Environment (approved in August 2023)



Source: <https://gov.md/sites/default/files/document/attachments/subiect-10-nu-644-mm-2023.pdf> ; Annex 2 to the Government Decision, https://www.legis.md/cautare/getResults?doc_id=138706&lang=ru.

In the past few years, the ministry has undergone considerable structural reforms. In the new governmental structure adopted by the Parliament on 25 August 2021, the Ministry of Environment was restored as a separate entity, the central body responsible for the development and promotion of national policies in environmental protection and rational use of natural resources. In mid-2021, it had merged with the Ministries of Agriculture and of Regional Development (Box 3.4.).

The restored Ministry of Environment is now the key government agency responsible for environmental action, including producing *ex ante* analyses, policy documents, draft normative acts in the environmental fields (pollution prevention, air quality, climate change, waste management, chemicals, biodiversity, integrated water management and soil management), monitoring the quality of public policies and normative acts in the environment and drafting normative acts, and implementing international treaties. The ministry also co-ordinates and monitors activities of the administrative authorities and the subordinate decentralised public services.⁵³

Box 3.4. The Ministry of Agriculture, Regional Development and Environment, predecessor of the Ministry of Environment

From 2016 until mid-2021, Moldova's Ministry of Environment did not exist as a separate institution. In 2016, the Ministry of Environment was merged with the Ministries of Agriculture and Regional Development, becoming the Ministry of Agriculture, Regional Development and Environment (MARDE). Merging the ministries, with their conflicting portfolios, was seen as an opportunity to reconcile these sectors, but it was also criticised for subordinating environmental to agricultural priorities. In MARDE, the minister, often from an agricultural background, naturally gave more priority to the agricultural side, and the environmental sector was represented by a state secretary. The environmental staff was reduced to **only 29 posts**.

This situation was criticised by all stakeholders interviewed⁵⁴ for reducing the importance of the environment and weakening its capacity. Before 2017, reform was intense, despite the lack of capacity, but after that date, the greening agenda had stalled, exacerbated by the fact that the agricultural sector itself was a major polluter.

The Ministry of Environment has **96 posts and about 3 250 staff** in subdivisions and across the country.⁵⁵ The staff of the ministry significantly increased in recent years. The number of staff in its central apparatus has tripled, compared to the 29 experts working on the environment in MARDE. In 2021, with restoration of the ministry, its number of staff was double that of the environmental pillar in MARDE (62 posts vs. 29 posts). It was nevertheless the smallest ministry, after the Ministry of Culture.⁵⁶ In 2023, this changed: the Ministry of Environment has 96 units (while the MEDD has 100 units and the new Ministry of Energy 60 units). This was a positive change: 96 units will make for a better division of tasks and help implement Moldova's EU obligations as a candidate country.

⁵³ Ministry of Environment website and Government decision No. 145 from 25 August 2021 (see the annex to the Government Decision at https://www.legis.md/cautare/getResults?doc_id=127621&lang=ru).

⁵⁴ MARDE was still in place while interviews were held in 2021.

⁵⁵ No definitive figure is available on the number of staff in the central body of the ministry and all subdivisions. The tally of 3 250 includes the ministry and all subdivisions in rayons (including rayon inspections, all foresters and hydro meteorological stations). This approximate number was calculated by the National Action Co-ordinator, and includes the total number of units, but the number of active working staff is in flux, making it difficult to provide a real figure.

⁵⁶ Under Government Decision in 2021, the Ministry of Finance was allocated 335 staff members, the Ministry of Foreign Affairs and European Integration 167, the Ministry of Interior Affairs 140, the Ministry of Infrastructure and Regional Development 124, the Ministry of Justice 105, the Ministry of Education and Research 95, the Ministry of Defence 80, the Ministry of Health 74, the **Ministry of Economy 74**, the Ministry of Agriculture and Food Industry 73, the **Ministry of Environment 62**, and the Ministry of Culture 34, according to the National Action Co-ordinator.

However, the ministry faces persistent **understaffing**. In 2023, it had 56 staff active;⁵⁷ meaning that the 62 staff posts approved in 2021 had not been filled. The rest, over 40% of the total, were not filled (with announcements placed, but no suitable candidates applying). This puts pressure on the existing staff, significantly increasing their workload, and helps explain why the ministry relies on international projects and support from experts. General understaffing in the public administration is confirmed by statistics showing that job vacancies in 2022 accounted for 10.6% of the total number of jobs (compared to 9.1% in 2021).⁵⁸ The figure was only 2.5% for information and communications and 5.1% in finances and insurance (the highest-paid economic activities, according to the national statistics).⁵⁹

The institutions reporting to the Ministry of Environment face similar understaffing, with significant discrepancies between the officially approved number and active staff. The Agency for Geology and Mineral Resources and the Inspectorate for Environmental Protection are the most understaffed, with 41% and 34% of vacant positions respectively. The discrepancy between staff on paper and staff active complicates the work of all environmental institutions (see Table 3.2). More people should be attracted to jobs in the ministry and environmental institutions, now that posts with higher salaries are advertised.

Table 3.2. Staff working in the Ministry of Environment and subordinate institutions

Institution	Approved number of staff	Active working staff	Filled positions, % of total	Vacant positions, % of total
Ministry of Environment	96	53	55%	45%
Inspectorate for Environmental Protection	273	180	66%	34%
Moldsilva (Forestry Agency)	32 in the central body and 2 500 in forest enterprises in rayons (forest engineers and foresters)	28 in the central body [no information is available for rayons]	88% (central body)	12% (central body)
Apele Moldovei (Water Agency)	30	23	77%	23%
Environmental Agency	124	95	77%	23%
Agency for Geology and Mineral Resources	22	13	59%	41%
State Hydrometeorological Service	Total of 261 units (including 128 in the central body and 133 in 16 hydrometeorological	252	97%	3%

⁵⁷ Information as of November 2023. The number fluctuates but gives an idea of the number of vacant positions out of 96 staff units established by the Government Decision.

⁵⁸ Job vacancies by economic activities, https://statbank.statistica.md/PxWeb/pxweb/en/30%20Statistica%20sociala/30%20Statistica%20sociala_03%20FM_SAL050/SAL050060.px/table/tableViewLayout2/?rxid=4eec3dd5-755a-4e4e-92de-3dc2d391f3a9.

⁵⁹

https://statbank.statistica.md/PxWeb/pxweb/en/30%20Statistica%20sociala/30%20Statistica%20sociala_03%20FM_SAL050/SAL050060.px/?rxid=4eec3dd5-755a-4e4e-92de-3dc2d391f3a9.

	stations in the territory)			
National Office for the Implementation of Environmental Projects	8	8	100%	0%

Source: Information collected as of 22 November 2023 by the National Action Co-ordinator. The numbers for active working staff are rounded, based on the latest information., and should be interpreted as an indication/approximation.

The understaffing, compounded by significant **staff turnover** and the **low appeal of a civil service career** to the young generation, jeopardises the ministry's efforts. No statistics on staff turnover in the ministry are available, but comparative figures for the numbers of new hires during the year and those who left are indicative. In 2022, numbers of those who left the ministry exceeded the number of staff hired (15 vs. 14 people), and nearly one-quarter of staff left the ministry in 2022. In 2023, despite many vacant positions, more people were hired than left, a positive sign.

Table 3.3. Staff turnover in the Ministry of Environment: Numbers hired vs. staff leaving

	2022	2023 (as of 30 November 2023)
Number of people hired by the ministry (central body)	14 persons (22.6% of total, based on approved number of 62 staff units)	26 persons (27% of total, based on approved number of 96 staff units)
Number of people leaving the ministry (central body)	15 persons (24.2% of total, based on approved number of 62 staff units)	11 persons (11.5% of total, based on approved number of 96 staff units)

Civil servants in the ministry undergo **performance reviews** every six months, based on Annex 8 to Government Resolution No. 201 of 11 March 2009.⁶⁰ This provides that during the review, the manager and a civil servant identify needs for professional development and enter them on an assessment card. This information on civil servants' professional development is further analysed and centralised by the human resources department and used to develop an annual professional development plan. This performance assessment is not merely a formality, but serves as a basis for additional remuneration for good performance (or salary reduction for unsatisfactory performance).

The **budget** of the Ministry of Environment approved for 2023 is MDL 594 812 100 (about EUR 30.7 million)⁶¹. Details on the budget are presented in the box below, based on Law No. 359 of 22 December 2022 on the state budget for 2023 (latest amendment 31 October 2023).⁶²

Box 3.5. Budget of the Ministry of Environment in 2023, in MDL

The total budget approved for the Ministry for 2023 is **MDL 594 812 100**. It is split into **five categories**, namely:

Environmental protection (about MDL 416 million, or EUR 21.5 million)

⁶⁰ https://www.legis.md/cautare/getResults?doc_id=115403&lang=ru.

⁶¹ <https://mediu.gov.md/sites/default/files/BUGET%202023%20publicare.pdf> ; the planned budget for 2022 and 2023 is on the website of the ministry: <https://mediu.gov.md/ro/content/planificare-buget>.

⁶² https://www.legis.md/cautare/getResults?doc_id=139824&lang=ro.

- MDL 150 386m Protection and management of water resources, floods and droughts
- MDL 97 565m Integrated waste and chemical management
- MDL 49 917m Control and supervision of compliance with environmental legislation
- MDL 643m Policies and management in the field of environmental protection
- MDL 36 090m Climate change predictions, forecasts and warnings
- MDL 32 948.30m Protection and conservation of biodiversity
- MDL 3 204.30m Radioprotection, nuclear and chemical security
- MDL 2 609.90m Mitigation and adaptation to climate change

Housing management and communal services management (about MDL 93 million or EUR 4.8 million)

- MDL 93,077m Water supply and sewage

Forest farms (about MDL 67.6 million or EUR 3.5 million)

- MDL 51 000m Development, regeneration, expansion and protection of the national forest fund
- MDL 10 000m Development of natural areas protected by the state
- MDL 6 584m Management in the forestry sector

Development of agriculture (about MDL 10.4 million or EUR 0.5 million)

- MDL 10 422m Irrigation and drainage systems

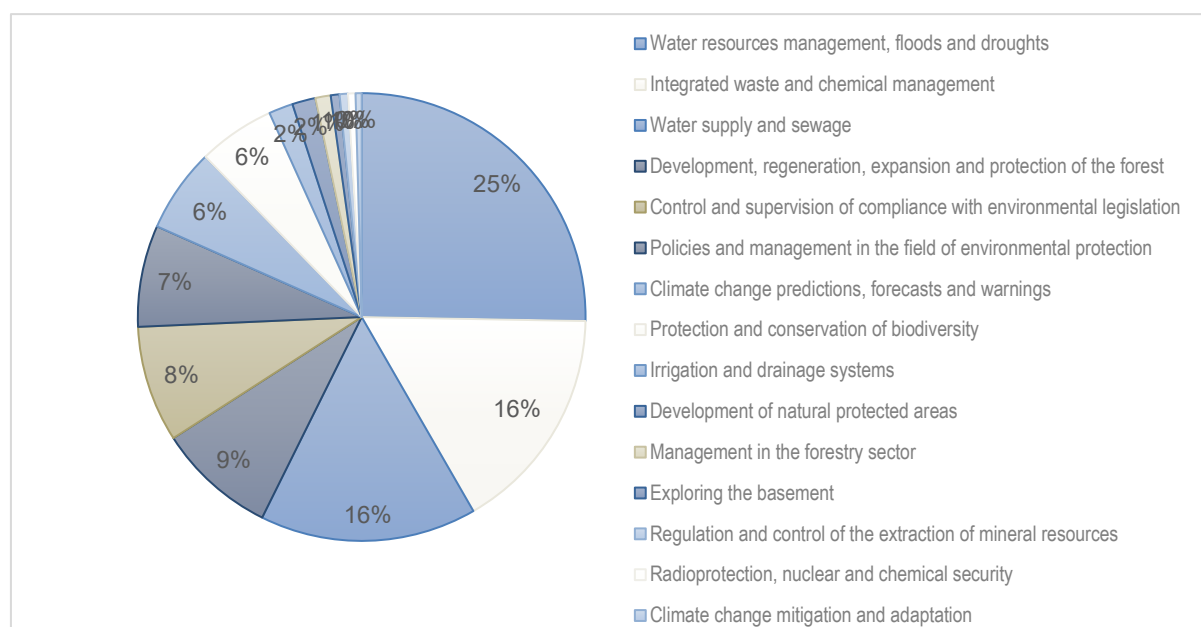
Mining, industry and construction (about MDL 7.4 million or EUR 0.4 million)

- MDL 3 580m Regulation and control of the extraction of useful mineral resources
- MDL 3 781m Exploring mineral resources

Source: <https://mediu.gov.md/sites/default/files/BUGET%202023%20publicare.pdf>.

Over 50% of the total budget is dedicated to three main areas – water resource management (25%), waste and chemicals (16%) and water supply and sewerage (16%).

Figure 3.1. Budget of the Ministry of Environment in 2023, by percentage



Source: <https://mediu.gov.md/sites/default/files/BUGET%202023%20publicare.pdf>.

According to the Law on the State Budget for 2023, the budget of the Ministry of Environment lags behind those of other ministries, except only for the Ministry of Culture (with a budget of EUR 25.4 million). The Ministry of Finance has a budget of about MDL 6.16 billion or EUR 317.9 million.⁶³

Compared to the previous year, the ministry's 2023 budget of MDL 608 578 400 (about EUR 31.4 million), fell slightly.⁶⁴ Theoretically, with an increase in salaries after 1 June 2023, an increase in the total budget would be expected. The decrease was due mainly to the deletion of budget lines for some programme activities (without affecting the salary lines). Moreover, changes since 1 June 2023 had not yet been reflected and could be seen only by comparing the amendments in the Law on budget. Any increase will be only from salaries, which have been increased.⁶⁵ Although the number of units in the ministry was increased, positions have not been filled, and at the end of the year, the ministry's total executed budget will be lower than projected.

Since the ministry was reinstated as a separate institution, the budget for environmental protection was doubled to EUR 21.5 million in 2023, from EUR 11.9 million in MARDE in 2021 (**Error! Reference source not found.3.4.**).

Table 3.4. MARDE budget in 2021

MARDE	EUR million
Total expenses of MARDE	131.7
Total expenses for environmental protection	11.9
Environmental policies and management	1.6
Integrated management of waste and chemical substances	3.6
Environmental security	2.3

⁶³ https://www.legis.md/UserFiles/Image/RO/2022/mo284-290md/an3_260md.pdf.

⁶⁴ <https://mediu.gov.md/sites/default/files/BUGET%202022conf%20205%20%282%29.pdf>.

⁶⁵ https://www.legis.md/cautare/getResults?doc_id=139824&lang=ru#.

Monitoring of the quality of the environment	2.1
Biodiversity protection and conservation	0.46
Applied scientific research in environment	0.66
Nuclear safety	0.12
Climate change mitigation and adaptation	0.39

Source: Information collection.

The ministry's budget comes primarily from state budget allocations, complemented by other revenues. In 2021, EUR 11.9 million from the state budget for environmental protection in MARDE was complemented by a budget of EUR 23.4 million for investment projects from the **National Environmental Fund** (and was spent mainly on infrastructure projects rather than on environmental protection). The National Environmental Fund's budget also comes from the state budget and the ministry's budget. In 2022, the fund's budget was MDL 272 million, of which only MDL 234 million was initially allocated for the projects. In 2023, MDL 175 million from the state budget was allocated to the fund, but after corrections, MDL 100 million was redirected to forest planting and the fund retained MDL 75 million for projects for that year. The ministry also relies on external grants and the development aid budget, but precise figures are not available. State budget revenues are expected to increase, due mainly to an increase in the volume of external grants, as stated in the project approved by the Cabinet of Ministers.⁶⁶

Box. 3.6. Setting up the institutional framework for large environmental investment programmes

The study on promoting green public transportation in Moldova suggests a three-level institutional structure for managing the programme, comprising: 1) a programming entity; 2) an implementation unit; and 3) a technical support unit. It suggests a possible division of responsibilities across these three entities, and describes the minimum operating regulations required to manage the programme.

The Programme on Clean Public Transport was developed when transport was part of the Ministry of Economy and Infrastructure.

Source: <https://www.oecd-ilibrary.org/sites/3a59e600-en/index.html?itemId=/content/component/3a59e600-en>.

As of 1 June 2023, the **average salary** in the Ministry of Environment significantly increased, to between MDL 15 330 to MDL 17 010 (EUR 802 to EUR 890) for a consultant in a division and MDL 20 100 to MDL 28 710 (EUR 1 052 to EUR 1 503) for a head of section or division. The total cost for the salaries for the additional staff for the central body of the ministry (which grew to 96 posts) was increased by MDL 899 566 per month (about EUR 46 310) or MDL 8 222 063 per year (about EUR 423 277) in addition to the existing budget.⁶⁷ This increase came from several amendments approved by the Cabinet of Ministers on 31 May 2023, to the Law on the State Budget for 2023 and to the Law No. 270 on the Unitary Salary System in the Budget Sector. Under these amendments, around 1 300 employees of the central public administration, including ministers, would benefit from higher salaries as of 1 June 2023.⁶⁸ For comparison, in 2021, salary levels at MARDE varied between EUR 230 and EUR 460, depending on the

⁶⁶ <https://www.zdg.md/stiri/stiri-economice/doc-ministrii-vor-primi-salarii-mai-mari-guvernul-a-aprobat-modificari-la-legea-bugetului-de-stat-pentru-anul-2023/>

⁶⁷ Information collected by the National Action Co-ordinator.

⁶⁸ <https://www.zdg.md/stiri/stiri-economice/doc-ministrii-vor-primi-salarii-mai-mari-guvernul-a-aprobat-modificari-la-legea-bugetului-de-stat-pentru-anul-2023/>

position and seniority, compared to Moldovan average salaries of EUR 300 to EUR 500 per month.⁶⁹ The average salary in all budgetary institutions was raised by 17.3% from the second quarter of 2022, to MDL 12 176 (about EUR 637) in the second quarter of 2023.⁷⁰ Despite this increase, salaries in public administration were less attractive than in such sectors as communication or finance.⁷¹

Compared to other governmental agencies, average salaries among the ministries are roughly comparable. According to information provided by the Division of budgetary salaries of the Ministry of Finance, the level of salaries in the central bodies is similar in all the ministries.⁷² In 2018, salaries in the ministries were generally unified by Law No. 270 (23 November 2018, amended on 17 August 2023) on a unified salary system in the public sector, removing major differences in the salary levels of key ministries.⁷³ According to the recent SIGMA assessment, despite the salary reform adopted in 2018 under a new, broad-based Law on Salaries, the salary system for civil servants fails to ensure competitiveness of salaries, internal fairness and transparency of remuneration.⁷⁴

- The Ministry of Environment plays a key role in encouraging the green economy. It led development of the **Programme for Promoting a Green Economy in Moldova for 2018-20**, with the support of EaP GREEN. The Ministry of Environment (previously MARDE) was charged with monitoring and co-ordinating the Action Plan for the programme and submitting a generalised report on the Action Plan annually to the government.⁷⁵ The ministry did not have a special department on the green economy but conducted activities on business and development of small and medium-sized enterprises (SMEs). Since 2016, it had been in charge of greening SMEs, under the Strategy of Development of SME. The ministry now leads the development of the new **Programme on the Green and Circular Economy 2023-28**, with support from EU4Environment, which provides methodological support and local experts. It is also working on the **National Programme on Waste Management for 2023-27**, developed with support of EU4Environment, which is under approval.

⁶⁹ Interviews with MARDE representatives. Average wages in Moldova increased to MDL 12 176 a month (USD 670 a month) in the second quarter of 2023. The maximum rate of the average wage for employees was MDL 8 860 a month and the minimum MDL 330 a month, an increase of 17.3% on the second quarter of 2022. https://statistica.gov.md/en/average-monthly-earnings-and-the-average-number-of-employees-in-the-second-quart-9436_60680.html

⁷⁰ https://statistica.gov.md/en/average-monthly-earnings-and-the-average-number-of-employees-in-the-second-quart-9436_60680.html.⁷¹ Information and communication – MDL 30 521.3 (EUR 1 598); financial and assurance – MDL 24 704 (EUR 1 293); Production and supply of electricity and thermal energy, gas, hot water and air conditioning – MDL 18 382.2 (EUR 962); **Public administration – MDL 13 456 (EUR 704)**. Source: https://statistica.gov.md/ro/castigul-salarial-mediulunar-brut-si-indicele-numarului-mediul-9436_60680.html.⁷²

According to the information provided by the Division of Budgetary Salaries of the Ministry of Finance.

⁷¹ Information and communication – MDL 30 521.3 (EUR 1 598); financial and assurance – MDL 24 704 (EUR 1 293); Production and supply of electricity and thermal energy, gas, hot water and air conditioning – MDL 18 382.2 (EUR 962); **Public administration – MDL 13 456 (EUR 704)**. Source: https://statistica.gov.md/ro/castigul-salarial-mediulunar-brut-si-indicele-numarului-mediul-9436_60680.html.⁷² According to the information provided by the Division of Budgetary Salaries of the Ministry of Finance.

⁷² According to the information provided by the Division of Budgetary Salaries of the Ministry of Finance.

⁷³ https://www.legis.md/cautare/getResults?doc_id=133552&lang=ro# 74
<https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.

⁷⁴ <https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.

⁷⁵ https://www.legis.md/cautare/getResults?doc_id=102127&lang=ru.

The green transition goes hand in hand with the digital transition, which was accelerated by the COVID-19 crisis. Moldova emphasises the modernisation and digitalisation of public services. On 6 September 2023, the Cabinet of Ministers approved the **Digital Transformation Strategy** of Moldova for 2023-30, which will guide Moldova on European integration.⁷⁶ The Strategy, led by the deputy prime minister of Moldova for digitalisation, the MEDD and supported by stakeholders including EU4Digital experts,⁷⁷ aims to create a fully digital future. The European Bank of Reconstruction and Development (EBRD) funded the appointment of a high-level digitalisation adviser embedded in the Economic Council Secretariat.⁷⁸ The Strategy aims to make Moldova an innovative and inclusive digital society, with an advanced digital infrastructure, digitally educated people, a pro-digital government and a business community that optimises digital opportunities. The objectives of the Strategy are: development of a digital society, development of a robust and competitive ICT sector, creating an innovative and resilient digital economy, establishing an efficient, intelligent and transparent digital state, creating an accessible, safe and inclusive digital environment and consolidation of Moldova's image as a digital nation.⁷⁹ Currently, 44% of public services are registered online for entrepreneurs and 34% for citizens, but the ultimate goal is for all public services to be available in digitised format.⁸⁰ SIGMA's 2023 report states that the government has mapped 718 services for businesses and citizens, of which 276 are digitally available. With the creation of a network of 40 multi-functional centres in 31 districts and 17 community centres, access to administrative services has been a clear policy objective in recent years.⁸¹

The Digital Transformation Strategy covers digitalisation of all government work and services, but has no specific provisions directly related to environmental institutions. The Ministry of Environment is also progressively adopting an e-government model, in line with government priorities.

Box. 3.7. E-government and the Ministry of Environment

Automated information systems of the Ministry of Environment

The Register of State Information Resources and Systems (SI Registru) is an information system for recording state resources and information systems. It aims to provide public authorities and institutions with an efficient, reliable, modern mechanism for recording. It was developed to provide a centralised record of state information resources and systems.⁸² The Ministry of Environment has three automated information systems:

- **the waste management system** (SIA MD, www.siamd.gov.md/), administered by the Environmental Agency, is a system that collects information on products on the market and the waste they generate. It records requests to carry out waste management activities, details of waste producers, environmental permits for waste management, data on

⁷⁶ <https://www.undp.org/moldova/projects/accelerating-digital-transformation-public-sector-republic-moldova> ; <https://gov.md/ro/content/strategia-de-transformare-digitala-republicii-moldova-pentru-anii-2023-2030-aprobata-de>.

⁷⁷ <https://eufordigital.eu/new-digital-transformation-strategy-to-guide-moldova-in-european-integration/>.

⁷⁸ EBRD, Supporting the digitalisation of governance in Moldova (January 2022), file:///C:/Users/Belkahia_I/Downloads/Digitalisation%20in%20Moldova_final.pdf.

⁷⁹ <https://particip.gov.md/ro/document/stages/proiectul-hotararii-guvernului-pentru-aprobarea-strategiei-de-transformare-digitala-a-republicii-moldova-pentru-anii-2023-2030/10429>.

⁸⁰ <https://www.undp.org/moldova/press-releases/100-digital-state-strategy-digital-transformation-republic-moldova-2023-2030-approved-executive>.

⁸¹ <https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.

⁸² <https://rsi.gov.md/public/organizations/details/b947c3fa-aff0-41b1-a01d-afd500a29b9d>.

the quantity of waste received and treated, and the types and methods of waste treatment or disposal.⁸³ It is based on Government Decision No. 682/2018 on the approval of the concept of the automated information system "Waste Management".⁸⁴ MARDE was responsible for supervising the execution of this decision.

- **the Common Platform for Environmental Authorisation of Special Water Use (PCAMFSA)**, administered by the Waters of Moldova, is a practical solution for optimising inter-institutional communication and communication with citizens.⁸⁵ It is based on Government Decision No. 894/2013 on the organisation and operation of the one-stop shop of environmental authorisation for the special use of water.⁸⁶
- **the National Register of Emissions and Transfer of Pollutants (SIA RETP)**, administered by the Environmental Agency, systematises data on pollutant emissions to air, water, soil and diffuse sources, as well as on off-site transfers of waste and pollutants from wastewater, reported by operators carrying out one or more of the activities mentioned in the Regulation on the National Register of Emissions and Transfer of Pollutants.⁸⁷ It is based on Government Decision No. 373/2018 regarding the National Register of Pollutant Emissions and Transfer.⁸⁸

The Ministry of Environment also uses an **e-management** tool for its internal management, flow of documents and reporting.

Other e-service portals relevant to the environment and green economy

- **E-procurement:** In 2012, the Public Procurement Agency under the Ministry of Finance launched the State Register of Public Procurement (SIA RSAP), an automated information system.⁸⁹ The E-procurement portal centralises procurement services of all government agencies. The Public Procurement Agency is leading a shift in public spending towards sustainable public procurement. Technical specifications based on sustainable criteria have been developed for five categories of products procured by public institutions: paper, vehicles, computers, fruit and vegetables, as well as energy-efficient windows and doors. By 2026, Moldova aims to apply sustainability criteria in at least 15% of its public procurement. This marks another step towards approximating Moldova's public procurement legislation with EU practices, as mandated by the EU-Moldova Association Agreement.⁹⁰ **Green criteria** have been developed but have yet to be applied. Information on the register and guidelines can be found at the agency's website: <https://tender.gov.md/ro/content/comunicate>, which now includes energy-efficient windows and doors and organic/ecological products <https://tender.gov.md/ro/content/documenta%C8%9Bie-standard>. Further criteria are under development.

The institutional framework for e-government is presented in the box below.

Box 3.8. Institutional framework for e-government: e-Governance Agency

In 2010, Moldova began an e-Transformation process to streamline governance through information technology. The State Chancellery established a public entity, the **e-Government Centre**, a team of professionals with an innovative approach that

⁸³ https://www.legis.md/cautare/getResults?doc_id=108814&lang=ro.

⁸⁴ https://www.legis.md/cautare/getResults?doc_id=108814&lang=ro.

⁸⁵ <https://rsi.gov.md/public/systems/details/fb42226d-2145-440b-956a-b050010e2df4>.

⁸⁶ https://www.legis.md/cautare/getResults?doc_id=121894&lang=ro

⁸⁷ <https://rsi.gov.md/public/systems/details/8aec5b1e-5d7b-44d6-80c3-b03600fce8ff>.

⁸⁸ https://www.legis.md/cautare/getResults?doc_id=103021&lang=ro.

⁸⁹ <https://tender.gov.md/ro/content/lansarea-sistemului-informa%C8%9Bional-automatizat-registrul-de-stat-al-achizi%C5%A3iilor-publice-sia>.

⁹⁰ <https://tender.gov.md/ro/content/eu4environment-supports-moldova-shifting-public-spending-towards-sustainability>.

was renamed the **e-Governance Agency (Electronic Governance Agency)**, as a result of consolidating data centres in the public sector and rationalising the management of government information systems.⁹¹

The agency is directed by a **council** composed of five to seven people and established by order of the secretary general. The minister of economic development and digitalisation is a member of the council (whose new nominal composition was approved by the secretary general under Government Decision No. 44 of 6 April 2023).⁹²

Since 2011, the agency has produced over 100 e-governance products in over 20 e-transformation and modernisation initiatives of public administrative services, building a sustainable platform for the modernisation of public services and other innovations in governance.⁹³

The **Council of Co-ordinators for the Modernisation of Government Services and e-Governance Transformation** was set up under Decision No. 222 of 1 April 2011, to implement the e-Transformation agenda at the sectoral level and to co-ordinate e-Transformation of the public sector. It is a collegial body, headed by the deputy general secretary of the government, which will include the ministries' general secretaries of state, the heads/deputy heads of other central administrative authorities and public authorities subordinate to the government, the director of the Public Services Agency and the director of the Reform Implementation Centre. It co-ordinates the modernisation of government services, ensures the continuity of the e-Transformation of government and evaluates execution of the modernisation reform, proposing solutions to increase the quality of government services. It also monitors the progress of the implementation of the re-engineering and digitisation projects of joint public services launched by the government with the Electronic Government Agency.⁹⁴

Examples from other EaP countries can also provide inspiration for Moldova.

Box 3.9. To get inspired... Smart government: ASAN, e-government and the Ministry of Ecology and Natural Resources in Azerbaijan

The **Azerbaijani Service and Assessment Network** (or ASAN, which means “easy” in the Azerbaijani language) is a one-stop shop for public services. It was created in 2012 under the State Agency for Public Service and Social Innovations under the president. The services are made available online through 22 ASAN centres (including 6 in Baku and 16 in the regions). In 2015, ASAN won the UN Public Service Awards (CPI, 2016; World Bank, 2021).

ASAN services provided by the Ministry of Ecology and Natural Resources include:

- prohibiting the release of harmful substances into the atmosphere and harmful physical effects.
- accepting applications and documents for the purpose of allocating quotas and issuing fishing tickets for industrial fishing of fish and other aquatic bioresources.
- acceptance of applications for hunting permits for foreigners and stateless persons.
- issuing permission for the circulation of objects (ozone-depleting substances and products containing such substances) whose civil circulation is restricted.
- issuing hunting permits to individuals who wish to engage in hunting activities.
- extending hunting licenses issued to persons who want to engage in hunting.

Mobile ASAN, an innovative approach to bringing public services to rural areas

⁹¹ <https://www.egov.md/en>. For more details, see [Government Decision No. 760 on IP Electronic Agency](#).

⁹² <https://egov.md/ro/consiliul-institutiiei>.

⁹³ <https://egov.md/ro/despre-age>.

⁹⁴ <https://egov.md/ro/consiliul-e-transformare>.

To facilitate the rural population's access to public services, mobile ASAN offices travel to remote areas in ten large, well-equipped buses and one train.

e-government

Azerbaijan introduced the **E-Government Portal (www.e-gov.az/en)** offering 443 public e-services provided by all the ministries, including the MENR, most state agencies and local executive authorities. According to the report "Smart government: Case of Azerbaijan", e-government saves the country **468 tons of paper and 7 962 trees** (Aliyev, n.d).

Government agencies in charge of e-government include: the Department of Economic Issues and Innovative Development Policy of the Presidential Administration, the State Agency for Public Service and Social Innovations under the president and its E-Government Development Center. The e-government executive team includes MENR, represented by the head of the Information Department of the Forest Fund, Biological Resources and Emergency Events of the State Information-Archive Fund for Environment and Natural Resources.

E-service portals relevant to the environment and green economy

Among other services, the MENR issues permits for hunting and fishing through its e-services portal (<https://www.e-gov.az/en/services>). Other portals relevant to environment and the green economy are offered by:

- the State Environmental Expertise Agency (<https://e-xidmet.eco.gov.az/>), including permits on the release of harmful substances into the atmosphere, use of water bodies, categorisation of land and waste disposal.
- the Ministry of Economy (<https://e-services.economy.gov.az/>), including its "E-licenses and permits" portal (<https://lisenziya.gov.az/>), issuing licenses and permissions for commercial activities.
- the "E-procurement" portal, centralising procurement services of all government agencies (www.etender.gov.az).

"myGov" e-government portal

The E-Government Development Centre of the State Agency for Public Service and Social Innovations under the president launched the e-government portal "myGov" in 2019, and its mobile application in 2021. It provides electronic services based on the "single window" principle, connecting government institutions, citizens and business on a single platform and making public services more easily accessible to citizens. The "myGov" platform works for several government agencies, including the Ministry of Economy. To date, the MENR has not been included in the platform.

Sources: ASAN, <https://asan.gov.az/en/category/asan-xidmetler/funksional-yardimci-xidmetler/ekologiya-ve-tebii-servetler-nazirliyi-terefinden-goesterilen-xidmetler>; Inji Jafarli, "Effective Public Service Delivery: The Case of Azerbaijan", <https://www.astanahubjournal.org/index.php/ijsrp/article/view/153/161>; State Agency for Public Services and Social Innovations, <https://vxida.gov.az/en>.

Institutions subordinate to the Ministry of Environment

Public institutions founded by the Ministry of Environment

The Ministry of Environment founded the **National Office for the Implementation of Projects in the Field of the Environment** (ONIPM).⁹⁵ It was set up to help the ministry streamline management of financial and technical assistance projects in environmental protection and the use of natural resources by Government Decision No. 1249 of 19 December 2018 (with several Amendments, the latest dated 9 June 2023).

Its mission is to support the Ministry of the Environment in environmental protection, climate change and sustainable management of natural resources. Its functions include efficient implementation of projects in the fields of competence, supervision and verification of the quality of services provided, administration of funds allocated to the projects, drafting project proposals and progress reports.

⁹⁵ <https://onipm.gov.md/>.

ONIPM manages six projects:

- The United Nations Environment Programme (UNEP)/Global Environment Facility (GEF) Project: Global Framework for Biodiversity – Early Action Support Project
- UNEP/GEF Project: Biosecurity Implementation Framework for Biological Resource Management in Moldova
- the project “Conservation and sustainable management of wetlands with emphasis on areas of high natural value in the Prut River basin”
- the Sustainable Infrastructure Partnership (SIP) UNEP Project “Support in the post-ratification process of the Minamata Convention by the Republic of Moldova, by strengthening the capacities to reduce the risks associated with mercury”
- HCFC (Hydrochlorofluorocarbons) phase-out management plan, phase III
- The “Republic of Moldova: Preparation of the First Biennial Transparency Report to the United Nations Framework Convention on Climate Change” project.⁹⁶

In addition, ONIPM also administers the **National Environmental Fund**, whose procedures are set up in the Operational Manual of the Fund.⁹⁷ After adoption of the new manual, ONIPM launched a competition to select projects in environmental protection and climate change, financed by the National Environmental Fund.⁹⁸ In November 2023, the list of project proposals selected for final evaluation (feasibility assessment) to obtain the financing, was announced by ONIPM.⁹⁹

ONIPM is governed by its Supervisory Committee and the director of its executive body. The committee is made up of five members: the minister of the environment and four other representatives, from the Ministry of Finance, the Environmental Agency, academia and civil society. The committee’s nominal composition is established by order of the minister of the environment, who serves as its chairman.

The Office has four sections: operational service, which controls implementation of projects, and 3 support services – administrative, legal and financial.¹⁰⁰ It has 11 staff members, including 6 project managers, 3 specialists and 2 financial staff units. The ONIPM staff consists of permanent and temporary staff. Temporary staff (local consultants, working on a project basis) are contracted as needed and for a fixed period, depending on the complexity and the need for human resources in the project/projects, and are paid with funds allocated to the project. Each project may have its own project team(s), in addition to the Office staff (most of them project managers). Given its status as a public institution under Government Decision No. 1249/2018, ONIPM is approved for a maximum of **8 units** funded from the state budget (project teams and temporary consultants are not funded by the state budget). ONIPM has approved **8 permanent staff units** and **6 (temporary) project managers**.

ONIPM activity is funded from three resource streams: financial means allocated by financiers for the implementation of projects; the state budget; and other legal sources.

ONIPM also participates in the EU LIFE programme, the EU environmental fund.¹⁰¹ In October 2023, the European Commission approved funding for a first environmental project submitted by Moldova (see box).

⁹⁶ <https://onipm.gov.md/proiecte-programe>.

⁹⁷ https://www.legis.md/cautare/getResults?doc_id=137301&lang=ru.

⁹⁸ <https://onipm.gov.md/finantare>.

⁹⁹ <https://onipm.gov.md/sites/default/files/Lista%20propunerilor%20de%20proiecte%20promovate.pdf>.

¹⁰⁰ <https://onipm.gov.md/profiles/structura-organizationala>; see also Annex 3 of the Government Decision.

¹⁰¹ <https://www.mediu.gov.md/ro/content/4574>.

Box 3.10. First-ever environmental project in Moldova in the LIFE programme

In October 2023, the European Commission approved financing for a first environmental project submitted by Moldova, under the LIFE programme, the European Union's environmental fund. The project aims at actions in nature conservation and improving management practices in protection areas to conserve biodiversity, natural habitats, flora and fauna.

The project will cost EUR 1 million, of which the EU will provide approximately EUR 894 000. The project provides for the implementation of the Birds and Habitats Directive, the Natura 2000 network in Ukraine and Moldova, based on their current Emerald network of sites in accordance with the Bern Convention, and will be implemented over two years.

After a request for proposals, among the 16 projects received at the EU level for co-financing under the LIFE Natura 2000 programme component, the EU Commission selected five for financing. Moldova has submitted three project requests, totaling around EUR 4 million, for two other projects submitted.

The projects in the LIFE Nature 2000 component aim to improve the conservation status of species and habitats on the verge of extinction. Moldova joined the EU LIFE programme in November 2022, after negotiations were launched to open the LIFE Programme to countries outside the EU, offering them the opportunity to access European funds for environmental projects. Non-EU countries can only obtain funding through the Emerald network, the equivalent of the Natura component.

Source : <https://onipm.gov.md/content/republica-moldova-ob%C8%9Binut-prima-finan%C8%9Bare-din-programul-ue-life>.

The creation of the ONIPM was seen as a positive development, increasing the capacity of the ministry to deal with environmental issues and to carry out environmental projects, which, under MARDE and until 2019, were dispersed among the ministry's seven environmental project offices. Under MARDE, the capacity available in the ministry to deal with environmental issues was mainly in the seven environmental project offices that handled project implementation. In 2019, they were merged into a single public institution, the Environmental Projects Implementation Unit, ONIPM's predecessor (Box 4.1).

Box 3.11. Environmental Projects Implementation Unit, the predecessor of ONIPM

The **Environmental Projects Implementation Unit (UIPM)** was created in 2019 under the Ministry of Agriculture, Regional Development and Environment (MARDE) by Government Decision No. 1249 of 19 December 2018 (published in 2019), to streamline management of financial and technical assistance projects in environmental protection and the use of natural resources. Its mission was to help MARDE prevent environmental pollution; protect air quality, the ozone layer and climate change; manage water resources; conserve biodiversity; manage natural areas protected by the state; manage waste and chemical management, and biosecurity.

It merged seven legal entities (the ministry's project-based environmental project offices) into a single institution – the Climate Change Office, Carbon Finance Office, Environmental Pollution Prevention Office, Ozone Office, Biodiversity Office, Office of Biosecurity, and the consolidated unit for implementing environmental projects.

The unit was governed by the Supervisory Committee and a director, executive body. The committee was made up of five members, appointed for four years. The nominal composition of the committee was established by the MARDE, with the mandatory inclusion, at least, of a representative from the State Chancellery, the Ministry of Finance, the MARDE and civil society. Its activities are financed from funds allocated by financiers; the state budget; and other legal sources.¹⁰²

In 2021, after the Ministry of Environment was re-established as a separate institution, UIPM's structure and regulation were updated. A new director was appointed in September 2021. UIPM had 3 permanent staff units, funded from the state budget (including a director, financial management and lawyer) and 12 consultants working on a project basis (consultancy contracts in environmental projects, carried out by the ministry's former environmental project offices, which were merged into the UIPM).

In 2022, UIPM became the National Office for the Implementation of Projects in the Field of the Environment (ONIPM).

According to the interviews, UIPM encountered several challenges after its creation, mostly due to lack of clear responsibilities and operational guidelines, including insufficient human capacity; sustainability beyond the duration of the project (project-based consultants left UIPM after a project ended, making it a challenge to retain their expertise after the completion of a project); lack of accreditation to international funds or institutions/agreements to be eligible to apply to funding; and capacity-building needs on green investments.

Today, the situation has improved. In 2022, ONIPM was accredited to the UNEP.

A number of constraints remain. Since it is a public institution, approved by Government Decision 1249/2018, ONIPM has the maximum staff of the institution approved, in the eight units that are financed from the state budget. In 2022, ONIPM took over the management function of the National Fund for the Environment. A small number of personnel is involved both in the management of the National Environment Fund and administration of the funds allocated to the projects, the formulation of project proposals and drafting and presentation of progress reports in implementing the projects and the use of the funds intended for the projects.

Today, the major constraints are in the limited number of staff to manage all existing projects (including the administration of the National Environmental Fund) and potential new ones, including the EU LIFE Programme.¹⁰³

Source: Government Decision No. 1249 of 19 December 2018 regarding the organisation and operation of the public institution "Environmental Project Implementation Unit", https://www.legis.md/cautare/getResults?doc_id=113696&lang=ro and Amendments, https://www.legis.md/cautare/getResults?doc_id=137301&lang=ro#.

¹⁰² https://www.legis.md/cautare/getResults?doc_id=113696&lang=ro.

¹⁰³ <https://onipm.gov.md/content/republica-moldova-ob%C8%9Binut-prima-finan%C8%9Bare-din-programul-ue-life>.

Subordinate institutions

There are seven administrative authorities under the Ministry of Environment:

- the Environmental Agency
- the Inspectorate for Environmental Protection
- the Waters of Moldova Agency
- the Moldsilva agency
- the Agency for Geology and Mineral Resources
- the State Hydrometeorological Service
- the National Agency for the Regulation of Nuclear and Radiological Activities.¹⁰⁴

Environmental Agency

The **Environmental Agency** reports to the Ministry of Environment, and is responsible for state policy in environmental protection, created on the basis of Government Decision No. 549 of 13 June 2018.¹⁰⁵ It was created to strengthen the environmental pillar of the MARDE for policy implementation and to address the limited capacity in the ministry at the time for dealing with environmental issues.

Its mandate covers environmental protection policy in six areas: 1) prevention of environmental pollution; 2) air quality protection and climate change; 3) protection and regulation of water resources; 4) protection and regulation of flora and fauna and aquatic biological resources; 5) conservation of biodiversity and management of protected natural areas; 6) waste management; and 7) biosecurity.¹⁰⁶

The agency is charged with implementing public policy documents and legislation in environmental protection at the national and local level; providing technical support for drafting public policy documents, legislative and normative acts on environmental protection; regulating and authorising activities impacting the environment; issuing permits for entrepreneurial activities; monitoring the quality of the environment (water, air, soil, forest, flora, fauna); creating and administering cadastres and special registers, administering information and data systems and ensuring public access to environmental information.

Under Government Decision No. 549 of 13 June 2018, one of the agency's functions is to develop the **system of environmental indicators** for elaborating and publishing the **national report on the state of environment**.¹⁰⁷ The agency is also responsible for the National Monitoring and Reporting System (NMRS) on greenhouse gas emissions and other information relevant to climate change, under Government Decision No. 1277 of 26 December 2018 on the establishment of the NMRS.¹⁰⁸

The agency's director co-ordinates and controls its activity and its decentralised territorial structures, assisted by two deputy directors. The number of positions initially anticipated in 2018 was 140, but these were reduced to 124 positions by Government Decree No. 186 of 15 September 2021, of which only three-

¹⁰⁴ <https://mediu.gov.md/ro/content/autorit%C4%83%C8%9Bi-administrative-din-subordinea-ministerului-mediului>.

¹⁰⁵ <https://am.gov.md/ro/content/despre-noi> and <https://faolex.fao.org/docs/pdf/mol178555.pdf>.

¹⁰⁶ <https://am.gov.md/ro/node/37>.

¹⁰⁷ The latest report on the state of environment (*Raport național în baza indicatorilor de mediu*) was published in 2020, for the period 2015-2018, <https://drive.google.com/file/d/1YD6esULO-JNJGhTmN1P8U2Ft228B8hGH/view>. The full list of reports is available at www.am.gov.md/ro/node/217. ENI SEIS II East helped update the environmental indicators (last update 2018), www.am.gov.md/ro/content/indicatori-de-medi. There are plans to update the information with support of the "EU4Environment – Water and Data" programme.

¹⁰⁸ https://unfccc.int/sites/default/files/resource/BUR3-EN-211211_web.pdf.

quarters (94 posts) were occupied as of November 2021. The low level of salaries was the main reason for the vacant positions. This has not changed significantly. The latest data available show only 95 people working in the agency (out of 124 posts), meaning that only three-quarters of positions are filled.

The annual budget of the Agency in 2022 was about MDL 16 million (EUR 0.8 million), 4.4% of the Ministry of Environment's budget.¹⁰⁹

The agency has two sub-national representations: the Northern Environmental Agency (in Balti) and Southern Environmental Agency (in Cahul).

The **Environmental Reference Laboratory**, which was set up in the agency in 2018, helps the agency monitor environmental quality. It initially hampered by its lack of accreditation until it was accredited in March 2021 by the National Accreditation Centre (MOLDAC).¹¹⁰ The laboratory is responsible for monitoring the environment and performs environmental tests on surface water, wastewater, soil quality, radioactivity, atmospheric precipitation and air quality. Its areas of expertise and certification are expected to expand as it gains experience. Its priorities are: monitoring the quality of environmental components and determining the level of pollution; detecting cases of high or exceptional pollution in environmental components; prevention and reduction of negative effects on the environment and the population; emergency notification of bodies with control and decision-making functions on the exceptional degree of environmental pollution; systematically familiarising civil society with the quality of the environment.

The lack of an accredited laboratory had been a serious obstacle to prosecuting environmental offences, and its limited capacity is still an issue. It was accredited only for a limited number of tests (7). Increasing this number and gaining international comparability will require additional costs, equipment and personnel. It includes six subdivisions: the Laboratory for Atmospheric Air Quality, Water Quality Laboratory, Laboratory for Soil Quality, Waste Laboratory, Laboratory for Environmental Radioactivity and Operational Service of Ecological Investigations.¹¹¹

Improvements in issuing environmental permits and Strategic Environmental Assessment (SEA)/ Environmental Impact Assessment (EIA) have been made, an area identified as a weak point in 2021 interviews. Data for 2021-2023 show 300 to 350 requests for EIA and 50 to 80 requests on SEA were received. The register of applications and issued environmental permits is publicly available on the agency's website,¹¹² the Register on EIA¹¹³ and the Register of applications and decisions of SEA,¹¹⁴ including all applications and decisions. Their capacity remains an issue, which the EU4Environment Programme is addressing by providing training, and helping develop guidelines and new regulations. These include **two guidelines on quality control** (Guidelines on Quality Control of Environmental Impact Assessment Documentation for Moldova, including Guidance for the Transboundary EIA process; and Guidelines on Assessment of the Quality Control of Strategic Environmental Assessment), a **training workshop** on Quality Control of SEA and EIA Documentation in Moldova (24 May 2023) and **two**

¹⁰⁹ Information collected by the National Action Co-ordinator. See also

www.eu4environment.org/app/uploads/2022/03/Environmental-compliance-assurance-system-in-the-Republic-of-Moldova.pdf.

¹¹⁰ The National Accreditation Centre (MOLDAC) Accreditation Certificate No. Î-133 of 18 March 2021 declared that the Environmental Reference Laboratory in the Environmental Agency satisfied the requirements of SM EN ISO/IEC 17025: 2018; <https://acreditare.md/wp-content/uploads/2021/03/26-Anexa-AGENTIA-DE-MEDIU-18.03.2021.pdf>.

¹¹¹ For more information on the Laboratory's activity, see <https://am.gov.md/ro/content/laborator-de-referin%C8%9B%C4%83-de-mediu>.

¹¹² <https://www.am.gov.md/ro/node/1006>.

¹¹³ <https://docs.google.com/document/d/1-xEE5f5yxhcFQQg-aF4EHmzBk6FrVfRPJZ3giR9ZgMA/edit>.

¹¹⁴ <https://docs.google.com/document/d/1z9WQf0ZY69yEcv2UfLUkVDk2ulzmjnvI7a0RFY0n5h8/edit>.

regulations under the amended Law on EIA and the amended Law on SEA (regulation for the Technical Commission on quality control of EIA documents and regulation for the Commission of Experts on quality control of SEA documents; both in the process of finalisation).

As environmental institutional reform proceeds, the need to update and report on environmental indicators regularly has become evident.

Inspectorate for Environmental Protection

The institutional framework for environmental compliance assurance in Moldova involves co-operation by: 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.¹¹⁵

The **Inspectorate for Environmental Protection**, reporting to the Ministry of Environment (previously, MARDE), is responsible for state supervision and control in environmental protection and use of natural resources. It was created by Government Decision No. 548 of 13 June 2018 on the organisation and functioning of Inspectorate for environmental protection (latest amendment from 14 August 2023).¹¹⁶

It merged two entities, the State Ecological Inspectorate and the Fishery Service.

Its head is appointed by the Minister of Environment, supported by two deputy heads. The inspectorate consists of a central body (directorates, sections, services) and territorial subdivisions (inspections for environmental protection). The central body has 16 structural units, including eight directorates (for control of forest and protected areas; geology and land resources; waste and chemicals; water resources and air; hunting and fishing) and 7 sections/services. The inspectorate's **35 territorial subdivisions** are not legal entities and are managed directly by the central body, with financial expenses for their maintenance.¹¹⁷

The inspectorate is critically understaffed. It has 273 staff units, of which only 180 positions were filled in 2023, leaving a third of the positions vacant.

Its budget in 2022 was MDL 41 million (EUR 2 million), about 11% of the annual budget of the Ministry of Environment. This was comparable in absolute terms to the MDL 42 million (EUR 2 million) in 2020, but made up a higher proportion of the ministry's total budget, since under MARDE, the environmental pillar was allocated only 1.6% of the total.¹¹⁸

Box 3.12. Strengths and weaknesses of environmental compliance assurance system in Moldova

The recently published report on the environmental compliance assurance system in Moldova takes stock of the national environmental compliance assurance system, including its legal and institutional framework, monitoring, enforcement and compliance promotion activities. The assessment identifies gaps and offers recommendations for improvement, notably in the legal and permitting framework, environmental compliance monitoring, environmental compliance enforcement regime and the use of compliance promotion instruments, as well as improvements in the institutional framework, presented below.

¹¹⁵ www.eu4environment.org/app/uploads/2022/03/Environmental-compliance-assurance-system-in-the-Republic-of-Moldova.pdf.

¹¹⁶ https://www.legis.md/cautare/getResults?doc_id=138709&lang=ro# and <https://ipm.gov.md/>.

¹¹⁷ Organigram of the Inspectorate, <https://ipm.gov.md/ro/organigrama> and Appendix No. 2 to Government Decision No. 548 of 13 June 2018, https://www.legis.md/cautare/getResults?doc_id=138709&lang=ro#.

¹¹⁸ Information collected by the National Action Co-ordinator. See also the report, www.eu4environment.org/app/uploads/2022/03/Environmental-compliance-assurance-system-in-the-Republic-of-Moldova.pdf.

Findings on the 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.
- 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.

Recommendations to improve institutional framework for environmental compliance assurance

- Increase the number of staff working on permitting at the Environmental Agency.
- Consider increasing the performance of the inspectorate by streamlining oversight over its activities, reconsidering 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.

Source: www.eu4environment.org/the-environmental-compliance-assurance-system-in-the-republic-of-moldova/.

Moldova announced in September 2023 that it had begun to reform the Inspectorate for Environmental Protection.¹¹⁹ The need for institutional reform in the environment emerged from a functional analysis in 2022 of environmental institutions reporting to the Ministry of Environment. This identified functional deficiencies and conflicts in the entities managing the field of environment and proposed solutions for institutional reform of the sector, to develop effective governance structures that allow full implementation of the ambitious objectives laid out in national and international environmental documents.

Waters of Moldova Agency

The **Apele Moldovei Agency** (Waters of Moldova Agency) is the administrative authority subordinate to the Ministry of Environment responsible for the implementation of the state policy in the field of water resources management, water improvement, water supply and sewage, created on the basis of Government Decision No. 1056 of 15 September 2008 on the approval of the Regulation, structure and functions of the Apele Moldovei Agency (latest amendment from 14 August 2023).¹²⁰ In 2023, its new Regulation was adopted.¹²¹

Specifically, the agency carries out state policy in water management and water improvement, water supply and sewerage, helps draft legislative and normative acts and policy documents in protecting local communities and agricultural land against floods and sub-floods, as well as water supply systems and sewerage; elaborates and plans measures for the protection of aquatic resources. It also manages the water supply and sewerage systems of local communities; drafts management plans on the hydrographic basin principle; ensures implementation of the basin principle of water management, meeting the needs of the population and economic agents in water supply and sewerage services, by co-ordinating the work of enterprises and organisations in the field; provides advisory, informational, technical and legal assistance to enterprises in exploiting buildings and water improvement networks, water supply and sewerage;

¹¹⁹ <https://particip.gov.md/ro/document/stages/anunt-privind-intentia-elaborarii-proiectului-hotararii-de-guvern-cu-privire-la-reorganizarea-inspectoratului-pentru-protectia-mediului-in-continuare-proiectul-a-fost-elaborat-de-ministerul-mediului-cu-suportul-autoritatii-administrative-subordonate-inspectoratul-pentru-protectia-mediului/11137>.

¹²⁰ Government Decision No. 1056 of 15 September 2008, www.legis.md/cautare/getResults?doc_id=68301&lang=ro#; Government Decision No. 882 of 22-10-2014 (amended in 2023), https://www.legis.md/cautare/getResults?doc_id=138710&lang=ro and official website of the Agency, www.apelemoldovei.gov.md/index.php?l=ro.

¹²¹ https://www.legis.md/cautare/getResults?doc_id=138710&lang=ro.

elaborates and promotes annual programmes of activities in drinking water supply and sewerage, and water improvement, financed from the state budget or from other sources; ensures implementation of measures arising from the interstate collaboration in water resources and attracts investments for the construction of water supply and sewerage facilities, water management and water improvement; undertakes rigorous measures to enforce the provisions of the national policy in water resources, the Conception of the International National Geographic System, the Framework Directive and other EU Directives in the field of water; and carries out national strategy on drinking water supply and sewage.

The agency's director is supported by the deputy director. Its central body consists of four departments: water supply and sewerage; water resources management; hydro, monitoring and surveillance; financial and four services.

Until 2018, the agency had created 20 state enterprises, including mainly irrigation stations, but also water institutions, training centres and other organisations and administered two joint stock companies.¹²² After 2018, the state enterprises no longer included the structure.

The agency is relatively small, with 30 staff units (initially envisaged as 40 in the 2008 Government Decision), of which 23 positions were filled in 2023, leaving 23% positions vacant.¹²³ The new regulation (in force as of August 2023) reduced the number of staff to 21 units.

Through its Apele Moldovei Agency, the Ministry of Environment is the main body managing water resources. However, responsibilities for water management are split among different stakeholders. The State Hydrometeorological Service (under the Ministry of Environment) monitors the state of the environment, service quality and quantity of surface waters; the State Agency for Geology (under the Ministry of Environment) is responsible for managing underground water resources, including groundwater, and fountains supplying drinking water to the rural population; the Health Ministry (through its National Center for Public Health) is responsible for drinking water quality; the Ministry of Infrastructure and Regional Development develops and implements state policy for regional development and land planning; and the Inspectorate for Environmental Protection is the enforcement institution for environmental protection and carries out state control over rational use and protection of natural resources.¹²⁴

Moldsilva Agency

The **Moldsilva Agency**, reporting to the Ministry of Environment, is responsible for state policy in forestry and hunting to sustain development of the forestry sector and hunting grounds from the Forest Fund, protect forests and fauna and maintain biodiversity. It was created under Government Decision No. 150 of 2 March 2010 on the approval of the Regulation on the organisation and operation of the Moldsilva Agency, the structure and the limited staff of its central apparatus (amended 14 August 2023).¹²⁵

The agency is led by a director appointed by the Minister of Environment and is composed of departments, sections and services that form its central body.¹²⁶ It currently has 32 positions in the central body and

¹²² The full list is in Appendix 4 to Government Decision No. 1056 of 15 September 2008, https://www.legis.md/cautare/getResults?doc_id=68301&lang=ro#.

¹²³ Information collected by the National Action Co-ordinator.

¹²⁴ https://waterquality.danube-region.eu/wp-content/uploads/sites/13/sites/13/2019/09/7_MD_WWT_and_drinking_water_supply.pdf.

¹²⁵ Government Decision No. 150 of 2 March 2010, www.legis.md/cautare/getResults?doc_id=138708&lang=ro# and official website, www.moldsilva.gov.md/index.php?l=ro.

¹²⁶ See Organigram, www.moldsilva.gov.md/public/files/Organigrama.PDF.

around 2 500 in forest enterprises in rayons (forest engineers and foresters). Of 32 positions, 28 are currently filled, leaving 12% vacant.

In November 2023, the Moldsilva Agency with support from the Ministry of the Environment and under the auspices of the president, initiated the National Afforestation Programme, to rehabilitate and create new forests on an area of 145 000 hectares over a decade, from 2023 to 2032).¹²⁷

Box 3.13. National Afforestation Programme 2023-32

The National Afforestation Programme is an example of an ambitious target to rehabilitate 145 000 hectares over a decade, in a collaboration between government institutions, local public authorities and citizens. A planting campaign was to take place in November and December 2023, to plant about 35 million seedlings on an area of 4 000 hectares.

The Ministry of Environment called on all Moldovans to participate in the planting campaign. The interactive map of the forest campaign, with planting locations, was made available on the agency's website.¹²⁸

Source: <https://onipm.gov.md/content/pe-11-noiembrie-%C3%AEn-%C8%9Bar%C4%83-demarez%C4%83-programul-na%C8%9Bional-de-%C3%AEmp%C4%83durire> and www.moldsilva.gov.md/libview.php?l=ro&idc=143&id=1846&t=/Comunicare/Comunicare-de-presa/Plantam-pentru-tara-plantam-pentru-viitor.

Agency for Geology and Mineral Resources

The **Agency for Geology and Mineral Resources**, reporting to the Ministry of Environment, specialises in research, records, regulation and control of the use of mineral resources, with the aim of implementing state policy in geological research, rational use and protection of the geological crystalline basement. It was created on the basis of Government Decision No. 485 of 8 August 2009 (amended 14 August 2023).¹²⁹

The agency is led by a director, assisted by a deputy director, appointed by the minister of environment. Its structure consists of directions and services, including management of the agency; geological direction; direction of the basement use; section of the State Fund of information on the basement; planning, finance and accounting service; legal service; human resources service, special issues, and chancellery.¹³⁰

The agency has 22 positions, of which only 13 positions are filled, leaving 41% positions vacant.

National Fund for the Environment

The **National Fund for the Environment** (until 2022, the National Ecological Fund) was set up to finance projects to help achieve the objectives of state policies in environmental protection, climate change and sustainable management of natural resources.¹³¹

The fund's activity is regulated by Law No. 1515/1993 on environmental protection (amended and adopted by Parliament in March 2022, which was a first milestone for reforming the fund), Government Decision No. 711/2022 on approval of the Regulation on administration of the fund and its operational manual. Additional changes in the fund's **operational manual** were approved by Order of the Minister No. 102 of

¹²⁷ <https://onipm.gov.md/content/pe-11-noiembrie-%C3%AEn-%C8%9Bar%C4%83-demarez%C4%83-programul-na%C8%9Bional-de-%C3%AEmp%C4%83durire>.

¹²⁸ Interactive map of the afforestation campaign, <https://www.google.com/maps/d/viewer?ll=47.170026803774256%2C28.370651893086794&z=8&mid=1tY-Km1vm3EVPdM1n4tAifdHFoodjMo>.

¹²⁹ https://www.legis.md/cautare/getResults?doc_id=138707&lang=ro#; see also, <https://agrm.gov.md/ro/>.

¹³⁰ https://www.legis.md/cautare/getResults?doc_id=138707&lang=ro#.

¹³¹ Operational Manual, <https://onipm.gov.md/sites/default/files/Manualul%20operational%20FNM.pdf>.

23 June 2023. The initial text was approved by Order No. 57 on 30 March 2023, after public consultation. The manual is available on the website of the institution in charge of the fund management, the National Office for the Implementation of Environmental Projects, reporting to the Ministry of Environment.¹³²

The institutional framework for the administration of the fund includes: 1) Supervisory Committee – the decision-making body; 2) National Office for the Implementation of Projects in the Field of the Environment (ONIPM), the executive body; 3) the project evaluation committee, the advisory body.¹³³

Before the reform, the fund mainly financed strategic infrastructure projects (about 90% of spending under the fund went to water supply and sanitation projects).¹³⁴ This, due mostly to political priorities, differentiated it from most environmental funds. In 2022-23, it went through significant changes to strengthen its capacity (its legal base, administrative settings and daily management) to meet its main objective, environmental protection. It is now dedicated exclusively to financing projects in environmental protection, climate change and sustainable management of natural resources.

The main legal changes included a clear focus of the fund on environmental protection, climate change and sustainable resource management and ensuring that more funding would go towards environmental protection projects, the fund's revised administrative structure, and developing the new Regulation and Operational Manual. The important development was passing daily management of the fund from the ministry (Division on the fund) to the ONIPM.¹³⁵

Prior to the reforms, the overall perception of stakeholders interviewed was that the fund's capacity to meet its main objective, environmental protection, was limited. Obstacles included its focus on water and sanitation projects; inadequate public procurement standards; the lack of prioritisation and monitoring of results, leading the fund to approve more projects than it could finance; an insufficient level of transparency and accountability and significant staff shortages. These issues were addressed in a new operational manual, which provided guidance on administrative procedures, including on the review of funding applications; project monitoring and reporting; application forms; reporting forms; and evaluation and appraisal criteria. This helped streamline and improve the fund's management and operations.

It is too early to access the efficacy of the fund. After the adoption of the new manual, ONIPM launched a competition for the selection of projects in environmental protection and climate change, to be financed by the National Environmental Fund.¹³⁶ In November 2023, ONIPM announced a list of project proposals selected for the final evaluation stage (feasibility assessment).¹³⁷ Domains covered by the projects financed by the fund are not yet known, as the projects are still under evaluation.

The budget of the National Environmental Fund, the chief source for the ministry to finance environmental projects, comes from the budgets of the state and the ministry. In 2022, its budget was MDL 272 million, of which only MDL 234 million was allocated for projects. In 2023, MDL 175 million in the state budget was allocated to the fund, but after corrections to the budget, EUR 100 million was redirected to forest planting, leaving MDL 75 million for fund projects.

¹³² https://onipm.gov.md/sites/default/files/Manualul%20operational%20FNM_ro.pdf;
https://onipm.gov.md/sites/default/files/Manualul%20operational%20FNM_%D1%80%D1%83.pdf;
<https://onipm.gov.md/docs>.

¹³³ Operational Manual, <https://onipm.gov.md/sites/default/files/Manualul%20operational%20FNM.pdf>.

¹³⁴ <https://eu4moldova.eu/legal-reforms-of-the-national-environmental-fund-a-steppingstone-to-environmental-protection-in-moldova/>.

¹³⁵ https://www.legis.md/cautare/getResults?doc_id=137301&lang=ru.

¹³⁶ <https://onipm.gov.md/finantare>.

¹³⁷ <https://onipm.gov.md/sites/default/files/Lista%20propunerilor%20de%20proiecte%20promovate.pdf>.

The Ministry of Economic Development and Digitalisation

The **Ministry of Economic Development and Digitalisation (MEDD)** serves as a counterpart of the Ministry of Environment in encouraging a green and circular economy. The central body of the public administration, it promotes state economic policy and co-ordinates Moldova's economic development, implementing government strategy in the economy and public finance. Its aim is to increase growth in the national economy by optimising the regulatory framework for entrepreneurial activity; creating favorable conditions for developing business; promoting technological development and ensuring competitiveness and an attractive investment environment, reducing monopolisation of the internal market, eliminating anti-competitive practices and encouraging international economic co-operation.¹³⁸

Its activities are guided by the Constitution, Law No. 136/2017 on the Government and other normative acts, presidential decrees, Parliamentary decisions, decisions and provisions of the government, the international treaties to which Moldova is a party. It is also bound by the provisions of Government Decision No. 690 of 13 November 2009 approving the Regulation on the organisation and operation of the Ministry of Economy (with its latest amendment on 25 August 2021)¹³⁹ and Government Decision No 143 of 25 August 2021 on the organisation and functioning of the Ministry of Economy (with the latest amendment from 18 October 2023, which entered into force on 1 January 2024).¹⁴⁰

The ministry was established in 1991, but over the years, after restructuring in the Moldovan government, the name of the institution was changed several times. In 2017, it was merged with the Ministry of Transport and Road Infrastructure and the Ministry of Informational Technologies and Communication and became the Ministry of Economy and Infrastructure. In 2021, it was split into the Ministry of Economy and the Ministry of Infrastructure and Regional Development.¹⁴¹ In 2023, the Ministry of Economy was renamed the Ministry of Economic Development and Digitalisation (MEDD).

The MEDD's functions include: economic policy; macroeconomic analysis and forecasting; regulating the business environment; developing entrepreneurship and SMEs; internal trade; attracting investment and industrial development policy; public property management policy; digitisation of public services; information technology and the digital economy; policy on electronic and postal communications; quality infrastructure and market monitoring; consumer protection policy; international economic co-operation and trade policy.¹⁴²

The green economy is not explicitly mentioned in the areas established under the regulation. Although the ministry's activities do not directly include the green or circular economy, its functions cover the alignment of sectoral policies according to the EU accession chapters, drafting Moldova's Contribution to the EU Annual Expansion Package and preparation for Moldova's accession negotiations to the EU.¹⁴³ European Green Deal and environmental provisions are taken into consideration in daily activities and integrated into or mainstreamed in policy documents.

The ministry is led by the minister, its Cabinet, four state secretaries and the general secretary of the ministry. Its consists of 9 divisions, 10 sections and 5 services. No division or section is dedicated to the green economy, and no dedicated person or unit is officially designated as being in charge of the green or

¹³⁸ <https://mded.gov.md/en/about-ministry/introduction/>.

¹³⁹ Government Decision No. 690/2009, www.legis.md/cautare/getResults?doc_id=31890&lang=ro#.

¹⁴⁰ Government Decision No. 143/2021, www.legis.md/cautare/getResults?doc_id=139538&lang=ro#.

¹⁴¹ https://www.legis.md/cautare/getResults?doc_id=127619&lang=ru.

¹⁴² https://www.legis.md/cautare/getResults?doc_id=139538&lang=ro#.

¹⁴³ Point 7 under II. Mission, areas of activity, basic functions and rights ministry, [https://www.legis.md/cautare/getResults?doc_id=139538&lang=ro#](http://www.legis.md/cautare/getResults?doc_id=139538&lang=ro#).

circular economy. Such functions are carried out based on the specific needs or specific involvement. The green economy is incorporated into every activity implemented by the ministry, in a centralised approach. The state secretary currently leads green economy initiatives. The ministry's new structure, which entered into force in January 2024, provides for a **section with two staff units responsible for the environmental, social and governance domain (ESG)**. The ministry has submitted to the State Chancellery a draft of reorganisation of the ministry (changes in Governmental Decision No. 143/2021) to establish an ESG subdivision, or Service, in the Division of regulation and development of the business environment.

The divisions and sections most involved in promoting the green economy are:

- Division of regulation and development of the business environment
- Division of investment and industrial development policies
- Division of policies in the field of information technology and digitisation
- Policy section on developing entrepreneurship, SMEs and internal trade
- Business environment regulatory policy section
- Policy section on administering public property
- Policy section in digital economy and digitisation of public services.

The ministry's central body increased to 100 units¹⁴⁴ (from 74 in 2022), under Governmental Decision No. 143 from 2021, with changes approved 19 October 2023, which entered into force on 1 January 2024.¹⁴⁵ No specific number of staff units are assigned to green issues, but the following people could be involved in, for example, co-ordination of work on the green economy and regional programmes, such as EU4Environment or the Green Agenda regional project: the minister; state secretary (also the focal point for the EU4Environment Programme); the head of the Policy section on developing entrepreneurship, SMEs and internal trade (also assigned as the technical focal point of EU4Environment Programme, for example, on greening SMEs); the head of the Division of investment attraction and industrial development policies (on such issues as potential Green Industry Eco-Industrial Parks). The number of staff members that could be involved is estimated at between 5 to 10 people (5% to 10% of the ministry's total staff).

¹⁴⁴ Unit – a full-time job position.

¹⁴⁵ https://www.legis.md/cautare/getResults?doc_id=139538&lang=ro#.

Table 3.5. Structure of the Ministry of Economic Development and Digitalisation

Minister				
Cabinet of the Minister				
State secretary	State secretary	State secretary	State secretary	Secretary general of the ministry
Divisions				
Public policy co-ordination division	Macroeconomic analysis and forecasting division	Division of regulation and development of the business environment	Division of investment and industrial development policies	Division of policies in the field of information technology and digitisation
International economic co-operation division	Division of quality infrastructure and market monitoring	Electronic and postal communications policy division	Legal division	
Sections				
Policy section on developing entrepreneurship, SMEs and internal trade	Business environment regulatory policy section	Policy section on administering public property	Policy section on digital economy and digitisation of public services	Cybersecurity policy section
External economic relations and European integration section	Trade regimes section and the World Trade Organisation	Consumer protection and market monitoring section	Metrology, standardisation and conformity assessment section	Human resources section
Services				
State secret protection service and operational planning	Information and communication technology service	Financial-administrative service	Document management service	Internal audit service

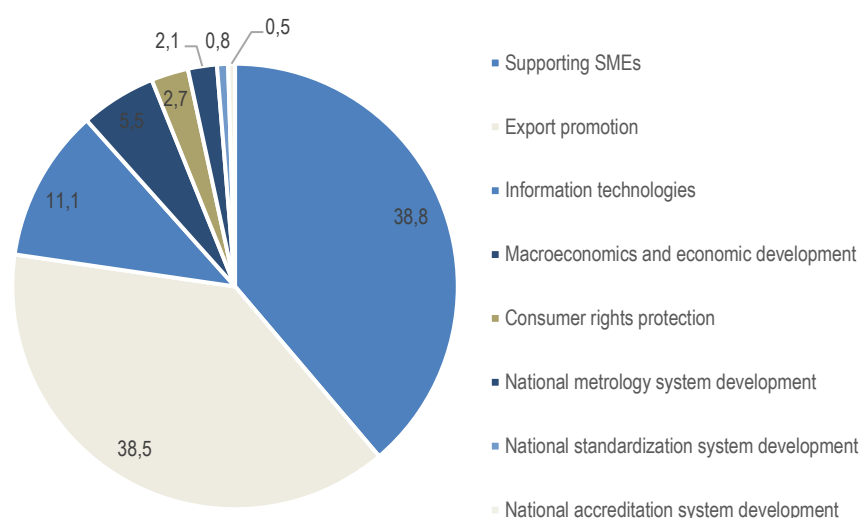
Source: Appendix No. 2 to Government Decision No. 143/2021, www.legis.md/cautare/getResults?doc_id=139538&lang=ro#.

The ministry's main source of finance is state budget allocations (general resources), complemented by collected revenues and resources of projects financed from external sources. Under Law No. 359 of 22 December 2022 on the state budget for 2023 (with amendment of 26 October 2023), the budget of the MEDD is MDL 623 302 400.¹⁴⁶ This is a significant increase on the budget initially approved for 2023, of

¹⁴⁶ Annex 3 to the Law No. 359 of 22 December 2022 on the state budget for 2023 (amended on 26 October 2023), www.legis.md/cautare/getResults?doc_id=136128&lang=ro; see also <https://mded.gov.md/transparenta/bugetul-me/>.

MDL 264 706 100 (before the Ministry of Economy was renamed the MEDD).¹⁴⁷ The figure below illustrates the budget split by expense areas, showing that over 77% of the total budget go to two areas, supporting SMEs and export promotion. Green economy is not explicitly mentioned in the budget.

Figure 3.2. Budget of the Ministry of Economic Development and Digitalisation (MEDD) for 2023



Source: Annex 3 to the Law No. 359 of 22 December 2022 on the state budget for 2023 (amended 26 October 2023), www.legis.md/cautare/getResults?doc_id=136128&lang=ro; see also <https://mded.gov.md/transparenta/bugetul-me/>.

As for average salaries, salaries in the MEDD since 1 June 2023 have been increased and aligned across the ministries, with no difference in average salary rates.

The green transition goes hand in hand with the EU perspective for Moldova and the digital transformation. In November 2023, the European Commission recommended opening **accession negotiations** with Moldova.¹⁴⁸ The ministry is charged with aligning sectoral policies according to the EU accession chapters to elaborate Moldova's Contribution to the EU Annual Expansion Package and the gradual preparation for accession negotiations, as stipulated in its Regulation. The ministry has a section dedicated to this, external economic relations and European integration.¹⁴⁹ The European Green Deal and environmental provisions stipulated in the Association Agreement are thus integrated into or mainstreamed in policy documents and daily activities. The green transition of the corporate and SME sector includes alignment of sectoral policies with the EU accession chapters.

The ministry plays a central role in Moldova's digital transformation agenda. It led development of the **Digital Transformation Strategy for 2023-30** (approved by the Cabinet of Ministers in September 2023), to promote sustainable development and develop an innovative and resilient digital economy, with all public

¹⁴⁷ Annex 3 to the Law No. 359 of 22 December 2022 on the state budget for 2023 (published 28 December 2022), www.legis.md/cautare/getResults?doc_id=134765&lang=ro#.

¹⁴⁸ https://commission.europa.eu/news/enlargement-commission-recommends-starting-accession-negotiations-ukraine-moldova-bosnia-and-2023-11-08_en.

¹⁴⁹ Annex 2 to Government Decision No. 143/2021, https://www.legis.md/cautare/getResults?doc_id=139538&lang=ru.

services to be digitalised.¹⁵⁰ Currently, 44% of online public services are available for entrepreneurs and 34% for citizens.¹⁵¹ The ministry has a dedicated section, the Policy section on digital economy and digitisation of public services.

The MEDD is co-chairing and is a member of the **Inter-ministerial Working Group for the Promotion of the Green and Circular Economy** (according to the last updates of the Order on the Working Group from July 2023). In developing policies for greening economic growth, co-operation between the Ministry of Environment and MEDD has been gradually improving. A dialogue across the ministries on the green economy was institutionalised in the working group (to be elaborated under the co-ordination mechanism).

The MEDD promotes the green economy and ESG issues through the prime minister's **Economic Council**.¹⁵² Recent meetings have included: "Green Transition and Trade Facilitation", informing the business sector about recent legislative amendments to Law No. 1540/1998 on payment for environmental pollution,¹⁵³ and a meeting on the green transition hosted by the MEDD in October 2023 to discuss improving co-ordination in donor-funded projects for the ecological transition.¹⁵⁴

Box 3.14. Long-term economic resilience with Moldova Support Platform: Focus on energy efficiency in 2023

The **Moldova Support Platform** is an intergovernmental instrument set up to help Moldova overcome challenges posed by Russia's war of aggression against Ukraine, making the country more resilient by mobilising support. Since its last meeting in 2022, Moldova has received EUR 200 million in grants and EUR 500 million in loans.

On 17 October 2023, Moldova hosted the Platform's fourth ministerial conference, focused on long-term economic resilience, specifically on infrastructure and energy security. It also reviewed reforms Moldova has introduced since gaining EU candidacy in June 2022. Priorities of the Platform for 2023 were energy efficiency and investing in infrastructure. The European Commission plans to mobilise EUR 10 million under the Economic and Investment Plan to support the Residential Energy Efficiency Fund.

Source: <https://www.diplomatie.gov.fr/en/country-files/moldova/events-4506/article/moldova-catherine-colonna-s-visit-to-chisinau-for-the-fourth-ministerial> ; https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_23_5073.

Positive developments in the MEDD to deal with green economy. The MEDD has developed a number of strategic documents, explicitly including green economy issues. They include:

- the concept of the **National Strategy for Economic Development of Moldova 2030**.¹⁵⁵ Its General Objective 3 is "Development of a competitive, inclusive and **sustainable (green) economy**". Priorities for intervention include:

¹⁵⁰ <https://eufordigital.eu/moldova-aims-for-digital-state-2023-2030-digital-transformation-strategy/#:~:text=The%20Ministry%20of%20Economic%20Development,innovative%20and%20resilient%20digital%20economy>.

¹⁵¹ <https://mded.gov.md/en/a-100-digital-state-the-digital-transformation-strategy-of-the-republic-of-moldova-for-the-years-2023-2030-approved-by-the-executive/>.

¹⁵² <https://consecon.gov.md/>.

¹⁵³ <https://consecon.gov.md/en/2023/09/26/entrepreneurs-have-been-informed-about-methods-of-environmental-pollution-relief/>.

¹⁵⁴ <https://mded.gov.md/en/the-green-transition-of-the-republic-of-moldova-discussed-at-an-event-hosted-by-the-ministry-of-economy-and-digitalization/>.

¹⁵⁵ <https://particip.gov.md/ro/document/stages/anunt-privind-initierea-elaborarii-strategiei-nationale-de-dezvoltare-economica-a-republicii-moldova-pana-in-anul-2030-in-continuare-snde-2030/11358>.

- **Ensuring transition to the green economy**; developing infrastructure based on green and digital transformation; introduction of green technologies; adopting clean industrial technologies and processes; **improving energy security by promoting the green economy and increasing the use of renewable energy technologies (including bioenergy, wind energy and solar energy), introducing smart-grid technologies**; implementation of ESG (environmental, social and corporate governance) principles in the public and private sector; reducing polluting emissions; developing a resource-efficient, clean and circular economy based on sustainable use of natural resources and promotion of green public services, including sustainable transport connectivity and the protection of nature and ecosystems.
- **National Programme for Promoting Entrepreneurship and Enhancing Competitiveness 2023-27**, approved by the government in September 2023.¹⁵⁶ The programme has a chapter and actions in the Action Plan related to the green and circular economy. Its **Specific Objective 1.3** (under General Objective 1 “Improving the regulatory framework of the business environment”), stipulates “sustainable economic growth and the creation of conditions for the promotion and implementation of ESG principles by promoting a transparent economy, **encouraging the green transition**, developing the social economy and supporting female entrepreneurship, to ensure a sustainable, socially and ecologically responsible economic development, inclusive and fair.”¹⁵⁷

Of the **remaining challenges** associated with the ministry’s capacity to deal with green economy issues, the chief issue is a lack of well-trained people willing to work for MEDD with expertise in ESG and the green economy. Funding for green investment remains limited, given budget cuts, and better management of funds, increased efficiency of spending and proper monitoring are needed.

Overall, the ministry plays a major role in the transition to the green economy and has steadily increased its engagement. The green/circular economy is not explicitly mentioned in its regulation, and no specific unit or person is officially assigned to deal with it, but green economy issues are being incorporated in all the ministry’s activities and policies in light of the EU candidacy, even if it has not fully been institutionalised.

The ministry also promotes the green transition through its **subordinate bodies**, notably, developing policies for greening SMEs. It is also developing policies for greening SMEs.

Institutions subordinate to the MEDD relevant to the green economy

The MEDD has one subordinate administrative authority (the State Inspectorate for the Supervision of Non-Food Products and Consumer Protection) and six public institutions of which it is the founder. At least two are relevant to the green economy:

1. **the Organisation for the Development of Entrepreneurship (ODA)**
2. **the National Accreditation Center (MOLDAC)**
3. the National Institute of Metrology
4. the Moldovan Standardisation Institute
5. The Implementation Unit of the World Bank’s Competitiveness Improvement Project

¹⁵⁶ MEDD website, <https://mded.gov.md/en/the-national-program-for-promoting-entrepreneurship-and-enhancing-competitiveness-2023-2027-approved-by-the-government/#:~:text=This%20program%20aims%20to%20increase,youth%2C%20the%20diaspora%2C%20and%20the>. See also the approved text, www.legis.md/cautare/getResults?doc_id=139409&lang=ro.

¹⁵⁷ www.legis.md/cautare/getResults?doc_id=139409&lang=ro.

6. the National Radio Frequency Management Service.¹⁵⁸

Organisation for Entrepreneurship Development

The **Organisation for Entrepreneurship Development** (ODA) is a public institution founded by the MEDD operated under Government Decision No. 487 of 13 July 2022 (amended 28 February 2023).¹⁵⁹

Its mission is to carry out state policy on supporting the development of entrepreneurship, including small and medium enterprises, according to strategies and programmes approved by the government. Its activities include supporting the development of entrepreneurship, including SMEs; financial and technical assistance for enterprises; and issuing financial and state guarantees.

It was established as the Organisation for the Development of the Small and Medium Enterprises Sector, and renamed ODA in 2022, expanding its functions from SMEs to entrepreneurship more generally.

The ODA is governed by its council and the director of its executive body. The council is made up of seven members, including two representatives of the MEDD, one from the Ministry of Environment and one representative of civil society and academia. It has no specific division or section dedicated to green issues, but several structural units are relevant to them, including the programme development division and entrepreneurial training section.¹⁶⁰ Before 2022, ODA had a division on Greening SMEs, but it now has a programme approach, with only specialists responsible for given programmes. Two staff members are involved in implementing the Programme on Greening SMEs, while other departments are involved, for example, in evaluation and monitoring.¹⁶¹

The number of staff units established under the Regulation is 118, although the number of active staff is currently only 85.¹⁶² Financing for ODA activity comes from three sources: allocations from the state budget; funds allocated by financiers; and other sources not prohibited by law.¹⁶³ In 2023, ODA managed a budget of MDL 1.1 billion in grants, guarantees and low-interest loans.¹⁶⁴

Green activities are not explicitly mentioned in its Regulation, but the ODA leads implementation of greening SMEs policies developed by the ministry, including the **Greening Programme for Small and Medium-sized Enterprises**, approved by Government Decision No. 592 of 27 November 2019 (amended 26 September 2023). The aim is to create favorable conditions and support the business environment for the transition from a consumer economic development model to a model based on green principles and

¹⁵⁸ Appendix No. 5 to Government Decision No. 143/2021, https://www.legis.md/cautare/getResults?doc_id=139538&lang=ro#. See also the MEDD website, <https://mded.gov.md/en/about-ministry/subordinate-institutions/>.

¹⁵⁹ https://www.legis.md/cautare/getResults?doc_id=135927&lang=ro#; see also ODA website, <https://www.oda.md/ro/despre-noi/despre-oda/statut>.

¹⁶⁰ Organigram, <https://www.oda.md/ro/despre-noi/despre-oda/organigrama>; Appendix No. 2 to Government Decision No. 487/2022, www.legis.md/cautare/getResults?doc_id=135927&lang=ro#.

¹⁶¹ <https://www.oda.md/ro/granturi/ecoimm>.

¹⁶² Information collected by National Action Co-ordinator in consultation with the director of ODA.

¹⁶³ <https://www.oda.md/files/rapoarte/2022/Situatii%20financiare%202022.pdf>; <https://www.oda.md/files/rapoarte/2022/Informa%C8%9Bia%20statistic%C4%83%20privind%20Programele%20IP%20ODA,%20anul%202022.pdf>.

¹⁶⁴ Information collected by National Action Co-ordinator in consultation with the director of ODA.

integrating green economy measures into production processes.¹⁶⁵ The programme will offer non-refundable financial support (grants) of up to MDL 500 000.¹⁶⁶

One of the programme's goals is to develop institutional capacity for greening SMEs. The ODA offers informational support and assistance to local authorities, business and environmental support institutions for greening SMEs. In addition to the ODA Center for Consulting and Business Assistance, a network of national consultants also provides assistance on greening SMEs.

Box 3.15. Success story: A practical tool to help entrepreneurs in Moldova become greener

The **online self-assessment tool for small and medium-sized enterprises (SMEs)** provides tailored advice on improving resource efficiency, environmental performance and optimising production costs for enterprises in Moldova. After completing a 15-minute online questionnaire, businesses are provided customised recommendations based on the characteristics of their enterprise. They receive a Resource Efficiency Score (RE Score) and a report, which can be a starting point for SMEs to green their activities. They are also connected to additional resources and programmes, including those provided by ODA.

In Moldova, this tool has already helped over **1 200 companies** gain better understanding of the need to save water, electricity and other resources in light of increasing prices, and identified areas for further improvement.

Assessing resource efficiency and reducing costs, it draws on the expertise of Ireland's Clean Technology Centre.

The questionnaire can be accessed at <https://eco.odimm.md/form/>.

Source: EU4Environment country profile; www.eu4environment.org/news/eu4environment-helps-entrepreneurs-in-moldova-become-greener-and-reduce-costs/ and <https://eco.odimm.md/form/>.

National Accreditation Center (MOLDAC)

The **National Accreditation Center (MOLDAC)** was founded by the MEDD under Law No. 235 of 1 December 2011 on accreditation and conformity assessment.¹⁶⁷ It operates under Government Decision No. 77 of 25 January 2013 (amended 25 August 2021) on the reorganisation of the state enterprise "Accreditation Centre in the Field of Product Conformity Assessment".¹⁶⁸

MOLDAC is the national accreditation body charged with carrying out state policy in accreditation and conformity assessment, providing confidence in the technical competence, impartiality and integrity of accredited conformity assessment bodies. It promotes the free movement of products, increasing the competitiveness of products and services, defending consumer rights and interests, ensuring protection of life, health and safety and the environment.¹⁶⁹

Its environmental mandate is explicitly stipulated in its Regulation, "to promote the protection of life, health and safety of people, as well as the protection of the environment by ensuring the representation of national

¹⁶⁵ www.legis.md/cautare/getResults?doc_id=139541&lang=ro#.

¹⁶⁶ www.oda.md/ro/granturi/ecoimm.

¹⁶⁷

https://acreditare.md/public/files/documente_informative/eng/1%20Legea%20235%20cu%20modificari%20ENG%2007.02.19.pdf.

¹⁶⁸ Regulation of MOLDAC, [https://www.legis.md/cautare/getResults?doc_id=127658&lang=ro](http://www.legis.md/cautare/getResults?doc_id=127658&lang=ro).

¹⁶⁹ <https://acreditare.md/en/despre-2/prezentarea-general/>.

interests within international and European organisations in the field of accreditation and in other organisations of interest for accreditation”.¹⁷⁰

More specifically, MOLDAC is involved in the **eco-labelling** process, setting up the national accreditation process under the new regulation, which is being developed. The Regulation on ecological labelling was approved by Government Decision No. 204 of 12 April 2023 (entering into force on 28 April 2024). It aims to establish a voluntary labelling ecological system and to promote products and services with a low impact on the environment during the entire life cycle. The Ministry of Environment and the Environmental Agency will ensure application of the Regulation’s provisions on ecological labelling. The Ministry of Environment, holder of the ecological label, delegates competences to the certification bodies in ecological labelling necessary to grant operators the right to use the eco-label. The certification bodies are independent and impartial legal entities from the private sector, accredited by the National Accreditation Center (MOLDAC) under Law No. 235/2011 on accreditation and conformity assessment.¹⁷¹ The first eco-label certifications are expected to be issued in 2024, once the procedure of eco-labelling enters into force. The procedure of issuing eco-labels is to be set up by a special regulation to be developed by April 2024.

MOLDAC is governed by a director appointed on a competitive basis by order of the head of the specialised central body of the public administration responsible for the quality infrastructure. Its structure and number of staff are approved by order of the director of MOLDAC. MOLDAC is made up of divisions and sections, based on regulations approved by its director.¹⁷²

MOLDAC has internal and external staff. In 2022, it had 22 internal staff units (7 chief assessors and 2 assessors) and 256 external staff (7 chief assessors, 85 technical assessors and 171 technical experts).¹⁷³

In 2022, MOLDAC had 109 accreditations.¹⁷⁴ Its certification accreditations include the ISO 14 001 (environmental management) and ISO 50 001 (energy efficiency).

Other ministries and committees relevant to the green economy

The green transition will require a co-ordinated approach across all government bodies. Four other ministries will be working on the environment and green economy: the newly created Ministry of Energy, the Ministry of Agriculture and Food Industry, Ministry of Infrastructure and Regional Development, Ministry of Education and Research and Ministry of Finance.

Ministry of Energy

The Ministry of Energy is Moldova’s central administrative body responsible for the energy policy, under Law No. 136/2017 on the Government, other normative acts and government legal provisions.¹⁷⁵ The legal framework of the energy sector is established by Law No. 174/2017 on energy (amended 5 October

¹⁷⁰ Chapter II of the Regulation, https://www.legis.md/cautare/getResults?doc_id=127658&lang=ro#.

¹⁷¹ Government Decision No. 204 of 12 April 2023 approving the Regulation on ecological labelling.

¹⁷² Organigram, <https://acreditare.md/en/despre-2/organigrama/>.

¹⁷³ MOLDAC report for 2022, <https://acreditare.md/wp-content/uploads/2023/02/Raport-privind-activitatea-MOLDAC-2022-final-1.pdf>.

¹⁷⁴ Of which: Testing laboratories (according to ISO/IEC 17025) – 67. Calibration laboratories (ISO/IEC 17025) – 3. Medical laboratories (ISO 15189) – 5. Product certification bodies (ISO/IEC 17065) – 13. Quality management system certification bodies (ISO/IEC 17021-1) – 3. Food safety management system certification bodies (ISO/IEC 17021-1 and ISO/TS 22003) – 2. Legal Metrology Inspection Bodies (ISO/IEC 17020) – 8. Inspection bodies (according to ISO/IEC 17020) – 8.

¹⁷⁵ <https://energie.gov.md/en/content/short-history>.

2023).¹⁷⁶ It was created by Government Decision No. 117 of 7 March 2023 on the restructuring of some specialised central bodies of the public administration and the modification of some decisions of the government¹⁷⁷ and the Government Decision on the organisation and operation of the Ministry of Energy.¹⁷⁸

The Ministry of Infrastructure and Regional Development had previously had two directorates and a state secretary under Government Decision No. 117.¹⁷⁹ It was reorganised and divided into two parts, creating the Ministry of Energy as a separate body that took over energy security and efficiency. The consolidated Unit for the implementation and monitoring of projects in energy, which had reported to the Ministry of Economy, was transferred to the Ministry of Energy.

The mandate of the ministry covers energy security and efficiency, renewable energy sources, electricity, thermal energy and the promotion of high-efficiency co-generation, natural gas and petroleum products, and the energy transition. It is responsible for ensuring the green transition and digitalisation of the energy sector by promoting the production of electricity from renewable sources and energy efficiency.¹⁸⁰

The ministry leads energy-efficiency policy and is charged with developing and implementing the **Energy Strategy of Moldova until 2050**, to promote energy efficiency and reduce greenhouse gas emissions. In 2023, Moldova also adopted strategic documents promoting a carbon-free economy. This included its first-ever Low Emission Development Programme until 2030 (approved in September 2023 and entering into force on 1 January 2024) and its Action Plan; the National Climate Change Adaptation Programme until 2030 (approved on 30 August 2023) and its Action Plan;¹⁸¹ the Law on fluorinated greenhouse gases (F-gases) No. 43 of 3 March 2023,¹⁸² and the draft Climate Law Concept.¹⁸³ The Ministry of Environment takes the lead on all these policy documents and Laws and was charged with their development and promotion. However, the policy documents and laws have implications for every sector (co-ordination has been organised during the development), and every governmental ministry will be involved in implementing them.

The ministry has two departments relevant to the green transition, the Directorate of Energy Efficiency and Directorate of Renewable Energy Sources, as well as the Directorate of Policy Co-ordination and European Integration.¹⁸⁴

The set-up of the Ministry of Energy was a positive step for streamlining energy sector policies. However, since it was created recently, its capacity will need to be increased.

¹⁷⁶ https://www.legis.md/cautare/getResults?doc_id=139941&lang=ro#.

¹⁷⁷ https://www.legis.md/cautare/getResults?doc_id=135920&lang=ro.

¹⁷⁸ https://gov.md/sites/default/files/document/attachments/subiect-09-nu-141-midr-2023_0.pdf.

¹⁷⁹ https://www.legis.md/cautare/getResults?doc_id=135920&lang=ro.

¹⁸⁰ <https://energie.gov.md/en/content/short-history>.

¹⁸¹ In the energy sector, the electricity supply infrastructure is set to be improved to minimize losses caused by extreme weather events. <https://www.undp.org/moldova/press-releases/moldova-has-national-climate-change-adaptation-programme-developed-support-undp>.

¹⁸² The law establishes the legal basis of implementation of measures, concerning both the mitigation of the consequences of climate change and environment protection by reducing emissions of fluorinated greenhouse gases.

¹⁸³ https://www.undp.org/sites/g/files/zskgke326/files/2023-06/moldova_eu4climate_2023_0.pdf.

¹⁸⁴ Structure, <https://energie.gov.md/en/content/structure>.

Box 3.16. Strengthening capacity of the Ministry of Energy with Public Policy Research Programme support

The Public Policy Research Programme was initiated in 2017 by the Soros Moldova Fund in partnership with the national foundations of Armenia, Kazakhstan, Kyrgyzstan and the Hertie School in Berlin. From 2017 to 2022, the fund awarded 26 scholarships to researchers interested in public policies, resulting in studies and research projects that helped develop local expertise and promote good governance in Moldova and other partner countries.

The current aim of the Research Programme is to bring expertise and young specialists to the Ministry of Energy, a newly created institution (from February 2023), but with a crucial mandate in developing a sustainable energy security system.

Source: <https://greencity.md/en/anunt-privind-selectarea-unui-tanar-cercetator-pentru-stagii-in-cadrul-ministerului-energiei-republicii-moldova/> and <https://soros.md/en/what-we-do/>.

Administrative authorities subordinate to the Ministry of Energy include the **Agency for Energy Efficiency** (previously, subordinate to the Ministry of Infrastructure and Regional Development), which implements state policy in energy efficiency and building energy performance, as well as the exploitation of renewable energy sources. This includes attracting and managing financial resources to finance projects sustainably from the point of view of the environment and climate change. Its mandate covers energy efficiency, renewable energy sources and financing projects in energy efficiency and renewable energy sources. The agency is headed by a director, and its council is a collegial body vested with evaluating and selecting project proposals in energy efficiency and renewable energy sources.¹⁸⁵

While the ministry is in charge of policy development, the agency is an implementation body.

The Ministry of Energy is the founder of the Consolidated Unit for the Implementation and Monitoring of Projects in the Energy Field, **Moldova Energy Projects Implementation Unit (MEPIU)**, created under Government Decision No. 1276 of 21 December 2000, which ensures efficient implementation of the projects in the energy sector. Among the projects implemented by MEPIU, some, like the ongoing Moldova energy-efficiency project (to improve energy efficiency in public buildings, including in municipalities), focus on energy efficiency, such as those implemented by MEPIU, Energy Efficiency Agency and the Ministry of Infrastructure and Regional Development. MEPIU is also involved in capacity-building activities, such as capacity building of the Ministry of Economy on energy efficiency and renewable energy.¹⁸⁶

Ministry of Agriculture and Food Industry

The **Ministry of Agriculture and Food Industry** is the central administrative body responsible for promoting organic agriculture in line with strategic documents. Its activity plan for 2023 stipulates as one of its objectives “promoting smart, sustainable and resilient agricultural practices”, more specifically the extension of ecological agriculture, to protect the environment and obtain valuable products. It targets a 10% increase in areas applying organic agriculture practices by the end of 2023, and a 20% increase in consumption of healthy food products through sustainable agricultural systems.¹⁸⁷ The Plan identifies “staff turnover” as a possible internal risk for achieving the objective, and deficiencies of communication and institutional collaboration as an external risk. In addition, the new Programme on the Promotion of the Green and Circular Economy 2024-28 proposes that the Ministry of Agriculture and Food Industry respect the provisions of the European Green Deal.

¹⁸⁵ <https://aee.md/ro/page/misiunea>.

¹⁸⁶ <https://mepiu.md/eng/about-us>.

¹⁸⁷ Activity Plan 2023, see 1.2.9.1, https://maia.gov.md/sites/default/files/Documente%20atasate%20Advance%20Pagines/Planul_de_Ac%C8%9Biuni_MAIA_2023_1.pdf.

Agriculture is a mainstay of Moldova's economy, even though its share in GDP is steadily declining (about 10% as of 2020).¹⁸⁸ It also employs less than a third of the population (28%), with about 70% of people in rural areas depending on agriculture for their livelihoods.¹⁸⁹ The share of organic agriculture nevertheless remains low (at around 3% of the total agricultural lands)¹⁹⁰ and the number of involved farmers/companies is increasing slowly. In 2021, only 62 agricultural producers were certified as agricultural producers practicing organic farming (compared to 55 in 2020 and to 47 in 2019), cultivating in total 5 458 hectares.¹⁹¹ According to the Atlas of Organic Agriculture, at the end of 2020, 144 active organic agricultural producers were farming an area of about 29 300 hectares, or 1.4% of the agricultural area of the country.¹⁹² Moldova has made progress on legislation on organic agriculture, but production capacity has not increased significantly and does not have well-designed institutional infrastructure to support it. Both the number of organic farmers and the area of organic agricultural land could be increased, and the sector appears not to have a clear upward trajectory.

The **Ministry of Agriculture and Food Industry** has a service for organic agriculture, the Service for organic products and products with appellation of origins.¹⁹³ The head of this service is also a member of the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy.

Subordinate Institutions of the Ministry of Agriculture and Food Industry. The goal of the **Agency for Development and Modernisation of Agriculture** is to help finance the acceleration of the transition to a modern, technological and digitised agriculture. The aim is to guarantee Moldova's food security, product quality, affordable prices, the well-being of farmers and agricultural workers, resource conservation, biodiversity, soil health, water quality and the efficient use of resources.¹⁹⁴ The agency leads such projects as a project on installing equipment for producing renewable energy¹⁹⁵ and another for digital transformation in agriculture.¹⁹⁶

Organic and ecological agriculture is mainly subsidised by the **National Fund for the Development of Agriculture and the Rural Environment**, under Government Decision No. 464 of 07-05-2023 (Section 5. Development of ecological agriculture),¹⁹⁷ run by the Agency for intervention and payments for agriculture.¹⁹⁸ In 2021, the fund allocated MDL 6 733 200 in subsidies for developing organic agriculture.¹⁹⁹

¹⁸⁸ Report on green growth indicators.

¹⁸⁹ Climate-Smart Agriculture in Moldova, <https://climateknowledgeportal.worldbank.org/sites/default/files/2019-06/CSA%20Moldova.pdf>.

¹⁹⁰ Report on green growth indicators.

¹⁹¹ See p. 105, https://statistica.gov.md/files/files/publicatii_electronice/Mediu/Resursele_naturale_editia_2022.pdf.

¹⁹² Report on green growth indicators.

¹⁹³ <https://www.madrm.gov.md/ro/content/organigrama> and https://www.legis.md/cautare/getResults?doc_id=139807&lang=ru (Annex 2).

¹⁹⁴ <https://adma.gov.md/>.

¹⁹⁵ <https://adma.gov.md/proiectul-privind-vanzarea-cumpararea-in-rate-a-echipamentelor-pentru-producerea-energiei-regenerabile/>.

¹⁹⁶ <https://adma.gov.md/proiectul-privind-transformarea-digitala-in-agricultura/>.

¹⁹⁷ https://www.legis.md/cautare/getResults?doc_id=138016&lang=ro.

¹⁹⁸ <https://aipa.gov.md/>.

¹⁹⁹ See p. 106, https://statistica.gov.md/files/files/publicatii_electronice/Mediu/Resursele_naturale_editia_2022.pdf.

Box 3.17. Moldovan-Azerbaijani co-operation in the agricultural sector to bring legislation in line with EU standards.

The Ministry of Agriculture and Food Industry met with a delegation from Azerbaijan led by the Minister of Agriculture in the framework of the fifth meeting of the Moldovan-Azeri Intergovernmental Commission for Economic Co-operation.

The ministry is adapting legislation and agricultural practices to the requirements and rules imposed by European legislation and policies, including higher standards of food safety and in the quality of agricultural products.

Source: <https://www.madrm.gov.md/ro/content/5076>.

Ministry of Infrastructure and Regional Development

The **Ministry of Infrastructure and Regional Development** is responsible for promoting state policy in infrastructure and regional development. Its regulation and structure are established by Government Decision No. 117 of 07-03-2023 on the restructuring of some specialised central bodies of the public administration and the modification of some decisions of the government.²⁰⁰

The ministry plays a major role in integrating provisions of the green economy into sectors under its mandate, namely: road infrastructure, water and sanitation, transport, construction, regional development and infrastructure.²⁰¹

Yet, progress in these domains is still modest. All policy documents in these domains are subject to Strategic Environmental Assessment (SEA), and all infrastructure projects to an Environmental Impact Assessment (EIA). All sectors of the ministry have potential for creating green jobs.

The institutional infrastructure for integrating the provisions of the green economy into the sectors leaves room for improvement. No division or section is responsible for green economy integration, and no staff member has been officially assigned to deal with these issues. Each sector deals separately with its own staff (transport, water and regional development). The representatives of the ministry are members of the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy.

The reorganisation has had some unintended consequences. For example, after the Division on transport (running the Clean Transport Programme) was transferred from the Ministry of Economy to the Ministry of Infrastructure and Regional Development, institutional memory was lost.

Ministry of Education and Research

The **Ministry of Education and Research** is the central body carrying out government policy on education; research and innovation; youth; physical culture and sports; inter-ethnic relations and language.²⁰²

It can help promote the green and circular economy and eco-innovation and increase the population's knowledge in these domains. Environmental education in schools is now optional, and the number of specialists in the environment is small by comparison with economics or management. The share of eco-innovations is relatively small.

The ministry could be more engaged in promoting green economy courses and specialised trainings (such as SEA) to public servants, students and in vocational education at all levels. These could be organised both on the policy side (design and implementation) and through subordinate institutions (such as the National Agency for Curriculum and Evaluation) and institutions founded by the ministry (such as higher

²⁰⁰ https://www.legis.md/cautare/getResults?doc_id=135920&lang=ru.

²⁰¹ <https://midr.gov.md/en/about-the-ministry/mandate>.

²⁰² https://www.legis.md/cautare/getResults?doc_id=134203&lang=ro.

education institutions, the Academy of Economic Studies of Moldova, the State University of Moldova and Bălți State University, as well as institutions in general education). The role of the Centre for Information and Communication Technologies in Education can also be explored.²⁰³

The ministry has no structural unit (division or section) or member of its staff assigned to co-ordinate and promote green education. Divisions such as policy analysis, monitoring and evaluation and research and innovation could potentially take the lead in this respect.

Ministry of Finance

The **Ministry of Finance** formulates and promotes the state policy in public finances. As the main supervisor of public finance, it regulates and implements policies in managing the field.²⁰⁴

As for the green economy, the ministry plays a leading role in drafting the budget, co-ordinating external assistance and attracting investment. The government's environmental expenditures are included annually in the Law on the State Budget (including the budget of the Ministry of Environment and of the National Environmental Fund) and feature in the three-year Mid-Term Budgetary Framework.

National Bureau of Statistics

Monitoring is an important element in environmental and green economy policy. Moldova's **National Bureau of Statistics** (NBS) is the main body responsible for data collection. It implements state policy and regulations in statistics and compiles official data on the social, economic, demographic and environmental situation. The NBS is an institutionally independent authority that co-ordinates the national statistical system and develops official statistics. It operates under Government Decision No. 935/2018.²⁰⁵

Although it has no dedicated division or section on the green economy, the NBS has a number of structural units relevant to the environment and green economy:

- **The environmental statistics service** under the Division of agriculture and environment statistics organises and gathers environmental statistics based on EU and international practices.²⁰⁶
- **The international co-operation and European integration section** under the Division of statistical co-ordination, international co-operation and European integration co-ordinates reporting activity on indicators for the UN Sustainable Development Goals.²⁰⁷
- **The General Division on enterprise statistics** covers statistics in industry, energy, investments and transport, but green provisions are not explicitly mentioned among its responsibilities.²⁰⁸
- **The General Division of macroeconomic statistics** covers national accounts, prices and trade.²⁰⁹

As for the role of the NBS in monitoring the green economy, several processes can be noted:

²⁰³ <https://servicii.gov.md/en/organization/CTICE>.

²⁰⁴ <https://www.mf.gov.md/ro/ministerul-finan%C8%9Belor>.

²⁰⁵ <https://statistica.gov.md/ro/structura-9.html>.

²⁰⁶ https://statistica.gov.md/ro/serviciul-statistica-mediului-9_32.html.

²⁰⁷ https://statistica.gov.md/ro/directia-coordonare-statistica-co-operare-internationala-si-integrare-europeana-9_21.html.

²⁰⁸ https://statistica.gov.md/ro/directia-statistica-industriei-si-energeticii-9_5.html.

²⁰⁹ NSB structure, <https://statistica.gov.md/ro/structura-9.html>.

- **Reports on environment and natural resources:** The NBS produces annual statistical reports on the state of the environment and natural resources, including data on land use, aquatic resources, energy, air protection, climate change, biodiversity, waste, hunting, violations of environmental legislation, but also on demography, health and selected economic indicators.²¹⁰
- **Sustainable Development Goals:** The NBS is responsible for collecting data and information on the UN Sustainable Development Goals (SDGs), based on the national SDG objectives and targets.²¹¹ In 2023, NBS and the State Chancellery published a progress report on implementation of the 2030 Agenda for Sustainable Development in Moldova (2023).²¹²
- **Green growth indicators:** Since 2015, the NBS has been involved in monitoring Moldova's progress towards a green economy, using the OECD's green growth indicators. The first report was published in 2017 (EaP GREEN), and a second in 2022 (EU4Environment). The indicators also support development and monitoring of the new Programme on the Promotion of the Green and Circular Economy in Moldova for 2023-28 (under development).

The Institute of Ecology and Geography and the National Institute of Economic Research have actively participated in promoting the green economy in Moldova since 2015. Their representatives are members of the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy.

In 2022, the NBS began to develop its new **Strategy of Development of the National Statistical System for 2023-30**, which was approved by Government Decision No. 954/2022.²¹³ The document covers environmental indicators, the impact on the environment and indicators for the monitoring of the green transition in Moldova. It is an important step in strengthening the NBS and institutional capacity for the collection, analysis and dissemination of statistical data on sustainable development.²¹⁴ The Strategy focuses on increasing the institutional capacity of the NBS and other producers of official statistics to ensure sustainable financial and technical resources, including attracting external assistance projects.²¹⁵

Co-ordination mechanisms for greening the economy

Inter-ministerial Working Group for the Promotion of the Green and Circular Economy

Moldova was a pilot country among the EaP countries in institutionalising inter-ministerial dialogue on a green economy. A co-ordination mechanism, the Inter-ministerial Working Group for the Promotion of Sustainable Development and Green Economy, was set up to support Moldova's path to a green transition. The group, established under the EU-funded EaP GREEN Project in 2015, continued beyond the duration of the project and serves as a platform for cross-ministerial dialogue on the green economy and issues such as eco-innovation, eco-labelling and clean public transport. By 2023, it had eight years of experience (2015-2023), and is worthy of consideration by other EaP countries (see Box below).

²¹⁰ Also available in Romanian and Russian, <https://statistica.gov.md/pageview.php?l=en&id=3242&idc=350>.

²¹¹ <https://statistica.gov.md/pageview.php?l=en&id=6306&idc=605>.

²¹² https://moldova.unfpa.org/sites/default/files/pub-pdf/raport_de_progres_odd_2023_vf_07_08_2023_en_final.pdf ; see also 2020 report, https://statistica.gov.md/files/files/SDG/docs/VNR_2020_Moldova_Report_English.pdf.

²¹³ https://statistica.gov.md/ro/strategia-de-dezvoltare-a-sistemului-statistic-national-2023-2030-a-12_60244.html and https://www.legis.md/cautare/getResults?doc_id=135611&lang=ro (the Strategy is annexed to the Decision; see link at the bottom of the page).

²¹⁴ https://moldova.unfpa.org/sites/default/files/pub-pdf/raport_de_progres_odd_2023_vf_07_08_2023_en_final.pdf.

²¹⁵ https://moldova.unfpa.org/sites/default/files/pub-pdf/raport_de_progres_odd_2023_vf_07_08_2023_en_final.pdf.

On 10 July 2023, the group was renamed the **Inter-ministerial Working Group for the Promotion of the Green and Circular Economy** by joint Order of the MEDD and the Ministry of Environment. The order also updated its composition and regulation/functions, with a stronger focus on the Green Deal and circular economy and aligning with recent changes in governmental structure.

Box 3.18. Success story in Moldova: Working Group for the Promotion of the Green and Circular Economy, 2015-2023

2015

The **Inter-ministerial Working Group for the Promotion of Sustainable Development and the Green Economy** was created jointly in 2015 by the Ministry of Economy and the Ministry of Environment in the framework of the EU-funded EaP GREEN project. It aimed to co-ordinate implementation of a number of the strategic documents on the green economy, including the final document of the UN Conference on Sustainable Development, “The Future We Want” (Rio de Janeiro, 20-22 June 2012), the National Development Strategy “Moldova 2020”, the Declaration of Intentions on sustainable development and the green economy (Ministry of Economy, Ministry of Environment, Ministry of Agriculture and Food Industry, 8 April 2014), the Energy Strategy 2030, the SME Sector Development Strategy 2012-20, the National Strategy for Agricultural and Rural Development 2014-20, the Environmental Strategy 2014-23 and other relevant strategic documents.

2019

Since 2019, the working group has also served as the **National Implementation Committee for the EU4Environment Programme**, to facilitate implementation of the programme in Moldova. It co-ordinated the Programme for the Promotion of the Green Economy for 2018-20 (approved by Government Decision No. 160 of 21 February 2018) and ensured the sustainability of the co-ordination mechanism for the green provisions in the National Development Strategy “Moldova 2030” and other documents (the Energy Strategy 2030, SME Sector Development Strategy for 2012-20, the National Strategy for Agricultural and Rural Development 2014-20, the Environmental Strategy for 2014-23 and “The Future We Want” document). It also co-ordinated the Batumi Green Economy Initiative (BIG-E).

2023

On 10 July 2023, the working group was renamed the **Inter-ministerial Working Group for the Promotion of the Green and Circular Economy**, to co-ordinate implementation of the Promotion of the Green and Circular Economy in the National Development Strategy “European Moldova 2030”, the European Green Deal and the Moldova-EU Association Agreement with the Association Agenda 2021-27.

The working group is co-chaired by the MEDD and the Ministry of Environment and includes government ministries and agencies, business associations and research institutions, as well as environmental organisations and public associations. It collaborates with public associations, regional development agencies, local authorities, media and the business community. Its members also help prepare the national high-level round table “Green Economy – Made in Moldova”. In 2021, the main topic of the regional event was “From Green Economy to the European Green Deal”.

The group meets twice a year, in February and September. In February 2023, the platform was used to launch the monitoring report on the green transformation of Moldova, using green growth indicators.

Source: EU4Environment and information, collected by the National Action Co-ordinator.

Other co-ordination bodies relevant to the environment and green economy

A number of other mechanisms are relevant to the environment and green economy. The ministry has made efforts to raise awareness of the environment in recent years among the other ministries, through inter-ministerial councils and commissions, including:

- the Economic Council under the prime minister²¹⁶
- the National Co-ordination Council for Sustainable Development²¹⁷
- the National Commission on Climate Change.²¹⁸

Economic Council under the prime minister

The **Economic Council**, established by Government Decision No. 631 of 22 August 2011, is an advisory body facilitating dialogue between business, donors and policy makers. Its aim is to develop a favourable social-economic climate and a non-discriminatory, transparent business environment attractive to investment and facilitating trade. As of August 2019, it has also exercised the functions of the Advisory Council for SMEs.²¹⁹

The council, led by the prime minister, has 142 members: 68 business representatives (from business associations), 49 from state institutions and 25 representatives of the research community and international organisations active in regulatory reform. It includes representatives of the Ministry of Environment, the Environmental Protection Inspectorate, the MEDD and ODA.²²⁰ Among its representatives from academia/research, for example, is the Independent Analytical Centre “Expert-Grup”, which supported the development of green growth indicators and revenues of the National Environmental Fund.

Since 2016, permanent thematic working groups have been created in the council to improve its efficiency. Its nine permanent working groups include a group covering the green economy, **Group 2. Facilitating green transition and cross-border trade**. This works on optimisation of the customs administration, facilitating the issue of permits for export, increasing competitiveness and quality of export-oriented products, harnessing Deep and Comprehensive Free-Trade Agreement opportunities, and the transition to the green economy. It is co-ordinated by the executive director of the European Business Association in Moldova.²²¹

While the main focus of the council is on business development, and its mandate does not cover the green economy, it is a suitable platform for addressing such issues at a high level, and has expanded its responsibilities. It has assumed functions of the Advisory Council for SMEs and created the thematic working group on the green transition. There are no direct relations between the council and the Working Group for the Promotion of the Green and Circular Economy.

The council also serves as one of the instruments of relations with nongovernmental organisations (NGOs). For instance, the MEDD uses the council as a way to engage with NGOs and business associations (acting as NGOs).

Co-ordination Council for Sustainable Development, institutional framework for SDGs

The **National Co-ordination Council for Sustainable Development**, established by Government Decision No. 912 of 25 July 2016, is an advisory body in the field of sustainable development. It aims to

²¹⁶ https://www.legis.md/cautare/getResults?doc_id=116620&lang=ru and https://www.legis.md/cautare/getResults?doc_id=116454&lang=ru.

²¹⁷ https://www.legis.md/cautare/getResults?doc_id=94139&lang=ru.

²¹⁸ https://www.legis.md/cautare/getResults?doc_id=122314&lang=ru.

²¹⁹ <https://consecon.gov.md/en/>.

²²⁰ <https://consecon.gov.md/en/membrii/>.

²²¹ <https://consecon.gov.md/en/grupurile-de-lucru/>.

achieve the 2030 Sustainable Development Agenda, to accelerate social-economic development and carry out the Sustainable Development Goals in Moldova on poverty reduction, international co-operation in health and education, sustainable energy, promoting human rights and ensuring gender equality, environmental protection, democratic governance and justice reform, and the green economy.²²² Established shortly after the adoption of the 2030 Sustainable Development Agenda, it was intended to create an appropriate institutional framework, but also to ensure a participatory and transparent process for adapting and carrying out sustainable development goals at the national level.

It is made up of members of the government, representatives of the State Chancellery, academia and NGOs. Both the MEDD and the Ministry of Environment are members of the council, under the Regulation and its composition (Annex 2).²²³

The council is another instrument for relations with NGOs. The president of the National Council of NGOs in Moldova has observer status. Expert-Grup was involved in developing the first draft of the National Development Strategy 2030.²²⁴

The council co-ordinated the development of the first draft of the National Development Strategy “Moldova 2030” in 2018, which includes a chapter on the environment and promoting the green economy. The Programme on the Green Economy 2018-20 includes an action to co-ordinate the activities of the council with the Working Group for the Promotion of the Green and Circular Economy (then the Working Group on the Green Economy), but due to political instability and frequent changes of governments, the process was not set up.

Reporting to the council, **sectoral groups** were created in each relevant public authority in 2016-2017 to examine and co-ordinate the draft Strategy, working meetings and consultations.²²⁵ One of them was the Working Group on Ensuring the Fundamental Right to a Healthy and Safe Environment.²²⁶

The council was established with support from one of the UNDP projects and was active during the project. Its main goal was to co-ordinate the draft of the National Development Strategy “Moldova 2030”, the first draft of which was ready in 2018. However, over the ensuing government changes, three versions of the Strategy were drafted, and it was finally approved only in 2022 (National Development Strategy “European Moldova 2030”). Since 2018, the council had not been active; and no updates were made to the Government Decision (the 2016 version stands). The last version of the Strategy was developed within other processes co-ordinated by the government. When the UNDP project ended, this effort was discontinued, given the many changes in government after 2018 (between 2019 and 2023, a series of eight governments held power). The Programme for the Promotion of the Green Economy for 2018-20 was intended to build synergy between the Inter-ministerial Working Group for Sustainable Development and the Green Economy, established with EaP Green support in 2015 (now the Working Group for the Promotion of the Green and Circular Economy, as per the most recent changes in 2023), with the activities of the National Co-ordination Council for Sustainable Development. Since the council had not been active since 2018-2019, however, this effort remained incomplete.

²²² https://www.legis.md/cautare/getResults?doc_id=94139&lang=ro.

²²³ https://www.legis.md/cautare/getResults?doc_id=94139&lang=ru; formally, members of the council are the ministers, but it is considered that the entire ministry participates, if an action is needed.

²²⁴ <https://www.expert-grup.org/ro/activitate/proiecte/item/1461-strategia-nationala-de-dezvoltare-moldova-2030>.

²²⁵ <https://particip.gov.md/ro/strategy/strategia-nationala-de-dezvoltare-moldova-2030/4>.

²²⁶ https://particip.gov.md/ro/strategy_category/asigurarea-dreptului-fundamental-la-un-mediu-ambiant-sanatos-si-sigur/31.

National Commission on Climate Change

The **National Commission on Climate Change**, created in 2020, co-ordinates national implementation of the provisions of the UN Framework Convention on Climate Change and other international treaties on climate change to which Moldova is a party. It also co-ordinates development of national climate change reports, with support from EU4Climate.

Box 3.19. Co-ordination bodies relevant to European integration

The European integration co-ordination mechanism involves several bodies:

- the National Commission for European Integration, responsible for strategic co-ordination of the process at the higher political level
- the Government Commission for European Integration, responsible for adopting decisions at the government level
- the Inter-institutional Co-ordination Group, responsible for the intermediate/co-ordination level, made up of the leaders/heads of the 35 sectoral working groups
- sectoral working groups responsible for operational-level activity co-ordination to fulfil political and economic criteria, as well as 33 negotiation chapters for accession to the EU, grouped into six clusters in accordance with EU accession methodology.²²⁷ Co-ordination mechanisms for the integration have been formally established by legislation, and key structures started functioning in the first quarter of 2023, but Moldova still does not have a national integration planning document and clarity on the dynamics of adopting the EU *acquis*.

Source: <https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.

Role of regional and local governments relevant to the green economy

Under the Constitution (Articles 110 and 111)²²⁸ and the Law on the administrative-territorial organisation of Moldova No. 764 of 27 December 2001 (amended on 31 July 2023),²²⁹ Moldova is divided into administrative-territorial units including villages, cities, districts and the autonomous territorial unit of Găgăuzia. The territorial units on the Left Bank of the Dniester River may be assigned special forms and conditions of autonomy.

Moldova's administrative-territorial organisation is carried out on the following levels:

- villages (communes)²³⁰ and cities (municipalities)²³¹ constitute the **first level**,
- districts, the municipality of Chisinau and the municipality of Balti constitute the **second level**,
- the autonomous territorial unit of Găgăuzia has a **special level** of administration.

The current **administrative structure** of Moldova consists of 3 regions (Northern, Central and Southern), 32 districts (rayons),²³² 13 municipalities (the cities of Chisinau, Balti, Bender, Cahul, Ceadâr-Lunga,

²²⁷ <https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.

²²⁸ Constitution, https://www.constcourt.md/public/files/file/Actele%20Curtii/acte_en/MDA_Constitution_EN.pdf.

²²⁹ https://www.legis.md/cautare/getResults?doc_id=138831&lang=ro#.

²³⁰ The commune is an administrative-territorial unit made up of two or more villages.

²³¹ The municipality is an urban locality with a special role in the economic, social-cultural, scientific, political and administrative life of the country.

²³² Annex 1 to the Law on the administrative-territorial organization of Moldova No. 764 of 27 December 2001 (amended on 31 July 2023), https://www.legis.md/cautare/getResults?doc_id=138831&lang=ro#.

Comrat, Edineț, Hîncești, Orhei, Soroca, Strășeni, Tiraspol and Ungheni have municipality status),²³³ two autonomous territorial units, the Găgăuzia autonomous territorial unit and the administrative-territorial units on the Left Bank of the Dniester (Transnistria).²³⁴

The public authorities of the administrative-territorial units constitute the **local public administration system**. Article 109 of the Constitution defines the basic principles of local public administration:

- Public administration in the administrative-territorial units is based on the principles of local autonomy, decentralisation of public services, eligibility of the local public administration authorities and consultation of citizens on local problems of special interest.
- The concept of autonomy includes both the organisation and functioning of the local public administration, and the management of the communities represented by that administration.
- Enforcement of the aforesaid principles may not alter the unitary character of the State.²³⁵

Environmental protection is concentrated under Moldova's central government. The role of local authorities in the environment is governed by two main laws, the Law on administrative decentralisation and the Law on environmental protection, but also more specifically by sectoral laws (on waste, water and energy).

- **The Law on administrative decentralisation No. 435 of 28 December 2006** (amended 17 August 2023) defines the areas of activity of local authorities. Under Article 4, those of the first level are assigned the following areas of environmental activity:
 - urban planning and development of the territory at the local level; management of local green spaces
 - collection, step-by-step provision of conditions for separate collection and transport of waste, including sanitation and maintenance of storage areas
 - distribution of drinking water, construction and maintenance of sewerage and wastewater treatment systems.²³⁶
- **The Law on environmental protection No. 1515 of 16 June 1993** (amended 20 October 2022) (Article 9): Public administration bodies of the district and municipality, under this law and other regulations in environmental protection, ensure compliance with legislation on environmental protection and rational use of natural resources.²³⁷
- **Sectoral laws (waste, water, energy):** The Law on waste, for instance, stipulates that local public authorities in waste management, based on the financial resources approved for these purposes, create an effective collection system, gradual provision of conditions for the separate collection

²³³ In 2017, in addition to the municipalities of Chisinau, Balti and Bender (and two municipalities, Comrat and Tiraspol, in Găgăuzia and Transnistria), eight cities were given municipality status: Cahul, Ceadâr-Lunga, Edineț, Hîncești, Orhei, Soroca, Strășeni and Ungheni. See Annex 2 to the Law on the administrative-territorial organisation of Moldova No. 764 of 27 December 2001 (amended 31 July 2023), https://www.legis.md/cautare/getResults?doc_id=138831&lang=ro#.

²³⁴ The status of this region is disputed. According to the Tiraspol government, it is an "Independent Republic" under the title "Transnistrian Moldovan Republic". To the government of Chisinau and the international community, it is the "Transnistrian Autonomous Territorial Unit", https://www.eurada.org/fileadmin/user_upload/docs/RDAs-in-Moldova-1.pdf.

²³⁵ Official website of the president: <https://www.presedinte.md/titul3#6>.

²³⁶ https://www.legis.md/cautare/getResults?doc_id=138830&lang=ru.

²³⁷ https://www.legis.md/cautare/getResults?doc_id=112032&lang=ru.

and transportation of waste and establish a procedure for its operation.²³⁸ The Law on energy stipulates that local authorities offer reliable, efficient provision of energy to local consumers.²³⁹

The capacity of local authorities to deal with environmental and green economy issues is quite limited. Power lies with the districts, and municipalities are usually **underfunded**. Municipalities have no units or experts in charge of the environment and rely on branches of environmental inspectorates. Rayon or local authorities do not have separate structures responsible for the environment. Such tasks are carried out by those responsible for agriculture or by the mayor. If the mayor or the local council actively collaborates with NGOs or development partners, however, they could attract projects in domains including the environment.

In practice, all green initiatives at the local level are project-driven, including projects on energy efficiency, waste collection for the localities and others. Such projects are a benefit for local authorities, which have no separate budget for this and limited potential to attract investments or loans. Only two cities, Chisinau and Balti, have attracted loans. Many green projects at the local level are implemented by donor-funded, large-scale initiatives, such as EU4Moldova (Box 3.20.).

Box 3.20. Examples of local projects supporting local “green” development

EU4Moldova supports a number of projects promoting local development and the green transition. They include increasing energy efficiency in public buildings (Project on Construction of Water Supply and Sanitation Infrastructure and Energy Efficiency in Public Buildings 2017-24); modernising public transport (“A Chisinau Public Transport Sustainable Development Initiative” 2021-25 involves transfer of EU know-how and expertise from the project partner, the Lublin Municipality in Poland); applying smart solutions in different fields of urban development, e-local governance and public lighting (installing efficient smart lamps); water supply (improving quality and reduction of water loss); and green area management and biomass waste from these green spaces (Project “Edinet – Insights into Tomorrow Cities” 2021-25).

Source: EU4Moldova,

<http://eu4moldova.eu/projects/?search=&filter=ongoing&country%5B%5D=1&country%5B%5D=4&topic%5B%5D=21>.

The digitalisation of the LEADER Programme: Rural development projects

LEADER, a local development method that has been applied in Europe for over 30 years, works on developing rural communities. It involves local authorities in designing and implementing strategies, decision making and allocation of resources for rural areas and supports public-private-civic sector partnerships, **Local Action Groups** (LAGs), at the micro-regional level. In Moldova, 32 LAGs are active and organised about 350 micro-projects in 2020. The MARDE, as a strategic partner, supported the LEADER approach as a successful example of bottom-up co-operation between authorities and citizens. In Moldova, projects include innovations (diversification of renewable energy sources) and revitalisation of public spaces and parks. The LAGs are being formalised under the Law on local public administration. As part of the EU4Moldova project, the Moldova “LEADER IT Soft” information system will be created to support the LEADER Programme.

Source: https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study_LEADER-approach_Report-EN.pdf;

<https://www.madrm.gov.md/ro/content/5074>.

The **EU Covenant of Mayors** initiative also supports local authorities in their environmental and green transition goals. It brings together local governments voluntarily committed to implementing EU climate and energy objectives. Launched in 2008, it is a first-of-its-kind, bottom-up approach to local energy and climate action.²⁴⁰

Box 3.21. Success story: Equipping the cities of Ocnitza and Cantemir with energy-efficient street lighting

²³⁸ https://www.legis.md/cautare/getResults?doc_id=135894&lang=ro.

²³⁹ https://www.legis.md/cautare/getResults?doc_id=139941&lang=ro.

²⁴⁰ <https://eu-mayors.ec.europa.eu/en/about>.

Moldova and its demonstration project “Green Light in Moldova, Modernisation and Saving Energy in Street Lighting”, supported by the EU Covenant of Mayors initiative, won the 2020 EU Sustainable Energy Award for the Eastern Partnership at EU Sustainable Energy Week 2020. The prize rewards projects in energy efficiency and renewables.

The project equipped two cities, Ocnîța and Cantemir, with modern, energy-efficient street lighting from renewables, helping improve energy efficiency and decrease CO₂ emissions.

The EU Covenant of Mayors is the world's largest movement for local climate and energy action, bringing together local governments voluntarily committed to implementing EU climate and energy objectives. It has gained a reputation as a successful bottom-up approach.

Source: Covenant of Mayors, <https://aeer.md/en/>.

In addition to regional initiatives and donor-funded country programmes, the lack of institutional capacity at the local level is partly compensated for by mechanisms and initiatives driven by local NGOs.

Congress of Local Authorities, an institutional framework representing local authorities

The **Congress of Local Authorities from Moldova** (CALM), created in 2010, is a non-governmental, non-profit organisation representing local authorities including administrative-territorial units (cities and villages) and professional associations. A major partner in the decentralisation process, it provides comments on draft laws and policy documents,²⁴¹ represents the interests of local authorities to the government and provides services that can be relevant to the environment, for example: developing a system for local authorities to learn best practices in energy efficiency; training; solid waste management, water supply; and sanitation.²⁴² Encouraging dialogue between local and central authorities is also supported by projects such as “Reinforcing the culture of dialogue and ethical open local governance in Moldova” (2022-24).²⁴³

²⁴¹ <https://www.calm.md/en/despre-noi/>.

²⁴² <https://www.calm.md/en/despre-noi/planul-strategic-calm/>.

²⁴³ [https://www.coe.int/en/web/congress/republic-of-moldova#{%22134063154%22:\[0\]}](https://www.coe.int/en/web/congress/republic-of-moldova#{%22134063154%22:[0]}); see also Handbook on open local government and public ethics, <https://rm.coe.int/handbook-open-government-public-ethics-md-en-/1680a85733>.

Box 3.22. Success story: Green City Lab Moldova – promoting smart and nature-friendly cities

The “Green City Lab Moldova” Public Association was created on 24 March 2021, with the initial support of the UN Development Programme Project “Sustainable Green Cities”, taking over some activities of the project. Its main objective is to catalyse investments in low-carbon ecological urban development. Applying integrated urban planning approaches, it encourages innovation, participatory planning and partnerships between the public and private sectors. The goal is to become an urban laboratory of innovation in local services, to guide the transformation of Chisinau and other urban centres into green, smart European cities that improve the quality of life of their residents and offer opportunities for sustainable economic growth. The association promotes modern solutions for developing smart cities that are comfortable for people and friendly to nature.

Its areas of intervention include:

- urban mobility planning, integrated and participatory use of the territory
- energy efficiency in buildings and the use of renewable energy
- effective waste management, using resources efficiently
- mobility with low carbon emissions
- combating climate emergency and environmental protection.

Examples of its activities include the installation of 30 test electric cars in Moldova, two solar trees generating green energy in Chisinau and five sensors monitoring air quality in the capital.

The association also helps increase capacity in the ministries. In one example with the Soros Foundation, Green City Lab, Moldova selected a young researcher to join the Research Programme of Public Policies in the newly constituted Ministry of Energy from February 2023, helping to develop public policy in energy and a sustainable energy security system.

Source: <https://greencity.md/en/>.

Environmental and green economy provisions could be further integrated into the institutional framework for regional development. Information on these activities is limited.

Box 3.23. The institutional framework for regional development: Streamlining green provisions at the local level

The Moldova-EU Association Agreement stipulates regional development as one of its priorities. The **National Strategy for Regional Development 2022-28** (approved by Government Decision No. 40 of 26 January 2022)²⁴⁴ is the main strategic document, reflecting regional development priorities.²⁴⁵ It includes such environmental goals as ensuring access to quality public services by developing local infrastructure and reorganising public services and focuses on four areas of intervention: 1) developing centralised water supply and sewerage services; 2) solid waste management; 3) developing road infrastructure; and 4) energy efficiency in public buildings.²⁴⁶

The institutional framework for implementing regional development policies consists of:

- **the Ministry of Infrastructure and Regional Development**, the central administrative body responsible for formulating and promoting state policy in infrastructure and regional development
- **The National Co-ordination Council for Regional and Local Development**, which has a co-ordination role at the national level and includes representatives from line ministries, regional development councils, the private sector and civil society

²⁴⁴ https://www.legis.md/cautare/getResults?doc_id=130572&lang=ro.

²⁴⁵ <https://www.serviciilocale.md/en/dezvoltare/> and <https://madrm.gov.md/sites/default/files/SNDR%202027%20draft%2030221.pdf>.

²⁴⁶ https://www.legis.md/cautare/getResults?doc_id=130572&lang=ro.

- **Regional development councils**, functional structures at the level of each development region, co-ordinating and promoting regional development objectives at the local level²⁴⁷
- **Regional development agencies** (established in four development regions, North, South, Centre and Găgăuzia),²⁴⁸ which assess the social-economic situation of the region and elaborate, co-ordinate and monitor regional development strategies, programmes and projects.²⁴⁹

The **National Fund for Regional and Local Development**, established by Law No. 27 of 10 February 2022,²⁵⁰ is the main instrument for financing regional and local development projects in energy efficiency, waste management, water supply and sanitation. It allocates resources to disadvantaged areas; supports economic regeneration of the development regions; and strengthens the functional capacity of the institutions.²⁵¹ Resources from the National Fund are used: 1) in regional development programmes, for: a) increasing competitiveness and employment in developing regions; b) urban development, economic and social revitalisation of cities; c) improving the regional technical-building infrastructure); 2) in local development programmes, for a) improving the local technical-building infrastructure; b) construction and renovation of social infrastructure; c) co-financing of projects from external sources of assistance.²⁵²

In 2022, the fund's budget was MDL 928.5 million (MDL 300 million for regional projects and MDL 628.5 million for local projects). In 2022, 45 regional development projects and 492 local development projects were approved for financing:

- Of the 45 regional projects, 5 are for capitalisation of business infrastructure, 1 for development of the entrepreneurial environment, 7 for increasing tourist attractiveness, 6 for urban revitalisation and the development of the infrastructure of public spaces, and 26 for water supply and sanitation.
- Of 492 local projects: 152 are for water supply and sanitation; 43 for street lighting; 36 for general urban plans; 120 for construction, renovation/rehabilitation of public buildings; 8 for renewable energy production and supply systems; 70 for construction and reconstruction of sports buildings; 52 for restoration of historical monuments; and 11 projects financed from external sources.²⁵³

In 2023, MDL 600 million was approved for the fund's budget (MDL 250 million for regional and MDL 350 million for local development). The projects can be viewed on the ministry's website,²⁵⁴ mainly including water supply and sanitation.²⁵⁵

Specific projects are listed under the **National Office for Regional and Local Development**.²⁵⁶ The office is a public institution, co-ordinating programmes and projects in areas established in Law No. 27/2022 on the National Fund for Regional and Local Development.²⁵⁷ The office's areas of intervention are: 1) improvement of local technical-building infrastructure;

²⁴⁷ <http://www.adrnord.md/pageview.php?idc=232>.

²⁴⁸ [North RDA](#), [Centre RDA](#), [South RDA](#), [UTA Găgăuzia RDA](#).

²⁴⁹ <https://www.serviciilocale.md/en/dezvoltare/>.

²⁵⁰ https://www.legis.md/cautare/getResults?doc_id=130108&lang=ro.

²⁵¹ Regulation on the Development and usage of the National Fund for Regional Development Resources.

²⁵² https://www.legis.md/cautare/getResults?doc_id=130108&lang=ro.

²⁵³ <https://midr.gov.md/noutati/a-fost-aprobat-planul-anual-de-finantare-a-proiectelor-de-dezvoltare-regionala-si-locala-din-contul-fndrl-pentru-anul-2023>.

²⁵⁴ <https://midr.gov.md/ro/proiecte-de-asistenta-externa/proiecte-dezvoltare-regionala>.

²⁵⁵ <https://midr.gov.md/ro/proiecte-de-asistenta-externa/proiecte-in-domeniul-apa-si-sanitatie>.

²⁵⁶ <https://ondrl.gov.md/>.

²⁵⁷ <https://ondrl.gov.md/despre/>.

2) construction and renovation of social infrastructure; 3) co-financing of projects by external sources of assistance; 4) other domains assigned by normative acts, including domains related to those managed by the founder.

The office's functions are: 1) supporting implementation of programmes and projects in the fields described in point 5 below, as well as other functions assigned by the National Council for the Co-ordination of Regional and Local Development and/or of the founder; 2) implementation of programmes and projects in accordance with the established tasks; 3) administering the funds allocated to the projects in accordance with the external assistance agreements and the approved budget; 4) granting support to the founder in developing project proposals in the fields of competence; 5) preparing and presenting to the founder and the National Council reports on implementing the programmes and projects, and on use of the funds allocated.

For the interactive map of projects, see <https://ondrl.gov.md/proiecte/>.

An example of such green projects is the installation of energy production and supply systems using renewable resources in Petrunia village (Glodeni district).²⁵⁸

Regional development projects are run by the **Regional Development Agencies**, Central, South and North.²⁵⁹ Projects in the Central zone, mapped here: <http://adrcentru.md/proiecteadr.php?l=ro>, include energy efficiency, waste management, and water supply and sanitation.

The report on Regional Development Agencies in Moldova concluded that there are many issues related to the institutional framework of regional development. In particular, the relationship of subordination of RDAs to the ministry limits both their drive and their capacity to get involved in attracting the resources of external donors. It suggested revising the status, responsibilities, duties and tasks of the agencies to give them greater flexibility and to reinforce their capacity to engage in the process of regional development and access different resources for co-financing programmes and projects.²⁶⁰

Source: https://www.eurada.org/fileadmin/user_upload/docs/RDAs-in-Moldova-1.pdf and <https://www.serviciulocale.md/en/dezvoltare/>.

Overall, the local authorities at regional/local level should be more active and attract projects. It is also advisable to nominate people responsible for the environment and green economy.

The role of civil society and academia

National Council of Environmental NGOs: Institutional framework for public participation

The **National Council of Environmental NGOs** has a mandate to represent civil environmental society to the public authorities. Its mission is to identify the resources to increase the quality of environmental protection and sustainable development, and solicit public involvement, as well as to represent the views of environmental NGOs to the authorities.

It is elected for a period of two years at the **National Environmental NGOs Forum**. The forum serves as a platform for co-operation on environmental protection and exchange experiences between representatives of civil society, central and local authorities and donors. The last two events (in 2021 and 2023) included special sessions on the green economy, the EU Green Deal and a presentation by EU4Environment. The forum also offers an opportunity to advance green local projects. Most local NGOs partner with local authorities and run environmental projects in their region or community.

The council, elected in March 2021 for the period 2021-23, included representatives of nine organisations: the Cahul Regional Development Center; Cutezătorul; AD Habitat; EcoContact; the Association of

²⁵⁸ <https://ondrl.gov.md/proiecte/constructia-si-montarea-centralei-electrice-fotovoltaiice-cu-puterea-instalata-de-15kw-in-s-petrunia-r-glodeni/>.

²⁵⁹ For example, the Centre Regional Development Agency, <http://adrcentru.md/>.

²⁶⁰ https://www.eurada.org/fileadmin/user_upload/docs/RDAs-in-Moldova-1.pdf.

Environmental Journalists and Ecological Tourism from Moldova; the National Centre for the Environment; EcoTiras; Ecological Movement from Moldova; and the Women's Association for Environmental Protection and Sustainable Development.²⁶¹ The new composition of the council, elected in March 2023,²⁶² consists of 9 members: a member of the National Council of Environmental NGOs 2023-25 (chosen at the Environmental NGO Forum, held on March 16-17, 2023) and representatives from the Ecological Movement Ștefan Vodă; Cutezătorul; the Society for the Protection of Birds and Nature; EcoContact; the Association of Environmental Journalists and Ecological Tourism; the National Environmental Center; EcoTiras; Ecological Movement from Moldova (elected president of the council); and BIOTICA.

The council, including NGO leaders and a secretary, represents the environmental NGO community in dialogues with the government and the Ministry of Environment. No specific institutional framework is stipulated, but it meets periodically with the minister to discuss specific environmental priorities, and it is invited to public consultations, for example on the green economy programme (Box X).

Box 3.24. Public consultations on the green economy programme at the Ministry of Environment

Public consultation on the draft Programme for the Promotion of Green Economy in Moldova for the period 2023-27 was held at the Ministry of Environment on 23 May 2023. Under Article 34 (subsection 9) of the Regulation on the planning, elaboration, approval, implementation, monitoring and evaluation of public policy documents (Governmental Decision No. 386/2020), the Ministry of Environment, in partnership with the MEDD, conducted public consultations on Moldova's draft programme.

In October 2023, public consultations were held on the Environmental Strategy 2023-30. It covers all environmental domains, and has a chapter on the green economy, referred to in the draft Programme for the Promotion of the Green and Circular Economy for 2024-2028.

<https://particip.gov.md/ro/document/stages/anuntprivind-organizarea-consultarii-publice-a-proiectului-hotararii-de-guvern-pentru-aprobarea-strategiei-de-medi-um-pentru-anii-2023-2030/11309>.

Source: www.eu4environment.org/events/public-consultation-on-the-draft-programme-for-the-promotion-of-green-economy-in-the-republic-of-moldova-for-the-period-2023-2027/.

NGO representatives (members of the Council) are included in the working groups or co-ordination bodies on the environment and the green economy, such as the Working Group for the Promotion of the Green and Circular Economy and the National Commission on Climate Change. Two environmental NGOs from the Council (EcoContact and National Environmental Centre) represent environmental NGOs community in the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy and participate in its meetings and co-ordination process. Other NGOs participate in the Forum of Environmental NGOs, where EU4Environment sessions took place.

In December 2023, the Ministry of the Environment, partnering with AO EcoContact and the National Environment Centre, organised a conference, "Environmental challenges and sustainable development".²⁶³

Overall, civil society is well developed and active in Moldova and NGOs play an important part in the environment. Around 300 registered environmental NGOs have been active in the last 20 years, the most

²⁶¹ <https://ecopresa.md/o-noua-componenta-a-consiliului-national-al-ong-urilor-de-medi-um/>.

²⁶² <https://www.ecocontact.md/ro/post/forumul-ong-urilor-de-medi-um-2023-participa-promoveaza-actioneaza-pentru-un-medi-um-sanatos-si-protejat/>.

²⁶³ <https://onipm.gov.md/content/conferin%C8%9B%C4%83-de-medi-um-desf%C4%83%C8%99urat%C4%83-lachi%C8%99in%C4%83u>.

active of which are 20 based in Chisinau that operate at the national level. These partly compensate for the missing administrative capacity and expertise at national or sub-national levels.²⁶⁴

The largest and most active include such public associations as the National Environmental Centre, Public Association EcoContact, the BIOTICA Ecological Society, Eco-TIRAS International Association of River-Keepers, Moldavian Ecological Movement, the Association of Environmental Journalists, Pro-Natura, Ecovisio and the Green City Lab. These organisations often participate in public consultations of the draft decisions prepared by the government or Parliament. National organisations such as EcoContact, National Environmental Centre, Expert-Grup and Pro-Natura, for example, were involved in the EU-funded project “EaP GREEN” (2013-2018) and are local partners in the EU-funded EU4Environment Programme (including such activities as SEA/EIA, eco-labelling, waste management and green growth indicators).

The environmental NGOs also contribute to environmental education and awareness campaigns through their active participation in preparing for World Environment Day (5 June), Earth Hour (on the last Saturday of March), Earth Day, EU Green Week (annually) and other events. The environmental NGO community has recently been active in protecting the Dniester River and organising the integrated management and protection of small rivers.

Another example of an NGO from an economic sector contributing to evaluation of the performances in the green economic transformation is Expert-Grup’s work on developing the Report on Green Growth Indicators in Moldova (with OECD support in EU4Environment).

National Council of NGOs

Moldova’s **National Council of NGOs** monitors adoption and implementation of draft laws on NGOs and facilitates collaboration between the non-governmental sector and public authorities. It also helps increase the transparency and visibility of the non-governmental sector.²⁶⁵ Its activities are of a broader nature and do not explicitly cover the environment, but its members include environmental NGOs such as the Association of Environmental Journalists and Ecological Tourism, which is also a member of the National Council of Environmental NGOs. This connection ensures that environmental considerations are taken into account as appropriate.

Other mechanisms for public consultations

Other mechanisms for public consultations include the **Economic Council under the prime minister**, which the MEDD uses to work with NGOs and business associations. The Independent Analytical Centre “Expert-Grup”, which worked on such green projects as developing green growth indicators and the revenues of the Environmental Fund, is also a member of the council. The nine Permanent Working Groups of the Council include a group covering the green economy, Group 2. Facilitating green transition and cross-border trade.²⁶⁶

The role of universities in enhancing “green” thinking: Institutionalising green education

By investing in human capital development for a green economy, Moldova aims to create a skilled workforce that can drive sustainable growth, with universities playing a leadership role. Possibilities are being explored for actively involving universities in introducing projects, training and a new curriculum. These efforts could be broadened to continue building human capital for the green transformation.

²⁶⁴ Information collected by the National Action Co-ordinator.

²⁶⁵ <https://www.consiliuon.md/prezentarea-generalala/>.

²⁶⁶ <https://consecon.gov.md/en/grupurile-de-lucru/>.

Moldova has already tried to promote the green universities approach, which was derailed by the volatile political situation in 2018-20. It is now part of the new Programme on the Promotion of the Green and Circular Economy 2023-28.

Moldova has begun working with the **Moldova State University** (and its subdivision the Institute of Public Administration) and the **Academy of Public Administration** to develop human capital for a green economy and institutionalise courses offered in the EU4Environment programme to ensure country ownership and sustainability beyond the project duration. Both are now offering green economy courses, and options are being explored for integrating on the SEA course (see capacity building below).

Another option is **greening vocational education**. In 2014, Moldova started reforming vocational education and training, to match labour market demand. In April 2022, Parliament adopted the Law on Dual Vocation Education Training. A project supported by Germany's GIZ (*Gesellschaft für Internationale Zusammenarbeit*), is developing vocational education and training in the green economy, in collaboration with the Ministry of Education and Research.²⁶⁷ The lead role was played by the Ecological College.²⁶⁸

Other institutes with environmental interests could explore green education and incorporate aspects of the green economy into their curriculum. These might include the Institute for Economic Research, the Institute for Ecology and Geography and Energy (all under the Ministry of Education and Research), the Forestry Management and Research Institute (under the Moldsilva Agency), and the State Agricultural University of Moldova.

Moldova could also draw on international experience to explore the creation of a separate university or high school specialised in sustainable development or the green economy.

Capacity building

National efforts

The institutional framework for upskilling civil servants

Before 2021, when the new government came to power, there were few, if any, nationally driven capacity-building efforts. The new plan for reform, as expressed in Government Decision No. 253 of 13 October 2021 on approval of the Plan of Actions of the Government for 2021-22, includes significant capacity building, however:

- increasing the Environmental Reference Laboratory's capacity, to expand environmental monitoring
- strengthening the capacity of public authorities:
 - developing and approving the Annual Programme of training of human resources in the public authorities in the priority fields
 - developing the curriculum on professional development of civil servants in analysing the regulatory impact

²⁶⁷ <https://www.giz.de/en/worldwide/37587.html>; further details about the project, <https://www.giz.de/en/downloads/giz2022-en-VET-moldova.pdf>.

²⁶⁸ https://colecologie.md/pagini/administrarea/parteneriate/Comunicat_Eveniment-26-29-noiembrie.html.

- developing and implementing the Managerial Training Programme for senior management civil servants.²⁶⁹

A new Plan of Actions is under development, and is expected to continue capacity-building efforts.

The Academy of Public Administration

The **Academy of Public Administration**, one of Moldova's most prestigious higher education institutions, was created in 1993 to develop the professional competence of civil service personnel and promote state public administration policy. It has two departments, Master Higher Education Studies and Professional Development, and offers master's and doctoral degrees and courses in professional development.²⁷⁰

On World Environment Day, 5 June 2020, a Memorandum of Collaboration between the academy and the Ministry of Environment (then MARDE) was signed to host an introductory online course on the green economy.²⁷¹ The agreement promotes green economy principles and environmental management. The UN Environment Programme offered methodological support for the green economy courses, and the UN Environment Commission for Europe on Strategic Environmental Assessment (SEA), within capacity building for central and local authorities, as part of EU4Environment activity in Moldova.

As of 2022, the Academy of Public Administration has offered an introductory online course on green economy for public servants.²⁷² This experience could be offered to other universities in Moldova.

Development of the university course on SEA (or its integration into ongoing programmes on strategic planning) was started in collaboration with the Academy of Public Administration and the State University of Moldova.

The academy also helps build the capacity of local authorities. In 2019, it signed a Memorandum of Cooperation with the "Mayors for Economic Growth" Initiative, to increase local authorities' capacity for sustainable economic development of municipalities.²⁷³ It is not clear if this covers the green economy.

Moldova State University

The **Moldova State University**, established in 1946, was Moldova's first higher education institution with the status of a university, and remains among its most prestigious universities.²⁷⁴

Moldova is working with the State University to promote the university course on Strategic Environmental Assessment (SEA) in the EU4Environment Programme. The needs assessment was conducted in 2022 for a **SEA course for public servants**, a university-level course and awareness-raising materials.²⁷⁵

The environment is already part of professional preparation in Moldova. The State University offers several programmes, including its biology and ecology departments (Biology and Geosciences Faculty) and industrial and ecological chemistry department (Chemicals and Chemical Technology Faculty).

²⁶⁹ https://gov.md/sites/default/files/document/attachments/hg_nr.235_13.10.2021-engl.pdf.

²⁷⁰ <http://www.aap.gov.md/en>.

²⁷¹ <https://www.oecd.org/environment/outreach/Summary-EU4Environment-Second-WG-NIC-Moldova-Eng.pdf> and <https://www.oecd.org/environment/outreach/Presentation-EU4Environment-Second-WG-NIC-Moldova-Eng.pdf>.

²⁷² EU4Environment country profile 2022.

²⁷³ <https://www.m4eg.net/ka/news/public-administration-academy-in-moldova-and-the-mayors-for-economic-growth-initiative-signed-a-cooperation-memorandum/>.

²⁷⁴ https://usm.md/?page_id=154&lang=en.

²⁷⁵ <https://moodle.usm.md/enrol/index.php?id=6062>.

Environmental law is included in the Law Faculty's teaching programmes.²⁷⁶ At the same time, the development strategy of the State University 2021-26 does not specifically mention the environment or green economy in its strategic development objectives.²⁷⁷

The Institute of Public Administration

The **Institute of Public Administration**, a structural subdivision of the State University, has contributed to state policy in public administration and the civil service. In 2023, a green economy course was included in its course catalogue on training and professional development for 2023 (under its e-learning section).²⁷⁸

Overall, according to the recent SIGMA report, centralised training of civil servants is well regulated and organised in Moldova, but full information on the training system in the central government administration, including decentralised training, is not available. Individual performance appraisals are largely being implemented, but appraisal cycles that may lead to dismissal decisions are too short, and an excessive share (71%) of performance appraisals are being awarded the highest results. Although this does not provide an adequate basis for objective promotion decisions, public servants' perception of career opportunities based on merit in the public sector is positive.²⁷⁹

Green economy and related specialised courses are nevertheless in the early stages of development.

Upskilling civil servants in the Ministry of Environment and spreading environmental education

In 2022, 32 staff of the Ministry of Environment had attended professional trainings at the Institute of Public Administration, and by 15 November 2023, 29 more.²⁸⁰ The courses cover such subjects as development and evaluation of public policies, institutional management, leadership and professional integrity.²⁸¹ No data is available on how many staff members attended the e-learning course on the green economy, as sign-ups are on an individual basis. Such training could be made mandatory for all governmental agencies.

In 2019 and 2020, COVID-related restrictions on in-person training held back training for staff. Government reform in 2021 reorganised the staff and structure, and knowledge was lost because some ministry staff left.

Collecting information on the national efforts to build capacity for the environmental management and green economy is challenging. This includes data on such issues as the extent of specialised regular trainings, the education programmes for Ministry of Environment staff provided by the government, the number of people trained and feedback on training. This is mainly due to frequent staff changes, the loss of institutional memory (including in the human resources division), and to the lack of a centralised database. This makes it difficult for specialised divisions needing information on air, biodiversity, waste and water.

In interviews in 2021, some staff noted that the high workload limited the staff's time for training. This was confirmed by the findings of the evaluation report on the green economy course, which was completed by only 9 of 15 nominated participants. Nominated officials who did not take the training attributed this to their

²⁷⁶ https://usm.md/?page_id=489.

²⁷⁷ <https://usm.md/wp-content/uploads/STRATEGIA-USM-2021-2026-Senat-07-09-21.pdf>.

²⁷⁸ See p. 40, https://iap.gov.md/images/documente/Catalog_cursuri_2023.pdf.

²⁷⁹ <https://www.sigmaweb.org/publications/Monitoring-Report-2023-Republic-of-Moldova.pdf>.

²⁸⁰ <https://iap.gov.md/dezvoltare-profesional%C4%83/dp/cursuri-la-comanda-de-stat>.

²⁸¹ <https://iap.gov.md/images/ddp/planuri/cs/23/s2/plan2.pdf>.

professional workload, to changing jobs and to COVID-19.²⁸² The additional workload for the EU accession and new legislation will impose a further burden, given the low number of active staff.

The ministry's training plans do not include training on the green economy. Many tools, like eco-labelling, were approved only in 2022-23 or depend on external support, for example under EU4Environment.

No distinction is made between training provided by the government and by international organisations. Identifying training conducted with external support would give more precise statistical information. Training topics offered by the government usually cover general issues of public administration, while those with external support focus on more specific topics and new tools (such as eco-labelling), as noted below.

Mandating training on the Green Deal, green economy and circular economy in the ministry's training plans, and allocating staff time for training by management would be possible options.

Role of subordinate institutions in upskilling civil servants

The subordinate institutions of both ministries also provide targeted training and are involved in awareness-raising campaigns. This includes the ONIPM information and awareness sessions on climate change held in October 2023, for agricultural producers, teachers, students, banking institutions and local authorities.²⁸³

In 2022, the MOLDAC Training Centre organised training courses on certification accreditations, with 314 people trained.²⁸⁴ The new Regulation on ecological labelling (approved by Government Decision No. 204 from 12 April 2023, to enter into force on 28 April 2024) offers an opportunity to incorporate the course into the MOLDAC Training Centre's plan.

Local think tanks, an alternative opportunity for upskilling civil servants

The role of **local think tanks** in training civil servants has significantly expanded. The Expert-Grup, a leading think tank in economic and public policy research, organises trainings, including on energy efficiency in buildings.²⁸⁵ Given their active role in environmental activity in collaboration with the Ministry of Environment, local think tanks could cover the subject to help improve the skills of civil servants.

External support

EU assistance through regional programmes

The donor community and international organisations play an important role in training civil servants in Moldova, since external support has driven most capacity-building efforts. This support includes EU-funded projects such as EU4Environment ("EU4Environment – Green Economy" and its predecessor EaP GREEN,²⁸⁶ and "EU4Environment – Water and Data" and its predecessor EUWI+²⁸⁷), EU4Business,

²⁸² https://www.eu4environment.org/app/uploads/2023/06/e-course_GE-in-EaP-countries_EvaluationReport_final.pdf.

²⁸³ <https://onipm.gov.md/content/onipm-continuu%C4%83-seria-sesiunilor-de-informare-%C8%99i-con%C8%99tientizare-privind-schimb%C4%83rile-climate>.

²⁸⁴ See p. 14, <https://acreditate.md/wp-content/uploads/2023/02/Raport-privind-activitatea-MOLDAC-2022-final-1.pdf>.

²⁸⁵ <https://www.expert-grup.org/en/activitate/noutati/item/2492-expert-grup-a-organizat-o-nou%C4%83-instruire-pentru-asocia%C8%9Biile-de-locatari-%C3%AEnscrie-%C3%AEn-proiectul-primele-r%C3%A2ndunele&category=2>.

²⁸⁶ <https://www.green-economies-eap.org/>.

²⁸⁷ <https://www.euwipluseast.eu/en/countries/moldova-country>.

EU4Climate²⁸⁸ and EU4Energy. UNEP supports capacity building on the green economy through EU4Environment. The United Nations Economic Commission for Europe (UNECE) focuses on capacity building on SEI and EIA. The United Nations Industrial Organization (UNIDO) targets the circular economy, resource efficiency and cleaner production, eco-industrial parks and a single market for green products. The OECD addresses one of the main institutional weaknesses: environmental compliance assurance and environmental liability regimes.

Moldova is an active participant in regional projects under the EaP initiative, benefiting from country-specific assistance and a number of regional programmes.

E-learning and self-education – new approaches to building knowledge

The COVID-19 pandemic accelerated use of e-learning and self-education (Box 3.25.). Opportunities for government officials and others to learn expanded as trainers reached more participants. In the EaP region since 2019, many government officials and stakeholders have been trained with EU4Environment support: with more than 1 800 trained on sustainable public procurement and eco-labelling, 800 on SEA, 750 on Resource Efficient and Cleaner Production (RECP), 200 on environmental compliance, 180 on extended producer responsibility, 150 on green public investment and 50 on the green economy (EU4Environment, n.d.).

²⁸⁸ <https://eu4climate.eu/moldova/>.

Box 3.25. Learning courses on the green economy in Moldova

“Introduction to the Green Economy” course

In 2021, at the annual “Green Economy – Made in Moldova” event, EU4Environment and its partner the UN Institute for Training and Research launched the online course “Introduction to the Green Economy” and its Romanian version. Open to civil servants and the broader public, it shows how an inclusive green economy can be achieved at the international, national and sectoral levels.

The ten-hour course is free, and learners receive a certificate upon completion. The course covers basic concepts, policy instruments and international frameworks that promote inclusive green economies at all levels. It has five modules, with interactive exercises to reinforce readers’ learning. It is hosted on the [*UN CC: Learn](#) e-learning platform.

“Green Transition in Eastern Partnership Countries”: In-depth course on the green economy for civil servants

EU4Environment also organised a tailored course for selected civil servants from EaP countries working on green economy policies. The pilot e-learning course, “Green Transition in Eastern Partnership Countries”, was held from 15 February to 9 April 2021. The course develops the abilities of policy makers to analyse, set up and carry out green economy policies in their respective countries. It includes interactive lessons, live webinars, forums, assessments, assignments and peer reviews.

In Moldova, 9 of 15 nominated participants completed the course, 7 of the 9 receiving a certificate. The reasons cited by nominated officials who opted not to take the training included their professional workload, changing jobs and COVID-19.

Different paths are anticipated for the courses, including plans to develop a “green economy” curriculum for universities. These efforts will increase the capacity and knowledge of government staff and broader audience on this issue.

Source: EU4Environment, <https://www.eu4environment.org/news/launch-of-an-e-learning-course-introduction-to-the-green-economy-in-moldova/> and EU4Environment, UNITAR, evaluation report, e-learning course “Green Transition in Eastern Partnership Countries”, www.eu4environment.org/app/uploads/2023/06/e-course_GE-in-EaP-countries_EvaluationReport_final.pdf.

The green economy courses in Moldova are complemented by several tailored capacity-building activities, some examples of which are presented in Box 3.26.

Box 3.26. Examples of tailored capacity-building activities in Moldova

Capacity building on resource efficiency

As part of the Resource Efficient and Cleaner Production (RECP), an event on 14 July 2023 was dedicated to the barriers, challenges, opportunities and benefits of implementing RECP methodology in Moldova. It gathered together participants and industry members from the RECP training and coaching programme, representatives from the EBRD, EU4Business programme, the MEDD, the Ministry of Environment and ODA. It focused on sharing views, lessons learned and new opportunities for co-operation, as well as collecting experiences from RECP implementation.

Sources: <https://www.eu4environment.org/events/eu4environment-organizes-an-event-to-take-stock-on-recp-implementation-in-moldova/>; <https://www.eu4environment.org/events/stakeholders-meeting-on-resource-efficient-and-cleaner-production-recp-in-the-republic-of-moldova/>.

Strategic environmental assessment (SEA)

A training workshop on Quality Control of SEA and EIA Documentation in Moldova was held on 24 May 2023. It promoted sound application of the SEA and EIA (including transboundary EIA) in Moldova in line with the EU's Directives on SEA and EIA, with the Espoo Convention and the UNECE Protocol on SEA; provided initial training on the anticipated quality control mechanisms for SEA and EIA; leveraged discussion on the amended Law on EIA and the amended Law on SEA in relation to quality control; and introduced the complete draft Guidelines for Quality Control and received input to finalise them.

An awareness-raising workshop on "Practical Application of Strategic Environmental Assessment" (SEA) in Moldova was held on 23 April 2021. It promoted the application of SEA in Moldova in line with the requirements of the UNECE Protocol on SEA, the EU SEA Directive and the national legislation on SEA; supported relevant national authorities by raising awareness about the benefits of SEA, including as a tool for making post-COVID-19 economic recovery initiatives green and sustainable; and facilitated the engagement of key stakeholders in refining Moldova's national SEA system.

Source: www.eu4environment.org/events/training-workshop-on-quality-control-of-sea-and-eia-documentation-in-the-republic-of-moldova/ and www.eu4environment.org/events/awareness-raising-workshop-on-the-practical-application-of-strategic-environmental-assessment-sea-in-the-republic-of-moldova/.

Capacity building on ecolabelling and sustainable procurement for central and local authorities

A training workshop on ecolabelling and sustainable procurements in Moldova for central and local authorities was organised on 3 March 2023. It presented the proposed national ecolabelling mechanism, including recently developed legal provisions, noted its economic, environmental and social benefits and the impact of the eco-labelled products and services; and promoted ecolabelling as an efficient tool for access to consumer information. It also presented the sustainable public procurement (SPP) mechanism and its benefits, explaining how eco-labelling could be considered one of the criteria for SPP practices and how to encourage state central and municipal procurers in Moldova to apply sustainability criteria in tenders.

Source: <https://www.eu4environment.org/events/training-workshop-on-ecolabelling-and-sustainable-procurements-in-the-republic-of-moldova-dedicated-to-central-and-local-authorities/>.

Gender sensitisation in greening Moldovan industry

A training workshop on gender sensitisation in greening the national industry in Moldova was held on 14-15 June 2022. It included representatives of key stakeholders (government agencies, NGOs, think tanks, industrial associations, private companies), national experts and other entities critical for greening industry.

Source: www.eu4environment.org/events/gender-sensitization-in-greening-the-national-industry-training-workshop-in-the-republic-of-moldova/.

Designing and implementing green public investment programmes

Training on Clean Public Transport in Moldova was held on 15-16 December 2021. Its aim was to transfer practical skills and know-how to experts in government administration on: managing (green) public investments to prepare, manage and monitor such programmes; project cycle management; and selecting projects for co-financing. The training also showed how officials and experts in local government administrations and NGOs can participate in implementing programmes.

Source: www.eu4environment.org/events/training-on-the-implementation-of-the-designed-clean-public-transport-in-moldova/.

Twinning and TAIEX, instruments of bilateral interventions

Bilateral interventions, such as Twinning and Technical Assistance and Information Exchange (TAIEX), are effective tools for transferring EU best practices in institutional reforms and legislation.

Twinning is an EU instrument for institutional co-operation between public administrations of EU member states and beneficiary countries (SEC, n.d.1). It was launched in 1998 to support candidate countries in EU integration. Today, it is widely used as an effective peer-to-peer learning instrument, relying on the learning by doing principle and sharing of best practices in line with EU environmental standards.

In 2022, according to the TAIEX and Twinning Activity Report 2022, four Twinning projects were undertaken in Moldova,²⁸⁹ and six in 2021.²⁹⁰

Moldova's Ministry of Environment also benefits from the Twinning instrument. In 2022, on a study visit to Lithuania, members of its staff learned EU best practices in waste management and about the "waste to energy" concept.²⁹¹ Another example, the Twinning project in pipeline (Q4 2023) benefiting the Ministry of Environment, aimed to increase public institutions' capacity to implement legislation under the Environment Chapter of the EU-Moldova Association Agreement. Focus areas include air quality, circular economy/ waste management, environmental sound management of chemicals, and an integrated environmental data system (with a budget of EUR 2 million).²⁹²

The Twinning instrument is also used in Moldova in a broader context to strengthen public administration. The Twinning Project "Strengthening the capacities of the Parliament of Moldova for the EU Approximation Process" (2017-19), involves the Czech Republic, Slovakia, Hungary, Poland, Latvia, France and Belgium.²⁹³ A project planned for Q1 2024 was planned to strengthen Parliament's institutional capacity for the EU approximation process, in line with the Association Agenda. Special focus was to be placed on enhancing the structures, internal procedures and capacity of the Parliament's technical staff.²⁹⁴

TAIEX (Technical Assistance and Information Exchange) (European Commission, n.d.1), launched in 1996 to support the EU accession process and adoption of the EU *acquis*, is another EU instrument designed to support public administrations in the approximation, application and enforcement of EU legislation and

²⁸⁹ <https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/TAIEX-AAR-2022.pdf>.

²⁹⁰ https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-09/AAR2021_EN.pdf.

²⁹¹ <https://eu4moldova.eu/ministry-of-environment-staff-learned-eu-best-practices-in-waste-management-and-waste-to-energy-concept-during-a-study-visit-to-lithuania-2/>.

²⁹² <https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/Twinning%20pipeline%20update%20October%202023.pdf>.

²⁹³ <https://www.parlament.md/Rela%C5%A3iexterneparlamentare/ProiectulTwinning/tabid/261/language/en-US/Default.aspx>.

²⁹⁴ <https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/Twinning%20pipeline%20update%20October%202023.pdf>.

sharing of EU best practices, including in environment policy. It is largely needs-driven and delivers tailor-made expertise in workshops, expert missions and study visits (European Commission, n.d.2). Today, TAIEX is available for countries covered by the European Neighbourhood Policy, by the Partnership Instrument and EU development policies, thus covering Moldova and the environment (Box 3.27).

Box 3.27. TAIEX mandate in environment and energy policy fields

Classical TAIEX assistance or support through the Environment and Climate Regional Accession Network (ECRAN) is available for beneficiaries in all fields covered by environmental legislation (air quality, waste management, conservation of nature, chemicals, industrial pollution and climate change). Environment and energy policies are closely linked, given the impact of energy production on the environment and the climate. Topics range from renewable energy and energy savings to market liberalisation in the oil, gas and electricity sectors.

Source : EU Commission, n.d.2, https://neighbourhood-enlargement.ec.europa.eu/funding-and-technical-assistance/taiex_en.

In 2022, according to the TAIEX and Twinning Activity Report 2022, 30 single-country TAIEX events took place in Moldova, with 632 officials taking part.²⁹⁵ In 2021, 884 officials benefited from 20 events.²⁹⁶

The Ministry of Environment also benefits from the TAIEX instrument. In 2023, during EU Green Week, TAIEX's mission on wastewater treatment was launched. Main beneficiaries included representatives of central public authorities, business associations, and water and sewer operators.²⁹⁷

Little information on capacity building and TAIEX/Trinning instruments is available from the Ministry of Environment on TAIEX and Trinning projects in previous years, given COVID-related restrictions at a time of political instability. The paucity of information suggests a lack of institutional memory, given the frequent government changes since 2019, when the EU4Environment programme began, and high staff turnover.

EU high-level adviser on the green transition in Moldova

In May 2021, the team of EU high-level advisers to Moldova was expanded, with a new **EU high-level adviser on the Green Transition**. The adviser's role is to provide policy advice to the Ministry of Environment to mainstream and integrate environmental and climate targets and considerations into all key economic policies; review relevant strategic policy documents; and provide policy recommendations and guidance on implementation of the EU-Moldova Association Agreement, with a focus on elements in the European Green Deal.²⁹⁸ This is a major help in increasing the ministry's capacity for the green transition. Moldova now has 13 high-level advisers, in the Prime Minister's Office, State Chancellery and line ministries.²⁹⁹

LIFE programme increases capacity to finance environmental projects

In 2022, to strengthen the capacity to finance environmental projects, Moldova joined the EU LIFE programme to access European funds for environmental projects.

²⁹⁵ <https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-10/TAIEX-AAR-2022.pdf>.

²⁹⁶ https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-09/AAR2021_EN.pdf.

²⁹⁷ <https://www.mediu.gov.md/ro/content/4326>.

²⁹⁸ <https://www.eu-advisers.md/mission-2023-2025/justina-grigaraviciene-2/>.

²⁹⁹ <https://www.eu-advisers.md/category/mission-2023-2025/eu-high-level-advisers/>.

Box 3.28. Moldova joins the LIFE programme for environment and climate

On 28 November 2022, Moldova signed an agreement to join the LIFE programme for environment and climate and became the third non-EU country to join the programme, after Iceland and Ukraine.

The LIFE programme offers Moldova support on mobilising public and private resources for climate action, biodiversity protection, the circular economy and clean energy transition. It is an important asset in developing environmental projects.

The LIFE Programme, the EU financing instrument for the environment and climate action since 1992, is dedicated exclusively to the environment. Bridging the gap between research and policy implementation, it has co-financed 5 800 projects in the EU and beyond, with funding of EUR 5.4 billion. The new LIFE Programme 2021-27 allows non-European countries to join the programme through bilaterally negotiated association agreements.

Moldova obtained its first funding from the LIFE Programme in October 2023. The environmental project, submitted in the LIFE programme and approved by the European Commission, focuses on nature conservation and improving management in protection areas to conserve biodiversity, natural habitats, species of flora and fauna, with a total value of EUR 1 million.

Source: https://environment.ec.europa.eu/news/moldova-joins-life-programme-environment-and-climate-2022-11-28_en ;
<https://onipm.gov.md/content/republica-moldova-ob%C8%9Binut-prima-finan%C8%9Bare-din-programul-ue-life> ;
<https://onipm.gov.md/content/la-bruxelles-se-desf%C4%83%C8%99oar%C4%83-cea-de-4-reuniune-comitetului-programului-life>.

Other capacity-building opportunities with external support

Ministry of Environment staff benefit from other programmes on environmental and public administration issues as part of bilateral collaboration with EU member states. In September 2023, in training workshops at the ministry, instructors from Germany helped ministry employees and subordinate institutions develop their communication skills. This was part of a programme of the Deutsche Welle Academy, in collaboration with Germany's Federal Ministry of Foreign Affairs, for civil servants from several ministries in Moldova.³⁰⁰

The ministry benefits from UN support on environmental projects through the UN Office for Project Services (UNOPS), its specialised institution for implementing projects. UNOPS experience could facilitate project writing, portfolio analysis and selection of the best financing and implementation options for environmental projects such as greening and sustainable green solutions, and energy projects such as energy efficiency and green energy. The co-operation is guided by the Moldova-UN Partnership Framework for Sustainable Development for 2023-27, an important source of support for Moldova's sustainable development efforts.³⁰¹

International donors such as the Swedish International Development Cooperation Agency (Sida), the Austrian Development Agency (ADA) and Germany's GIZ have also been active in the sector. Sida is involved in projects on strengthening environmental engagement from civil society organisations, including in rural regions.³⁰² ADA has funded environmental projects in Moldova for various regions in water and sanitation (drinking water) and environmental protection (maintaining ecosystems).³⁰³ GIZ supports vocational education and training in the green economy.³⁰⁴

³⁰⁰ <https://www.mediugov.md/ro/content/4498>.

³⁰¹ <https://www.mediugov.md/ro/content/4462>.

³⁰² <https://www.sida.se/en/sidas-international-work/moldova#development-2>.

³⁰³ <https://www.entwicklung.at/en/themes/environment-and-climate-protection>.

³⁰⁴ <https://www.giz.de/en/worldwide/37587.html> and <https://www.giz.de/en/worldwide/21169.html>.

Learning from institutional innovations in the EaP countries and beyond

The experience of other EaP countries can offer institutional and administrative advice on the environment and green economy. This includes the Environmental Information and Education Centre promoting education under Georgia's Ministry of Environmental Protection and Agriculture (Box 3.29.) and the "Reform Support Teams" in Ukraine to boost reforms (Box3.30).

Box 3.29. To get inspired... Georgia's Environmental Information and Education Centre, winner of the 2022 VET Excellence Award

Since its creation in 2013 under Georgia's Ministry of Environmental Protection and Agriculture, the Environmental Information and Education Centre has played a core role in:

- promoting environmental and agricultural education in Georgia and raising public awareness
- supporting public participation in decision making
- ensuring access to environmental and agricultural information
- introducing and implementing integrated information technology policy of the ministry.

The centre publishes annual reports on its activities, which are available on its website.

In 2022, the centre won the VET Excellence Award, which rewards best practices for preparing for the green economy. The "Environmental and Agricultural Education at School" programme was voted a winner in the European Vocational Skills Week 2022, organised by the European Commission.

Source: <https://eiec.gov.ge/En>.

Box 3.30. To get inspired... Reform Support Teams in Ukraine, an innovative institutional approach to boost reforms

In Ukraine, under public administration reform, **Reform Support Teams** (RSTs) were set up in a number of ministries, including the Ministry of Environment. The teams are usually composed of Ukrainian professionals, complemented by international experts as needed. They are not ministry employees; their salaries are funded by the Ukraine Multi-Donor Account.

The teams develop policy proposals, provide expertise on strategic legislation and facilitate co-ordination with different international projects. In addition to their expertise and their financial independence from the ministry, the teams are not overburdened by everyday activities. They are thus helpful with pipelines of reforms and strategic thinking.

The RST in the Ministry of Environment is expected to boost environmental reform. It operates based on a Memorandum of Understanding, indicating needs and capacity gaps, based on the EU Association Agreement.

RSTs are seen as a positive institutional innovation and as agents of change both by national and by international stakeholders and experts. They are:

- demand-driven: responsive to the needs of each institution, with full Ukrainian ownership
- capable of rapid mobilisation of teams
- complementary to host capacities and other international assistance
- results-oriented: focusing on results and impact for citizens
- dynamic and flexible: adapting to changing priorities and needs.

The impact of RSTs can be summarised as follows:

- strengthened reform capacity of the host institution
- capacity development of civil servants, with knowledge transfer and coaching by RST experts
- planning and support of institutional reorganisation, modernisation of procedures and other measures within the public administration reform framework
- benefiting from a project approach, with flexibility to work outside formal bureaucratic procedures
- better co-ordination and communication with donors to ensure complementary advisory and technical support.

RST experience, an innovative institutional approach, could help Moldova boost environmental reform.

Source: URA PPT, "Reform Support Teams as Drivers of Reforms, Capacity Development & Sustainable Change in Ministries and Agencies".

Beyond the EaP countries, institutional innovations in EU member states can also provide inspiration for Moldova, for example in tailored institutional support for SEA and EIA (Box).

Box 3.31. To get inspired... Institutional innovations for environmental impact assessments

France: In 2009, an environmental authority (*Autorité Environnementale*) was created to advise on the quality of certain environmental impact assessment (EIA) reports, when the project/programme developer is the Ministry of the Environment or a public organisation under its supervision (e.g. large infrastructure projects) or when the ministry has the final decision (e.g. nuclear installations). This primarily provides a guarantee of impartiality but also offers a guarantee of quality and transparency for the public. It includes 17 people, 12 of whom are part of the evaluation services of the Ministry of the Environment (CGEDD) and 5 external qualified experts.

Netherlands: The Netherlands Commission for Environmental Assessment, independent of the Ministry of Ecology, advises the competent authority on the quality of EIA reports, on request from the competent authority. It is a pool of 700 experts working for governmental organisations, research institutes or universities and private companies. They are hired on a project-by-project basis. For every EIA or strategic environmental assessment, a working group is created, usually with three to six experts.

Source: ECRAN (2016).

4 Progress, challenges identified and ways forward

This chapter summarises progress on strengthening administrative capacity in Moldova for the environment and management of the green economy, as well as challenges in protecting and managing natural resources and the environment. It covers central legislative and executive authorities and policy frameworks for a green economy, digitalisation, innovations in public administration and financial incentives. It focuses on the ability of the Ministry of Environment, the Ministry of Economic Development and Digitalisation (MEDD) and their subordinate institutions to work in environmental areas. Sectoral ministries and institutions relevant to the green economy are discussed, and efforts to improve co-ordination of government agencies. After reviewing areas of improvement for local executive authorities and municipalities, the chapter assesses public participation in decision making and awareness, the role of universities in institutionalising environmental education, capacity-building opportunities for environmental professionals, and regional and international co-operation. It ends with recommendations for national authorities and international stakeholders to address various capacity gaps.

The issues presented in this section were identified based on information in the report and on interviews with representatives of the government, international organisations, civil society organisations (CSOs) and experts. This approach is inevitably subjective. The findings indicate a need for in-depth analysis, possible reforms, capacity development and external support.

Areas of progress and challenges identified

Moldova has made major efforts in recent years to accelerate a green transformation of its economy and improve environmental management. Progress has been jeopardised by the Russian war of aggression against Ukraine, the energy crisis and the complex socio-economic situation, but Moldova has pursued ambitious reforms, driven by its European aspirations. This section acknowledges **positive developments** in strengthening its environmental administration. It summarises progress and highlights areas for further increasing administrative capacity for the environment and green economy. It also highlights challenges in protecting and managing Moldova's natural resources and environment effectively.

Central legislative authority: Parliament and its committees. Institutional structures are in place to provide opinions on legislation relevant to the environment and green economy. The creation of the **Environment, Climate and Green Transition Commission** in 2023 was a major milestone in building institutional infrastructure in the legislative pillar for a green transition. It monitors implementation of projects financed by the National Environmental Fund. The commission is generally considered to have the capacity and expertise to discharge its responsibilities. It often invites representatives of the Ministry of Environment to its meetings when new legal acts are discussed. Three other structural units are relevant to the environment and the green economy: the Economy, Budget and Finance Committee (setting strategic directions such as the National Development Strategy "European Moldova 2030"); the Agriculture and Food Industry Commission (organic farming and EU approximation); and the Public Administration and Regional Development Commission.

Remaining challenges and areas for improvement

- The opening of the accession negotiations in December 2023, and the approximation with the EU legislation and transposition of the EU Directives from the Association Agreement to national legislation increased the Parliament's workload. Significant efforts will be needed to align Moldovan legislation with the EU *acquis* in environment and climate action, including reforms in view of European Green Deal targets. Effective parliamentary oversight on the EU integration agenda is called for. Moldova might consider creating a dedicated structural unit in Parliament for this purpose. Reinforcing Parliament's co-operation with the National Council of Environmental NGOs, the National Council of NGOs and the CSOs in general could benefit the process.

Administration of the President. The Administration of the President plays a central role in shaping the green agenda. High-level support is a positive signal for change and a vital element in successful reforms, according to SIGMA principles. The National Forest Extension and Rehabilitation Programme for 2023-32, initiated by the president in 2021 and approved by the government in 2023, aims to plant at least 100 000 hectares of forest. The Presidential Administration has two designated advisers, an **adviser on environmental protection and climate change** and an **economic adviser**. Although the green economy is not explicitly mentioned, both advisers cover green economy issues. In addition, another **adviser handles foreign policy and European integration**.

In 2021, Moldova underwent important political changes. The perception of interviewees in spring 2021 was that greening the economy was considered an environmental, not a business issue. Prior to the July 2021 elections, the environment was seen not as a political priority but as a political problem subordinate to economic development. The perception was that only a fraction of the population and environmental NGOs supported the principles of a green economy, in a context with serious concerns about corruption

and political protection of polluting companies. The 2021 snap elections broke the stalemate, providing the political stability and will for reform of environmental institutions.

Remaining challenges and areas for improvement:

- The limited constitutional power vested in the president in internal affairs imposes certain limitations in advancing the green transformation, as compared with such countries as Azerbaijan, where the Administration of the President is involved in every sphere of domestic policy. Moldova's European aspirations, however, leverage the role of the Administration of the President.
- Both the environment and economic advisers to the president cover some green economy issues, but no adviser has been designated to lead the green transition, which could lead to unclear division of responsibilities and tasks in this domain. The adviser on foreign policy and European integration may also cover environmental issues as part of the EU approximation process.

Central executive authority: Government, its ministries and State Chancellery. The Cabinet set up in February 2023 enacted a number of additional structural changes, renaming the Ministry of Economy the Ministry of Economic Development and Digitalisation (MEDD) and creating the Ministry of Energy.

Remaining challenges and areas for improvement

- The institutional reforms are ongoing. The dynamic and constant changes make it difficult to capture all aspects of the complex cross-institutional, cross-sectoral green and circular economy.

State Chancellery. Although a green economy is not specifically mentioned in its activities, the State Chancellery plays a key role in co-ordinating the development of policy documents (e.g. the Programme on the Promotion of the Green Economy 2018-20 and the new **Programme on the Green and Circular Economy 2024-28**). The representative of the State Chancellery is a member of the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy. The green economy is not explicitly mentioned in its structure, but at least two departments relate to it: the **Direction of Strategic Planning and Priorities** and **Directorate of Economic Policies** (in the General Directorate of sectoral policies). The **Department on approximation with EU legislation** has gained importance in light of the EU candidacy, as the approximation process involves the environment.

Remaining challenges and areas for improvement

- Considering the creation of a dedicated structural unit on the green economy in the State Chancellery may be considered, to group all related issues together.

Policy frameworks for a green economy. Most legislation and policies on the green economy have been adopted or are in development, in line with EU standards. Of the EaP countries, Moldova pioneered the Programme on the Promotion of the Green Economy 2018-20. The **Programme of the Promotion of Green and Circular Economy for 2024-28** is in the final phase of development and expected to be adopted by March 2024.

Since 2021, significant progress has been made on adopting a policy framework, accelerated by Moldova's application for EU membership and the accession negotiations. It includes "**European Moldova 2030**", the key development strategy (adopted in 2022); the draft **Environmental Strategy 2023-30** (presented for public consultations in October 2023); and the **National Strategy for Economic Development of Moldova 2030** (in the draft stage). Sectoral legislation and policies have been modernised, including the laws on waste, air, industrial emissions, the amended law on ecological agricultural production, the amendments to EIA and SEA laws, development of the legislation on sustainable public procurement and approval of ecological labelling. In 2023, the government approved the new Public Administration Reform Strategy 2023-30, the Digital Transformation Strategy for 2023-30 and the Energy Strategy of Moldova 2050, with strategic documents for a carbon-free economy. Several programmes have been approved, including the Afforestation Programme 2023-32 and the Programme for Promoting Entrepreneurship and

Enhancing Competitiveness 2023-27. The programme on waste management for 2023-27 is under approval. This legal framework provides for sound environmental and green economy management in Moldova.

Remaining challenges and areas for improvement

- *Capacity needs assessment.* Although many “good” policies are in place or under development, the strategies and programmes lack the appropriate capacity needs assessment for implementation, which may jeopardise their effectiveness. The implementation side should go hand in hand with policy design. Performance is mainly assessed based on the number of laws and regulations developed, and less on indicators of changes in the quality of environment, which have been gradually introduced. Implementation and enforcement of legislation needs attention, with a focus on horizontal legislation (conservation of nature, water, waste).
- *Lack of sustainability and continuity, and the significant time lapse between the two green economy programmes.* No green economy programme had been in place since 2018, when the Green Economy Programme 2016-18 expired. The new programme for 2024-28 is under development.
- *New policy areas and accession process.* The accession negotiations and EU Green Deal create an all-encompassing framework to accelerate reforms. With opening accession negotiations, Moldova needs to strengthen action on the **green transition**, particularly in mainstreaming the European Green Deal. This is included in the Objective 1 of the draft Programme on the Promotion of the Green and Circular Economy for 2024-28, which makes the environment a higher priority. Emerging areas, such as green bonds and eco-labelling, call for new legislation or amendments (e.g. the procedure for issuing eco-labels needs to be set up by a special regulation, to be developed by April 2024).

Digitalisation and innovation in public administration. Moldova can leverage e-government solutions to enhance environmental protection. The **Digital Transformation Strategy 2023-30**, approved in September 2023, aims to create a fully digital future and pro-digital government. Its ambitious target is for all public services to be available in a digitalised format (44% of public services are now registered online for entrepreneurs and 34% for citizens). The strategy has no specific provisions on environmental institutions, but rather general provisions on the digitalisation to all government, and the Ministry of Environment is also gradually adopting an e-government model in line with three automated information systems: a waste management system, common platform for environmental authorisation of special water use and a national register of emissions and transfer of pollutants. The ministry also uses an e-management tool for internal management and reporting. Another e-service portal relevant for environment and green economy is e-procurement (administered by the Public Procurement Agency), centralising procurement services of government agencies. A shift towards sustainable public procurement is ongoing; by 2026, Moldova hopes to apply sustainability criteria in at least 15% of public procurement.

Remaining challenges and areas for improvement

- The digital transformation of the government, including the Ministry of Environment, is in its early stages, but has great potential. The Digital Transformation Strategy 2023-30 was approved only in September 2023.
- Green elements have not yet been fully incorporated into e-service portals to exploit the opportunities of a digital world. E-procurement allows for a transparent, streamlined process. Moldova can leverage this capacity by including sustainability criteria (already developed), stimulating the economy by creating demand for sustainable goods. Transition to e-government also requires digital infrastructure and expertise. Capacity building is needed at every level (national, regional and local).

Ministry of Environment. The Ministry of Environment plays a key role in promoting the green economy, leading development and implementation of the Programme for Promoting the Green Economy 2018-20 and the new Programme on the Green and Circular Economy 2023-28. Typically, Ministries of Economy lead such processes.

Over the past years, the Ministry of Environment has been going through considerable structural reforms. The year 2021 was crucial for Moldova in reinforcing institutional capacity for environmental management and greening the economy, with the restoration of the Ministry of Environment as a separate body in mid-2021 (by Government Decision No. 145/2021 on 25 August 2021). Previously, it was merged for about five years with the Ministries of Agriculture and Regional Development, where the environmental pillar was weak, with a limited staff and budget. This raised the priority of the environment on the political agenda.

In mid-2023, the ministry's capacity was reinforced by amendments to Government Decision No. 145/2021, which approved its new organisational structure, composition and functions. These changes were oriented towards aligning the sectoral policy with EU accession, for formulating Moldova's contribution to the EU annual Enlargement Package and preparation for accession negotiations.

The most notable change was a significant staff increase from 62 to **96 units** (three times the 26 units in 2021 in MARDE's environmental pillar). This will ensure a better division of tasks and fulfil Moldova's obligations as an EU candidate country. Other changes include creation of a new management position, a deputy general secretary to assist the minister with EU accession requirements and of a Division on public policies co-ordination and European integration.

As for the green economy, no state secretary has been nominated to cover the green economy, which is now under the minister's direct responsibility. The new structure has a dedicated **Section on circular economy and economic instruments policies**, also responsible for the green economy. Its staff was increased in 2023 to 4 units, to cover responsibilities related to the EU Association and Green Deal. This is perceived as an improvement.

The **budget** of the Ministry of Environment in 2023 was MDL 594 812 100 (about EUR 30.7 million). Over 50% went to the three main areas: water resource management (25%), waste and chemicals (16%) and water supply and sewerage (16%), with little change in the 2022 figures. With restoration of the ministry, expenses for environmental protection doubled (EUR 21.5 million in 2023 compared to EUR 11.9 million allocated for environmental protection in MARDE in 2021).

The average monthly salary of Moldovan civil servants has progressively increased in recent years, at all levels. As of 1 June 2023, **average salaries** in the Ministry of Environment rose to between MDL 15 330 and MDL 17 010 (EUR 802 to EUR 890) for a division consultant and MDL 20 100 to MDL 28 710 (EUR 1 052 to EUR 1 503) for a head of section or division. This increase from several amendments was approved by the Cabinet of Ministers on 31 May 2023 to the Law on the State Budget for 2023 and to Law No. 270 on the Unitary Salary System in the budget sector. Average salaries in the ministries were unified by Law No. 270 (23 November 2018, amended on 17 August 2023). The salaries significantly lower than other options on the market were a major obstacle in attracting applicants to environmental administration.

Regular **performance assessments** for the ministry's civil servants are in place, every six months. It aims to identify needs for professional development, to be used by the HR department for developing the annual professional development plan. This performance assessment also serves an incentive, as a basis for additional remuneration for good performance.

Remaining challenges and areas for improvement

- The ministry faces persistent **understaffing**, with only 53 active employees. Even the 62 staff units approved in 2021 were not filled as of 2023. The remaining 45% posts are vacant, having been advertised without suitable candidates presenting themselves. The high number of unfilled vacancies suggests a low level of interest in the positions. The understaffing significantly increases

the workload of existing staff and helps explain the ministry's reliance on international projects and external experts.

- Significant **staff turnover** is compounded by the **low appeal** of a civil service career for the younger generation. No statistics are available on staff turnover in the ministry, but the 14 new hires in the ministry in 2022 was exceeded by the 15 who left, nearly one quarter of its staff.³⁰⁵ In 2023, many positions were vacant, but more people were hired than left (26 hired, or 27%, and 11 people left, or 11.5%).³⁰⁶ Finding suitable staff is a serious issue.
- Frequent institutional changes and staff turnover have reduced information about the training available at the ministry (including the human resources department). Skills developed in capacity-building training are often lost, leading to a low level of **knowledge retention**, a **loss of institutional memory** and lack of continuity. Creating a centralised database would help address this issue.
- **Knowledge gaps** on the green economy and new related concepts, coupled with the complex requirements of the EU accession process, are also problematic. Improving knowledge management in the environmental institutions is called for.
- **Increase in workload with EU accession.** Despite the increase of staff to 4 units in the section responsible for a green economy (Section on the circular economy and economic instruments policies) it will be difficult to fulfil Moldova's obligations under the EU Association Agreement. Moldova's candidate status (transposition of directives, adjustment of existing laws, co-ordination of implementation of the Green Economy Programme and monitoring indicators) will require more work and staff.
- Increased staff need **office space** and equipment. Some staff members need to work from home to make room for new hires.
- Financial concerns remain important. The Ministry of Environment's **budget** is smaller than all ministries' but the Ministry of Culture's (whose budget is EUR 25.4 million). To finance the environmental projects, it relies on the **National Environmental Fund** (MDL 272 million in 2022, with MDL 234 million for the projects, and MDL 75 million for projects in 2023).³⁰⁷ The ministry also relies on external grants, development aid budget and programmes such as EU LIFE. Budget allocations will not be taken up, since posts remain vacant, even though the number of units in the ministry was increased.
- Low **salaries** led to a high turnover of trained experts in environmental institutions, but this was expected to be resolved after significant salary increases were introduced in the second half of 2023.
- Overall, to properly fulfil its functions, the Ministry of Environment and its subordinate bodies need adequate allocations of human and financial resources.

Institutions subordinate to the Ministry of Environment: The agencies face similar issues, although in the past few years, the situation has significantly changed, and institutional reform should improve the situation in all subdivisions.

In 2018, the creation of **the National Office for the Implementation of Projects in the Field of the Environment** (ONIPM) (with amendments in June 2023) increased the ministry's capacity to manage environmental projects and gathered seven project-based offices into one institution. ONIPM now

³⁰⁵ Based on the approved number of 62 staff units for 2022.

³⁰⁶ Based on the approved number of 96 staff units for 2023.

³⁰⁷ MDL 100 million was redirected for forest planting out of an initially allocated MDL 175 million in 2023.

manages six projects, administers the National Environmental Fund and participates in the EU LIFE programme (EU Environmental Fund). Establishing the ONIPM was seen as a positive development for strengthening the ministry's capacity and ensuring implementation of environmental projects, which until 2019, under MARDE, were dispersed among 7 environmental project offices.

In 2018, the creation of the **Environmental Agency** strengthened the environmental pillar of the MARDE on policy implementation and addressed the ministry's limited capacity to deal with environmental issues. The agency, with its 124 approved staff units, is an important support to the Ministry of Environment on policy implementation. It is also in charge of developing a system of environmental indicators and the national report on the state of the environment.

In 2021, the certification of the **Environmental Reference Laboratory** (three years after its creation in 2018) strengthened the authority of the Environmental Agency and the ministry. The lack of an accredited laboratory had been seen as a serious obstacle to prosecuting environmental offences. Issuance of environmental permits and SEA/EIA implementation, noted as a weak point in 2021 interviews, improved (in 2021-23, 300 to 350 requests for EIA and 50 to 80 requests on SEA were received).

In 2023, an amendment of 14 August 2023 adopted new regulations for other subordinate bodies, including the Apele Moldovei Agency (Waters of Moldova Agency), the Moldsilva Agency (forestry agency) and the Agency for Geology and Mineral Resources. In November 2023, the Moldsilva Agency, under the auspices of the president, initiated the National Afforestation Programme 2023-30.

The reforms of the National Fund for the Environment and Inspectorate for Environmental Protection are discussed below (both report to the Ministry of Environment).

Remaining challenges and areas for improvement

- The institutions that report to the Ministry of Environment also have **limited staffing**, with a significant gap between the officially approved number and active staff. The Agency for Geology and Mineral Resources and the Inspectorate for Environmental Protection respectively have 41% and 34% positions vacant. This hampers the work of all environmental institutions, putting pressure on the existing staff. The gap is expected to decrease as vacant positions with higher salaries are filled.
- Subordinate entities also lack **qualified staff** on the green economy for similar reasons (e.g. limited training opportunities due not only to the low number of training courses, but to the heavy workload).
- **Environmental Agency.** One proposal for improvement is the need for updates on environmental indicators.
- While the **Environmental Reference Laboratory is now accredited**, its capacity is limited. The laboratory was accredited for only seven tests and needs to expand its mandate (which will involve costs, equipment and personnel) and acquire more international comparability.
- **Optimisation of management.** The Ministry of Environment, through its Apele Moldovei Agency, is the main body managing water resources, but its responsibilities are split among different stakeholders. The State Hydrometeorological Service (under the Ministry of Environment) monitors the quantity of surface waters; the State Agency for Geology (under the Ministry of Environment) manages underground water resources and fountains supplying drinking water to the rural population; the Health Ministry (through its National Centre for Public Health) is responsible for drinking water quality; the Ministry of Infrastructure and Regional Development develops state policy for regional development and land planning; the Inspectorate for Environmental Protection enforces state control over rational use and protection of natural resources. In 2023, the new Regulation reduced Apele Moldovei's staff to 21 units.

National Fund for the Environment: Management of environmental funds is key for unblocking overall reforms in the sector, since the lack of capacity in environmental financing has manifested in ineffective management of funds. Meanwhile, the **National Fund for the Environment** (known until 2022 as the National Ecological Fund), an instrument for financing environmental projects on the spending side, was reformed in 2022, by Government Decision No. 711/2022, which approved its new Regulation and operational manual. Additional changes in the fund's **operational manual** were approved by Order of the Minister No. 102 of 23 June 2023. In 2022-23, its legal base, administrative settings and daily management were significantly modified to meet its main objective, environmental protection. Before the reforms, stakeholders interviewed had expressed concern about its capacity to fulfil its functions. Before the reform, it mainly financed strategic infrastructure projects (with about 90% of spending going to water supply and sanitation projects), differentiating it from most environmental funds. It is now intended exclusively for financing projects in environmental protection, climate change and the sustainable management of natural resources. The reforms handed over the fund's daily management from the ministry (in its Division on funds) to the ONIPM. On the revenue side, work to analyse environmental taxation and environmental budget expenditure was launched to ensure sustainable revenue streams for the National Fund for the Environment and to develop related laws and regulations. The first draft of the Law on environmentally related taxes has been prepared (in Romanian).

Remaining challenges and areas for improvement

- **National Fund for the Environment:** At this stage, it is too early to assess the fund's efficiency. In November 2023, after the adoption of the new Manual and the launch of ONIPM, the competition for selection of projects to be financed by the fund was announced, with the list of project proposals selected for the final evaluation stage. Domains covered by the projects are not yet known, as the projects are still under evaluation. The budget of the National Environmental Fund is the ministry's major source of finance for environmental projects, but it was cut to MDL 75 million in 2023³⁰⁸ from MDL 272 million in 2022 (with MDL 234 million allocated for projects).

Environmental compliance and enforcement. Environmental compliance assurance in Moldova involves three institutions: the Ministry of Environment (policy development); the Environmental Agency (policy implementation, permitting and monitoring of environment quality); and the Inspectorate for Environmental Protection (monitoring compliance with environmental legislation). On the positive side, in September 2023, Moldova initiated the process of institutional **reform of the Inspectorate for Environmental Protection** to address its functional deficiencies and develop effective governance structures that allow full implementation of the ambitious objectives assumed by national and international environmental documents. This reform builds on the recent OECD analysis within EU4Environment on the environmental compliance assurance system in Moldova.

Remaining challenges and areas for improvement

- The Inspectorate, like other environmental institutions, is critically **understaffed**. It has 273 staff units, of which only 180 positions were filled in 2023, leaving one-third vacant. Lack of qualified staff is another issue. Human capacity for EIA/SEA, still an issue, needs to be increased.
- The recent analysis led by the OECD within EU4Environment on the environmental compliance assurance system in Moldova concluded that the number of staff working on **permitting** at the Environmental Agency is critically low. This issue has become even more acute with the introduction of **integrated permitting** (the Law on Integrated Permitting, May 2022).
- Institutional co-operation with the National Bureau of Statistics must be reinforced to move environmental reporting of companies online. Another weak point is that companies' environmental reporting is still paper-based, with no quality control. The Law on Economic Activities (Law 303)

³⁰⁸ MDL 100 million was redirected to forest planting, out of an initially approved 2023 budget of MDL 175 million.

stipulates that inspections must be announced and approved in advance and that *ad hoc* inspection is not permissible, contrary to recognised international good practice.

- The OECD analysis provided the following recommendations for improvements: 1) increase the number of staff working on permitting at the Environmental Agency; 2) consider strengthening the performance of the inspectorate by streamlining oversight over its activities; reconsidering 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; and 3) increase overall co-operation among the compliance assurance institutions and finalise lagging institutional reforms. Chiefly because of the low salaries, the Environmental Inspection has been perceived as prone to corruption. The ongoing reform of the Inspectorate for Environmental Protection could also consider the assessment carried out by the Anti-corruption Centre of Moldova (2020).³⁰⁹

Ministry of Economic Development and Digitalisation (MEDD). The ministry serves as a counterpart of the Ministry of Environment in encouraging the green and circular economy. It has been increasingly engaged in green economy promotion and closer co-ordination with the Ministry of Environment, particularly within regional initiatives, such as EU4Environment and its predecessor, EaP GREEN. Although it has a limited mandate in environmental spheres, some of the ministry's structures and subordinate bodies are becoming more involved. Although the green/circular economy is not explicitly mentioned in its Regulation, its functions cover the alignment of sectoral policies with the EU accession chapters, and green economy aspects are gradually incorporated in all the ministry's activities and policy documents in the light of Moldova's EU candidacy. To this end, the ministry has a dedicated section, the External economic relations and European integration section. European Green Deal and environmental provisions are thus taken into consideration in daily activities and mainstreamed in policy documents.

As in other government bodies, institutional reform of the ministry is ongoing. In 2021, it was split into the Ministry of Economy and the Ministry of Infrastructure and Regional Development. In 2023, the Ministry of Economy was renamed the MEDD. The latest amendment, of 18 October 2023, entered into force on 1 January 2024. No individual or unit is officially designated to handle the green or circular economy, since these functions are carried out based on specific needs. The state secretary leads green economy initiatives (creating a centralised approach), and no defined number of staff units works on green issues. It is estimated that the number could vary from 5 to 10 people (5% to 10% of the ministry's total staff units after increasing from 74 units in 2022 to 100 units in 2023). In addition, the ministry's new structure provides for a **section with two staff units responsible for environment, social and governance work**.

The MEDD leads a number of strategic documents that explicitly include green economy issues: the Concept of the National Strategy for Economic Development 2030 (under development) and the National Programme for Promoting Entrepreneurship and Enhancing Competitiveness 2023-27 (approved in September 2023). It also plays a central role in leading the Digital Transformation Strategy for 2023-30 (approved in 2023) and has a dedicated unit, the Policy section on digital economy and digitisation of public services. It co-chairs the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy and promotes the green economy through the Economic Council under the prime minister.

Remaining challenges and areas for improvement

- MEDD has a limited mandate to work in the environmental sphere, since there is no institutional structural unit on the green economy.
- Chief among the **remaining challenges** relevant to MEDD's capacity to deal with green economy issues is the scarcity of well-trained people willing to be employed by MEDD and skilled in ESG and green economy duties/tasks/responsibilities. Progress has been made, but budget cuts have

³⁰⁹ <https://cna.md/public/files/Raport-de-evalua-re-AM14e8c.pdf>.

made financing for green investment a challenge. Better management of funds, increased spending efficiency and proper monitoring are also needed.

Institutions subordinate to the MEDD relevant to the green economy. The MEDD has two subordinate structures for green elements, the **Organisation for Entrepreneurship Development** (ODA, for greening SMEs) and the **National Accreditation Center** (MOLDAC, for eco-labelling).

The institutional support infrastructure for SMEs in Moldova is under reform. In 2022, the ODA was created under the Organisation for the Development of the SMEs Sector (amended 28 February 2023), expanding its functions from a focus on SMEs to entrepreneurship more generally. ODA implements the state policy supporting development of entrepreneurship. Green activities are not explicitly mentioned in its Regulation, but the ODA carries out policies developed by the ministry, like the Programme on Greening SMEs (approved in 2019 and amended in September 2023), which develops institutional support for greening SMEs. ODA also leads the online self-assessment tool for SMEs, which has been used by over 1 200 companies, and has a specific unit on green issues. However, several structural units are relevant to it, including the programme's development division and entrepreneurial training section. Before 2022, it had a Division on greening SMEs, but this was replaced by a programme approach (with only specialists responsible for a programme). Two staff are now involved in implementing the programme.

The **National Accreditation Centre** (MOLDAC) has environmental concerns explicitly stipulated in its Regulation. The unique national accreditation body, it sets the accreditation process for **eco-labelling**, under a new Regulation approved in April 2023 (to enter into force in April 2024). The first certifications, to be set up by special regulation (planned for April 2024), are expected to be issued in 2024.

Remaining challenges and areas for improvement

- The institutions reporting to the MEDD are also **understaffed**, with the number of active staff significantly below the officially approved number. Nearly 30% of ODA posts are vacant, with only 85 of the 118 approved staff units working.
- The subordinate structures already accommodate green elements, but training is needed to increase their capacity for the green economy.
- The programme approach (with a person, not a unit, responsible for a specific programme) could be introduced in the ODA. Institutional memory may be lost as staff leave the institution. Creating specialised units may be a more sustainable solution.
- MOLDAC has not yet issued **eco-labelling**, a process due to be set up by a special regulation planned to be developed by April 2024. Capacity for this needs to be developed.

Other sectoral ministries and government institutions relevant to the green economy. The green transition requires a co-ordinated approach across all government bodies. The sectoral ministries are becoming progressively involved in greening the economy, including the newly created Ministry of Energy, the Ministry of Agriculture and Food Industry, the Ministry of Infrastructure and Regional Development, the Ministry of Education and Research and the Ministry of Finance

The **Ministry of Energy**, created in 2023, is responsible for energy policy, with a mandate covering energy efficiency, renewable energy sources and the energy transition. It oversees the **Energy Strategy of Moldova 2050**, which promotes energy efficiency and reducing greenhouse gas emissions. In 2023, Moldova adopted a number of strategic documents for a carbon-free economy and it has two departments relevant to the green transition, the Directorate of Energy Efficiency and the Directorate of Renewable Energy Sources. A third directorate handles policy co-ordination and European integration. The set-up of the Ministry of Energy was a positive step in streamlining energy sector policies for the green transition. The **Agency for Energy Efficiency**, reporting to the ministry, supervises energy efficiency, renewable energy sources and funding projects in these fields. The Ministry of Energy founded the **Moldova Energy**

Projects Implementation Unit (MEPIU), in charge of projects in the energy sector (some of which focus on energy efficiency) and capacity-building activities (including energy efficiency and renewable energy).

The **Ministry of Agriculture and Food Industry** promotes organic agriculture, in line with strategic documents. It includes a service dealing with organic agriculture, the Service for organic products and products with appellation of origins. The head of this service is also a member of the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy. This service is the Ministry of Environment's main counterpart on organic (ecological) agriculture. The **Agency for the Development and Modernisation of Agriculture**, subordinate to the ministry, leads projects on installing equipment for the production of renewable energy and on the digital transformation in agriculture. Organic/ecological agriculture is mainly subsidised by the National Fund for the Development of Agriculture and the Rural Environment, administered by the Agency for intervention and payments for agriculture. In 2021, the fund allocated MDL 6 733 200 in subsidies for developing organic agriculture.

The **Ministry of Infrastructure and Regional Development** plays a major role in integrating provisions for the green economy into the sectors under its mandate: road infrastructure, water and sanitation, transport, construction, regional development and infrastructure. Progress in these domains is still modest. All policy documents in the fields are required to be subject to SEA, and the infrastructure projects to an EIA. The institutional infrastructure for integrating provisions of the green economy into the sectors can be improved. No individual or special division or section is responsible for green economy integration or is officially designated to deal with these issues, and each sector deals separately with its own staff (transport, water, regional development). The ministry's representatives are members of the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy. The **Ministry of Education and Research** plays a role in promoting the green and circular economy and eco-innovations and increasing awareness in these domains among the population. It has no structural unit or official designated for promoting green education. The policy analysis, monitoring and evaluation division and the policy division on research and innovation could logically take the lead on the green economy. The **Ministry of Finance** plays the leading role in the budget for the green economy, co-ordinating external assistance and attracting investment. The government's environmental expenditures are included annually in the Law on the State Budget (including the budget of the Ministry of Environment and the National Environmental Fund) and are part of the three-year Mid-Term Budgetary Framework.

Monitoring is an important element of implementing environmental and green economy policy. The **National Bureau of Statistics**, an institutionally independent administrative authority, compiles statistics on the economic and environmental situation. It does not have a structural unit on the green economy, but a number of units handle the environment and the green economy: the environmental statistics service; the Section on international co-operation and European integration (which also covers Sustainable Development Goals); the General Division for enterprise statistics (industry, energy, investments and transport); and the General Division for macroeconomic statistics (which covers national accounts, prices and trade). The NBS monitors the green economy in several ways: through reports on the environment and natural resources; the Sustainable Development Goals (SDGs); and green growth indicators. In 2022, the new **Strategy of development of the national statistical system for 2023-30** was approved, to increase institutional capacity at the NBS.

Remaining challenges and areas for improvement

- The institutional infrastructure for integrating provisions on the green economy into the sectors can be improved. A major challenge in greening the economy is the low capacity of other ministries on environmental issues, which held back dialogue with MARDE and may endanger relations with the new Ministry of Environment. Most areas require input from multiple institutions (economy, energy, agriculture and local development), and environmental policies will have no overall impact if there is no uptake by other ministries, which do not currently have environmental departments and structures responsible for the green economy. Human and financial capacity to address the

existing green economy promotion requirements and challenges is limited. These drawbacks are generally known and may be corrected during the functional analysis of central public authorities. Line ministries will require training sessions, and generally lack a centralised approach for dealing with green elements. No individuals or units (division or section) are officially assigned to co-ordinate and promote the green economy.

- All line ministries also face understaffing and staff turnover.
- Institutional memory is a problem. The Division on transport (which runs the Clean Transport Programme), for example, was transferred from the Ministry of Economy to the Ministry of Infrastructure and Regional Development, which meant that institutional memory was lost.
- The Ministry of Energy was created recently, and its capacity needs to be strengthened.
- The Ministry of Agriculture has identified staff turnover as an internal risk for achieving its objectives, and deficiencies in communication and institutional collaboration as an external risk. The new Programme on the Promotion of the Green and Circular Economy 2024-28 proposes that the Ministry of Agriculture and Food Industry incorporate provisions of the European Green Deal. Moldova has made progress in legislation on organic agriculture, but does not have a well-designed institutional infrastructure of support.

Co-ordination between government agencies on the green economy. In the past decade, co-ordination among government agencies on the green economy has significantly improved. In 2015, Moldova established the **Inter-ministerial Working Group for the Promotion of Sustainable Development and the Green Economy**, which completed eight years of activity in 2023. On 10 July 2023, it was renamed the **Inter-ministerial Working Group for the Promotion of the Green and Circular Economy**, to co-ordinate the provisions on the green and circular economy of the National Development Strategy “European Moldova 2030”. This sharpened its focus on the EU Green Deal and the Moldova-EU Association Agenda 2021-27, aligning with recent organisational changes in the government.

Other mechanisms also handle the environment and green economy. Since 2019, the **Economic Council** has served as the Advisory Council for SMEs, including the Ministry of Environment, Environmental Protection Inspectorate, MEDD and ODA. One of its nine permanent working groups, Group 2 covers the green economy, facilitating the green transition and cross-border trade. There are no direct relations between the Council and the Working Group for the Promotion of the Green and Circular Economy. Other mechanisms include the National Co-ordination Council for Sustainable Development and the National Commission on Climate Change.

Moldova has also set up a co-ordination mechanism on European integration, the National Commission for European Integration, the Government Commission for European Integration and the Inter-institutional Co-ordination Group and sectoral working groups.

Remaining challenges and areas for improvement

- Pursuing green economy goals will require strong co-operation between all institutions, and this will be intensified with the EU accession negotiations. In general, integration of environmental concerns into other sectors involves the formal exchange and consultation of policy documents.
- Co-operation and co-ordination between the Ministry of Environment, MEDD and other line ministries needs to extend beyond the consultation of policy documents. The Inter-institutional Co-ordination Group can be a platform for a dialogue on the institutional set-up, the capacity needed to accompany the policy documents and a clear division of tasks and responsibilities (including in SEA/EIA, waste, industrial emissions and other areas).
- Continuity must be ensured when individual projects come to an end. The National Co-ordination Council for Sustainable Development, for example, was established in 2016 but has not been

active since 2018 (when the project ended). This meant that no dialogue between the council and the working group on the Green Economy was established.

- While co-ordination mechanisms for the EI process have been formally established by legislation and key structures started functioning in the first quarter of 2023, Moldova still does not have a national EI planning document or clarity on the dynamics of adopting the EU *acquis*. The environmental provisions need to be fully taken into consideration in this process.

Regional (districts) and municipal levels: Local authorities. There have been no significant changes with regard to the local authorities: villages, cities, communes and municipalities constitute the **first level**, and districts the **second level**. Environmental protection is concentrated in the central government. The role of local authorities in the environment is governed by two main laws, the Law on administrative decentralisation and the Law on environmental protection, supplemented by sectoral laws (on waste, water and energy). These laws empower the local authorities manage green spaces, separate waste collection, construction and maintenance of wastewater treatment systems, ensure compliance with legislation on environmental protection, provision of energy to local consumers.

The role of local authorities was leveraged through a number of initiatives and local projects (on energy efficiency, waste collection, the “European Village” project and others). The EU Covenant of Mayors helps local authorities advance their environmental and green transition objectives through a bottom-up approach. In addition to regional initiatives and donor-funded country programmes, the lack of institutional capacity at local level is partly compensated for by a number of mechanisms and local NGO-driven initiatives. The Congress of Local Authorities, a non-governmental organisation, strengthens the dialogue between local and central authorities. It represents the interests of local public authorities to the government and provide services to local public authorities, including those relevant to the environment (training, developing a system for local authorities to learn best practices in the fields of energy efficiency, solid waste management, water supply and sanitation).³¹⁰

Remaining challenges and areas for improvement

- The environmental and green economy capacity at the subnational level is weak. In theory, local authorities have the authority to address local ecological issues (e.g. green spaces, waste, wastewater treatment and energy), but in fact, their capacity is limited and usually **underfunded**. Local authorities in districts and municipalities do not have units or experts responsible for environment. They rely on the branches of environmental inspectorates, and these tasks are carried out by people responsible for agriculture or by the mayor. If the mayor or the local council is active and collaborates with NGOs or development partners, they attract environment projects. In practice, all green initiatives at local level are project-driven. They benefit local authorities, as they do not have a separate budget and have limited potential to attract investments/loans. Only two cities, Chisinau and city of Balti, have contracted loans.
- Significant reforms are needed to strengthen the autonomy of local authorities, which should more actively seek out projects. It could also be advisable to **nominate people** responsible for the environment and green economy.
- Both waste and water represent a serious problem for the local authorities. Wastewater treatment facilities practically do not exist. The capacity for enforcement in the waste sector is also low, although some towns and villages have started separate collection of waste.
- Subnational-level bodies also lack information and knowledge of new legislation and priorities, since local authorities have not been effectively involved in **decision-making processes** at the central level. To increase their capacity to implement new legislation, they should be involved in

³¹⁰ <https://www.calm.md/en/despre-noi/planul-strategic-calm/>.

policy making. In 2022, the creation of an inter-institutional co-operation platform was anticipated between the State Chancellery, the Congress of Local Authorities of Moldova and the Ministry of Foreign Affairs and European Integration, in the context of developing collaboration on community projects.

- **Lack of knowledge** and understanding of environmental topics is more acute at the local level. The capacity of the regional and local level needs to be strengthened significantly, both on general issues (communication, project management cycle and financing) for better access to information and to unblock financial opportunities, as well as in specific areas, including new legislation and the environment. While the report does not delve into the details, the issues faced by local authorities are similar or more acute than for the central administration: high staff turnover, low salaries and lack of administrative capacity. Developing a training programme in the priority fields for public authorities at the subnational level would be advisable.
- Environmental and green economy provisions could be streamlined through the institutional framework for regional development. This would need to involve the Ministry of Infrastructure and Regional Development, the National Co-ordination Council for Sustainable Development, the National Co-ordination Council for Regional and Local Development, regional development councils and regional development agencies. The goals of the National Strategy for Regional Development 2022-28 are environmental, concerning water, waste, energy efficiency).

Public participation in decision making and awareness building. Environmental NGOs in Moldova play an important role in environmental protection. More than 10 influential environmental NGOs often participate in public consultations, and more than 300 operate across the country. Their participation is ensured by the National Council of Environmental NGOs and the National Council of NGOs. The **National Council of Environmental NGOs** is mandated to represent civil environmental society to the public authorities. Elected in March 2023 for two years at the **National Environmental NGOs Forum**, it represents the environmental NGO community in dialogue with the government and the Ministry of Environment. The council has no specific institutional framework for its interactions with the ministry, but it meets periodically with the minister to discuss specific environmental priorities, or is invited to public consultations, for example on the green economy programme. Members of the Council are included in the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy, and NGOs also collaborate with the ministry in joint events. This compensates for the lack of administrative capacity and expertise at the national or sub-national levels. They also contribute to environmental education and awareness campaigns. The activities of the **National Council of NGOs** range more widely and do not explicitly cover the environment, but some of its members are environmental NGOs. The **Economic Council under the Prime Minister** is another platform for co-operation between MEDD and business associations (acting as NGOs).

Remaining challenges and areas for improvement:

- Exploring the creation of institutional structures in the Ministry of Environment for public participation, and public councils under each ministry.
- Reinforcing participation mechanisms at the local level.

The role of universities in institutionalising environmental education. The need for knowledgeable and skilled civil servants and experts to shape green policies has been growing in recent years and will accelerate with the EU accession process and adoption of new legislation. Moldova tried unsuccessfully to promote the green universities approach during the volatile political situation between 2018 and 2020. It is now included in the new Programme on the Promotion of Green and Circular Economy 2023-28.

Moldova began working with the **Moldova State University** (and its structural subdivision, the Institute of Public Administration) as well as the **Academy of Public Administration** to develop human capital for a green economy and institutionalise the courses offered in the EU4Environment programme, to ensure

sustainability beyond the duration of the project. Green economy courses are being offered by both institutions, and possible options are being explored for integrating the SEA course. This is a positive development, but more can be done in this direction. Another positive example, at a lower level, is the **greening of vocational education**.

On 5 June 2020, a Memorandum of Collaboration was signed between the Academy of Public Administration and the Ministry of Environment (MARDE at that time), for an introductory course on the green economy. As of 2022, the Academy of Public Administration promotes the introductory online course on the green economy for public servants. The academy also helps increase the capacity of local authorities. In 2019, a Co-operation Memorandum was signed between the Academy and the “Mayors for Economic Growth” Initiative. No information is available on whether this collaboration covers the green economy. The Institute of Public Administration included the green economy course in its course catalogue on training and professional development for 2023 (in the e-learning section).

Remaining challenges and areas for improvement

- Universities and other educational institutions will need to introduce the new concepts in the green transition to civil servants, and to the public in general, with reskilling and upskilling.
- Green economy and related specialised courses are in the early stages of development, and their potential needs to be fully explored. The experience of the Academy of Public Administration and Institute of Public Administration (structural subdivisions of Moldova State University) with green economy courses can be replicated in other educational institutions. The courses on SEA, as well as other specialised courses described in this report, could be integrated into their curriculum.
- Special attention should be paid to increasing the capacity of local authorities and extending training opportunities to their staff.
- Moldova could also draw on international experience to explore the creation of a separate university or high school specialised in sustainable development or the green economy. Other institutes, as described in this report, could also be involved.

Capacity-building opportunities for environmental professionals. Human capital is a pillar of sound environmental administration. In 2022, 32 staff of the Ministry of Environment, and 29 by 15 November 2023, had attended professional training at the Institute of Public Administration. The courses generally cover general subjects, such as the development and evaluation of public policies, institutional management, leadership and professional integrity. The ministry has training plans, but they do not include specific training on the green economy. Most training on related issues for the ministry is provided with external support (for example, nine nominated participants completed the in-depth course on the green economy, seven of them receiving a certificate).

Remaining challenges and areas for improvement

- **External support** for training is crucial. Most training on the green economy or related issues for ministry is provided with external support, while training topics offered by the government usually cover general issues of public administration.
- It is not clear whether any of the 32 Ministry staff in 2022, or the 29 staff members in 2023, attended the e-learning course on the green economy, as this could be done only on an individual basis. Although green economy training courses are available, it is up to staff to sign up. Such training could be made **mandatory** for all governmental agencies.
- Keep a **database**. The frequent staff changes and loss of institutional memory have made it challenging to collect information on trainings in previous years, including in the human resources division, as well as the absence of a centralised database for such information. No distinction is

made between training provided by the government and with external support. Identifying training with external support would help to obtain more precise statistical information.

- Mandating the nature of training on the green economy and related issues for the staff, integration of green economy elements (Green Deal/green economy/circular economy trainings) into the training plans of the ministry and proper time allocation for training by management (to reconcile training with the daily tasks of the staff) are potential options for upskilling the ministry's staff on the green economy. The lack of time available and the workload prevent staff from taking training. With the additional workload imposed by the EU accession process and new legislation, this issue will become even more acute, given the reduced number of active working staff and understaffing.
- The subordinate institutions of both ministries could also be well-placed to provide targeted trainings in their respective domains. The MOLDAC Training Centre could introduce a training course on eco-labelling in the light of the adoption of the new Regulation on ecological labelling in 2023 (to enter into force in April 2024). The role of local think tanks as an alternative solution for upskilling civil servants could also be explored.

Regional and international co-operation. The donor community and international organisations play a crucial role in training civil servants in the green economy, providing methodological support for designing policy documents and related issues. This is not surprising, given that external support has, to date, driven most capacity-building efforts in Moldova. Most international and regional initiatives contain capacity-building elements and are essential for addressing knowledge gaps. This includes various EU-funded initiatives and instruments of bilateral intervention, such as Twinning, TAIEX and fellowship programmes, as in other EaP countries.

One important development in increasing the Ministry of Environment's capacity came in 2021, with the appointment of the **EU high-level adviser on the green transition**. The adviser's role is to provide policy advice to the ministry to mainstream and integrate environmental and climate targets and considerations into all key economic policies.

To strengthen the capacity to finance environmental projects, Moldova joined the EU LIFE programme (the EU Environmental Fund) in 2022. In October 2023, funding for the first environmental project, on nature conservation, was approved, with a total value of EUR 1 million.

Remaining challenges and areas for improvement

- Many capacity development efforts have been launched in Moldova. They have mostly been driven by international donors, and lacked ownership from the country that would guarantee the sustainability of these efforts. Training would often end with the project, undermining continuity and impact. Addressing this issue requires transferring ownership to the country by institutionalising training. Discussions are ongoing to institutionalise courses on the green economy and possibly strategic environment assessment (SEA) in two universities and to develop a new curriculum. Retaining trained officials in the public service is another concern. Additional incentives could encourage staff to stay and maximise use of their knowledge.
- **Donor co-ordination.** Until recently, foreign projects had been the only driver of change in the environment and green economy. Paradoxically, the government did not have the capacity to benefit fully from the assistance of its foreign donors. A co-ordination process, where donors meet regularly to co-ordinate their activity, including on local level, is important to avoid overlaps.

Overall, despite the challenges, Moldova has made a good start, accelerated by its EU aspirations and acknowledged in its efforts to develop a green economy and strengthen administrative capacity.

Ways forward and insights for the action plan

Although the Ministry of Environment remains the main player in environmental action, the increasing involvement of the Ministry of Economic Development and Digitalisation (MEDD) in green economy concepts requires a multi-faceted approach, with more actors and at all levels to manage the green transition. The report develops a number of recommendations for national authorities and international stakeholders to address various capacity gaps identified during the analysis.

Targeted at the central government

- **Develop an action plan for strengthening administrative capacity for environmental management and the green economy**, with clear targets, timeline and indicators at national and subnational levels, with regular revisions to address the new *acquis*. The selected SIGMA indicators can provide some guidance (see Annex B), as well as a combination of benchmarks and (self-) assessment tools, presented in the report. The roles and responsibilities of the green and circular economy need to be clarified, since its concepts are cross-sectoral and cross-institutional by definition. Periodic capacity assessments could be introduced. The Action Plan also needs to fully incorporate EU accession requirements in the environment/green economy and to assess the necessary capacity.
- **Maintain the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy**, which has proved an efficient co-ordination mechanism. In addition to focusing on policy documents, it can be a platform for discussing capacity. This should be closely linked with developing and executing the Action Plan.
- **Conduct in-depth analysis on how to make the institutions work**. Reform of the institutional set-up for environmental management and the green economy in Moldova is well under way, as is work on identifying opportunities for optimisation and eliminating overlaps. This report could serve as a starting point for such an analysis and, with external support, might also attempt to transpose SIGMA principles of public administration to the environment/green economy sector. The recently published SIGMA report (October 2023) could be a reference in this regard. In addition, designing the Human Resources Strategy to develop the necessary capacity could be considered.
- **Strengthen the analytical capacity of the legislative authority**, especially on approximation with the EU legislation, transposition of the EU Directives and Regulations from the Association Agenda 2023-27 into national legislation and reforms in view of European Green Deal targets. Civil society or international specialists could support the **Environment, Climate and Green Transition Commission**. With the opening of accession negotiations in December 2023, effective parliamentary oversight on the EU integration agenda is called for. Moldova might consider creating a dedicated structural unit in the Parliament for that purpose. Reinforcing co-operation between Parliament and the National Council of Environmental NGOs, the National Council of NGOs and the CSOs in general would benefit the process.
- **Scale up the role of the Administration of the President**. Assigning an adviser on **Environment, Climate and Green Transition** (along the lines of the current adviser in the field of environmental protection and climate change) might be considered. This would also align it thematically with the legislative branch.
- **Scale up the role of the State Chancellery**. Creating a dedicated structural unit on the green economy in the State Chancellery might be considered, to channel all related issues to one place.
- **Reinforce policy frameworks for a green economy with capacity needs assessments**. Moldova is going through an intensive process of adopting new legislation in line with the EU standards. Each new strategy or programme should mandatorily have a capacity assessment of

what is needed to implement the policies. This should be annexed to the policy document, clearly detailing the division of responsibilities between institutions, and the estimated number of people and financial resources needed. Such capacity assessments should be formulated at the policy design stage, in close collaboration with the respective implementing authorities. One way of approaching the issue would be to establish a centre on EU environmental policy in charge of background analytical work, for example under the Environmental Agency. In emerging areas, such as green bonds and eco-labelling, new legislation or amendments are still needed.

- **Continue seizing digital opportunities and innovations in public administration** for environmental management and the green economy. As Moldova is aiming for a fully digital future, the green elements need to be fully incorporated into e-service portals. Digital solutions at the national and local levels could help improve the effectiveness of public services and partly compensate for the lack of capacity/staff. This could be done as part of training programmes and pilot projects. Meanwhile, the creation, use and storage of data should contribute to digital decarbonisation.
- **Continue to increase the appeal of the environmental administration** to attract and retain a knowledgeable workforce and the younger generation, by offering improved working conditions (infrastructure, equipment, office design, work-life balance and well-being at work), prospects for career and personal development (including exchange programmes with other countries), and financial and other forms of compensation linked to performance. The significant increase in the salaries of civil servants in 2023 is a promising start for filling vacant positions, but the overall attractiveness of the environmental administration could be increased. A communication strategy might be developed to identify such opportunities. The EU Young European Ambassadors network could be engaged to pass on the message. The environmental institutions need to be rebranded and promoted as a prestigious place to work.
- **Address knowledge gaps on the green economy at all levels and extend capacity-building opportunities** for environmental professionals on management (project/staff management, communication, digital and English skills) and substantive new topics relevant to their responsibilities (the green/circular economy, green finance/investment, greening SMEs, green procurement, SEA/EIA, eco-innovation and eco-labelling). Ownership of training provided with external support needs to be transferred to the government through institutionalisation, leaving a coaching role for external experts. As a starting point, such courses could be incorporated in the Academy of Public Administration, the Moldova State University and its structural subdivision, the Institute of Public Administration, and replicated in other education institutions. The Ministry of Environment could also consider creating a specialised education centre in environment and the green economy, as Georgia has done. The role of local think tanks in providing training could be further explored. Another approach would be to send the ministry's staff on secondment to other countries to learn how other administrations function.
- **Strengthening capacities in environmental financing.** Overall capacity on environmental financing and management of environmental funds needs to be strengthened, both on the spending and the revenue side. This can take several forms. The budget of the Ministry of Environment has increased but is modest compared to that of other ministries. The reform of the Environmental Fund was a good start, but it is too early to assess how effective it has been, since the projects it will finance are still under selection. Its 2023 budget of MDL 75 million³¹¹ is modest compared to previous years (MDL 272 million in 2022, of which MDL 234 million was allocated to projects). Additional reforms are needed to ensure that the fund's revenues remain stable. The opportunities should be explored to attract green investment from the private sector. Moldova's accession to the EU LIFE programme opens new opportunities for financing environmental projects.

³¹¹ MDL 100 million was redirected to forest planting out of the 2023 budget of MDL 175 million.

Specific to the Ministry of Environment

- **Address the critical issue of understaffing.** The current 45% of vacant positions (with 53 persons working out of 96 approved staff units) and the increasing workload with the new legislation and policy documents and the work involved in the EU accession puts a heavy burden on existing staff. The number of vacancies is an indication of low interest in the positions. The significant salary increases noted above provide a strong incentive to attract employees, but more needs to be done to increase the environmental administration's appeal. As an intermediate solution, the ministry might explore with international projects the possibility of seeking external experts' support to close the gap, or secondment of staff from other ministries or abroad.
- **Address the critical issue of staff turnover.** Nearly one-quarter of the staff left the ministry in 2022, putting additional pressure on those who remained and hampering the ministry's work. In 2023, the trend was positive (with 27% hired and 12% leaving), but the problem of finding good candidates for the vacant posts is a serious issue for the ministry.
- **Improve the knowledge management system and sustain institutional memory.** High staff turnover leads to another issue: loss of institutional memory. Improving knowledge management and the knowledge dissemination system in the environmental institutions could be done by cross-fertilisation between departments and institutions; creating a virtual knowledge platform/centralised database compiling documents (including new legislation, guidelines, methodologies and tools on the green economy) and also statistics (on trained staff/topics/internal/external support, for better visibility on the issue). Another option might be regular (monthly) thematic events, or informal formats like "morning coffee", allowing for discussion on a specific topic between different departments (or invited external experts or representatives of other institutions). Such informal events could help reinforce the dialogue between different divisions/sections and shed light on who is doing what.
- **Unlock more training opportunities, address knowledge gaps and maximise the impact of trained specialists on the ministry's overall capacity.** Knowledge gaps on the green economy and new related concepts are compounded by the complex requirements of the EU accession process. Regular mandatory trainings are needed to keep the staff up to date. Incentives (whether financial incentives or career advancements) could be created to retain trained experts in the public service and maximise use of their knowledge. Trained staff could be assigned a coaching role to amplify the benefits of training and capacity-building opportunities. These specialists could be tasked with coaching the ministry's staff as mentors and offered opportunities to apply their knowledge in practice. Capacity development can be linked to ongoing processes, so that a trained person can immediately apply the new knowledge, for example by capacity building on SEA through actual SEA procedures; and training on costing when developing a strategy. Secondment of ministry staff to other countries to learn how other administrations function is another possible solution. Soft skills could be developed in environmental institutions, including leadership, decision making, staff management, project management, policy design, analytical skills, public relations and communications, on substantive topics relevant to their responsibilities. The capacity of experts in the Ministry of Environment could be developed to better understand economic issues.
- **Make the most of performance assessment** (conducted twice a year), to set objectives, evaluate achievements, get first-hand feedback on capacity development needs and optimise work. Regular training should be the goal, with adequate time allocated by managers and mandatory training in green economy and related subjects. A range of training courses are offered by donor and implementing entities, but it is difficult for ministry staff to take time off from their work to benefit from them.
- **The increased workload involved in EU accession should not be underestimated.** Staff has been increased to four units in the section responsible for a green economy (the Section on the circular economy and economic instruments policies). Moldova's obligations under the EU

Association Agreement and Moldova's candidate status (transposition of directives, adjustment of existing laws, co-ordinating implementation of the Green Economy Programme and monitoring indicators) will require a greater volume of work and a greater number of staff.

- **Financial requirements.** Proper allocation of financial resources is vital if the institution is to reform its tasks. The report does not explore the topic in detail, but the Ministry of Environment's budget is modest compared to those of other ministries, even though environmental spending doubled in 2023, compared to allocations in 2021 under MARDE. To fund environmental projects, the ministry relies on the National Environmental Fund and external support. Analysing the budget is complicated by the recently adopted adjustments relative to the salary increases, which were not reflected in the budget of the ministry at the time of writing this report. A major discrepancy between the approved and executed budgets is due to understaffing, since the financial resources are allocated but the staff not hired. The significant increase in **salaries** in 2023, as already noted, is a positive signal and promises to address some of issues described above.
- **Additional office space and equipment.** A larger staff also raises the need for additional office space and equipment. Creating comfortable working conditions and proper space allocation for staff is an incentive that should not be underestimated. Teleworking may also be considered as an option, for better work-life balance.
- **Improving policy implementation should be a priority.** Meanwhile, analytical capacity on policy design and connecting policy making and research should be stressed, to make data-driven and evidence-based decisions in drafting laws. Implementation of environmental legislation is a core issue to address, especially given the increase in new legislation and policy documents (strategies, programmes) adopted since 2021 or under development. As noted, mandatory capacity assessment for each new document would be a starting point. But the ministry needs to closely co-ordinate with the Environmental Agency (and other institutions, as relevant) to ensure it has the proper capacity (human, financial, necessary knowledge) to implement the policy. The agency already suffers from understaffing (the staff units anticipated in 2018 were reduced in 2021 to 124 staff units, of which only 95 were filled, leaving many positions vacant). At an early stage of policy design, dialogue should be established between the ministry and all the implementing bodies.
- **Improve the capacity of structures subordinate to the ministry** by extending training opportunities (on EU legislation, integrated permitting, SEA/EIA, environmental indicators) and involvement in project implementation to upskill staff on a green economy. The establishing regional branches of the Environmental Agency may be considered to improve its capacity to perform its two crucial functions, implementation of environmental policy and environmental permitting. In addition, there is a need to build independent expert capacity for court (water, waste, soil). One crucial issue that is also faced by the institutions subordinate to the ministry, is **understaffing**. The gap is expected to decrease now as announcements for vacant positions with the new higher salary are being posted. Subordinate entities also lack **qualified staff** on the green economy for the same reasons as the ministry (e.g. limited training opportunities, due not only to the infrequent availability of training, but the workload). As for institution-specific actions, the **Environmental Agency** needs to update and report on environmental indicators regularly. Further capacity strengthening of the **Environmental Reference Laboratory** is needed, expanding the number of tests for which it is accredited (involving further costs, equipment and personnel), as well as achieving greater international comparability. In the field of water resources (relevant to the "Apele Moldovei" Agency), the domain is split among many agencies and requires institutional co-ordination and possibly optimisation of tasks.
- **Continue strengthening environmental compliance and enforcement.** The inspectorate, like other environmental institutions, is critically understaffed (with about one-third of its positions vacant). The lack of qualified staff is another issue. Training on EIA/SEA needs to be developed. The recent OECD analysis on the environmental compliance assurance system in Moldova sheds

light on systemic lapses. One issue is the critically low staffing at the Environmental Agency for permitting (an issue that has become even more acute after the introduction of integrated permitting). Institutional co-operation with the National Bureau of Statistics needs to be reinforced, for companies to shift from paper-based to online environmental reporting. The reform of the Inspectorate launched in September 2023 is a positive sign that these lapses will be addressed in the near future. Training and closer engagement with the EU Network for the Implementation and Enforcement of Environmental Law (IMPEL) will further empower the Inspectorate. Specialised training, for example on EU minimum criteria for environmental inspections, is especially relevant for integrating permitting with the Industrial Emissions Directive and EU accession. A major regulatory reform needed is to modify Law 303 and allow unplanned, ad hoc inspections.

Specific to the Ministry of Economic Development and Digitalisation

- **Continue reinforcing MEDD's role in greening the economy.** While the Ministry of Environment plays a key role in greening the economy, leading the development of the green and circular economy programme 2024-28, MEDD has been actively involved in co-operation in this domain. However, its mandate to work in the environmental sphere is limited. This may be reconsidered in the next update of the Government Decision and the ministry's regulation to incorporate in its mandate clear responsibilities for the green and circular economy. Responsibilities for EU sectoral policy integration also need to be reflected in the regulation.
- **Continue reinforcing a centralised approach in the ministry to handle the green agenda and enhance capacity.** The MEDD's capacity to deal with the green agenda continues to be strengthened, with a centralised approach in place. The state secretary leads the green economy initiatives. About 5% to 10% of staff work on green issues (5 to 10 people, depending on needs) and the creation of a **section with two staff units responsible for the domain of environmental, social and governance** (a new structure anticipated to enter into force in January 2024) is another positive sign. The ministry's overall capacity was increased in 2023, increasing the staff to 100 units (74 in 2022). The MEDD may consider institutionalising the green agenda by creating a green economy unit or incorporating it into an existing unit (as opposed to an *ad hoc* approach, putting additional burden on the existing staff). A major challenge for the ministry is the lack of qualified people skilled in ESG and green economy duties/tasks/responsibilities, who are willing to be employed by MEDD. The ministry's appeal needs to be rebranded and promoted.
- **Explicitly define the roles between the Ministry of Environment and MEDD** in regard to a green and circular economy to have clear understanding which aspects are covered by which ministry. Co-operation between the two ministries is good, but no clear division of tasks in these cross-institutional and cross-sectoral areas is apparent.
- **Leverage the ministry's expertise in green policy making and address knowledge gaps** in understanding the green and circular economy, green finance and investment, green procurement, greening SMEs and large enterprises, and eco-labelling among staff, as identified in the Questionnaire (see Annex F), through regular, tailored training.
- **Improve capacities of the institutions subordinate to the MEDD** to accommodate green elements. Provide training, involving them in project implementation, improving co-ordination/communication flows and assigning focal points (or creating specialised units) to deal with green economy issues. Although subordinate structures already accommodate green elements, training is needed to increase their capacity for a green economy. The programme approach (with a person, not a unit, responsible for a specific programme) introduced in ODA to be seeing. There is a concern that institutional memory may be lost, if a person leaves the institution. Creation of a specialised units may be considered as more sustainable solution. In regard to MOLDAC, given that the procedure of eco-labelling is not yet in force, MOLDAC has not yet issued any eco-labels. Issuance of eco-labels has to be set up by a special regulation, planned

for April 2024, for which capacity needs to be developed. The institutions that report to the MEDD also face understaffing, with a significant discrepancy between the officially approved number and active staff. In ODA, 85 out of 118 approved staff units are working, with nearly 30% posts vacant.

- Despite progress, adequate financing for **green investment** is still a challenge, due to cuts in the budget. There is also a need for better management of funds, increased efficiency of spending, and proper monitoring. The report does not delve into the financial details, but it gives an indication of possible further in-depth analysis on the issue.

Specific to other institutions and inter-ministerial dialogue

- **Adopt a holistic approach to capacity development for a green and circular economy of sectoral ministries, to deal with the green agenda.** By definition, the green and circular economy are cross-institutional and cross-sectoral concepts and require an inclusive, horizontal approach to capacity development involving the Ministry of Environment, the MEDD and other line ministries. The capacity of non-environmental ministries on greening the economy needs improvement, especially the Ministry of Energy, the Ministry of Agriculture and Food Industry, the Ministry of Infrastructure and Regional Development, the Ministry of Education and Research and the Ministry of Finance. One possibility would be to create an environmental/green economy unit in each ministry or established a centralised approach in its structures to deal with green elements (assigning a person at the deputy minister level). The Working Group for the Promotion of the Green and Circular Economy provides a platform for inter-institutional co-operation.
- **Address capacity issues in line ministries.** Many line ministries also face issues of understaffing, staff turnover and the issue of institutional memory.
- **Enhance green thinking among sectoral ministries.** Line ministries will require training sessions. Creating environment/green economy units and reinforcing inter-institutional co-operation would benefit in this regard.
- **Scale up the role of the National Bureau of Statistics (NBS) in monitoring progress towards a green economy.** The NBS, an institutionally independent administrative authority, compiles statistics on the economic and environmental situation. It is already involved in developing the green growth indicators to monitor the green transition but it does not have a unit on the green economy. The new Strategy of Development of the National Statistical system for 2023-30 (approved in 2022) provides for strengthening the institutional capacities of the NBS. This may open an opportunity for creating an environmental/green economy unit in the NBS.
- **Enhance partnership with the newly created Ministry of Energy and Agency for Energy Efficiency,** its subordinate body, in the field of energy efficiency and renewable energy sources. The ministry's capacity needs to be strengthened in these areas, since it was recently created.
- **Maintain the Inter-ministerial Working Group for the Promotion of the Green and Circular Economy,** which has proved to be an efficient mechanism for co-ordination. In addition to focusing on policy documents, it can be a platform for discussing the capacity needed. It should be closely linked with the development and implementation of the action plan.
- **Co-ordination mechanism for the European integration process.** While the mechanism is established and key structures started functioning in 2023, Moldova lacks a national planning document and clarity on the dynamics of adopting the EU *acquis*. The environmental provisions need to be fully taken into consideration in this process.

Specific to the sub-regional level, public participation and academia

- **Empower local authorities with budget and knowledge on the green economy, to develop institutional capacities on a subnational level.** In-depth analysis may be conducted on

decentralisation of environmental functions and the capacity of local authorities needed and available to deal with local issues. The authority of local authorities to address local ecological issues (green spaces, waste, wastewater treatment and energy) should be accompanied by proper budget allocations, to increase the autonomy of local authorities. Environmental experts should be stationed in local authorities (or people nominated within a working staff that is already active) and take the lead on attracting environmental projects. A mechanism to involve them effectively in **decision-making processes** at the central level could be established, to increase their knowledge of new legislation. Trainings could be provided to increase **knowledge** and understanding of environmental topics and also general topics (communication, project management and financing). Developing a training programme in the priority fields for public authorities, including at the subnational level, would be advisable. The existing central structures on regional development could also better streamline the environmental/green economy provisions.

- **Continue enhancing dialogue with civil society.** Moldova's CSO sector is relatively strong, and its capacity and engagement should be harnessed for the benefit of the environment. The environmental NGOs in Moldova are already quite active on the ground and bring real value added to environmental decision making. They also support awareness raising and capacity-building activities. Further developing the dialogue with CSOs will provide them more opportunities to advocate their position, which is established by the **National Council of Environmental NGOs**, mandated to represent civil environmental society to the public authorities, and the **National Council of NGOs**. The capacity needs may be needed more at the local level, to lead the transition to a greener and circular economy. This could be done with training focusing on issues close to urgent local problems, which could be solved or improved through more active CSO engagement. Exploring the possibility of creating institutional structures in the Ministry of Environment for public participation, could set up a public council under each Ministry.
- **Scale up the universities' role in green education and capacity building.** Stronger engagement of universities could build knowledge of the green economy, integrating aspects into the curriculum to expand the knowledge on this topic. This includes Moldova State University (and its structural subdivision, the Institute of Public Administration) and the Academy of Public Administration.
- **Continue engaging in regional and international co-operation** through multiple donor-funded regional and bilateral programmes, a steppingstone to advance new green concepts and build capacity. A centralised register with past and ongoing international initiatives could be established to help ministries navigate among them and offer a clear overview of who is doing what. Sustainability beyond the end of a project should be addressed through government ownership and institutionalisation, to the extent possible, of the achieved result. One good example is institutionalisation of the green economy courses in two institutions and ongoing discussion for replicating the practice to other institutions or courses.
- **Consider replicating the best practices and institutional innovations of other EaP countries**, optimising some features and adapting them to the national context. Inspirations could include the Environmental Information and Education Centre under the Ministry of Environmental Protection and Agriculture of Georgia, the ASAN system in Azerbaijan and RSTs in Ukraine. The latter could be optimised to provide a more active coaching role to shift capacities and skills to the ministry's staff. Once achieved, RSTs could be kept for more strategic thinking and new issues requiring tailored expertise and co-ordination.

Targeted at the EU and international organisations

- **Continue providing support to build capacity for the environment and the green economy at the national level**, by incorporating capacity-building elements into donor-funded initiatives,

which are crucial for supporting the Ministry of Environment, the MEDD, its subordinate institutions and other line ministries. The new EU-funded programme could include a stronger focus on the EU accession process and EU Green Deal to accompany Moldova on its path towards the EU.

- **Consider more technical support** as part of regional or country programmes, by placing international/national independent experts at different levels and institutions to provide independent analysis of a specific law in the legislative branch or support the executive pillar in drafting of laws and implementation.
- **Ensure sustainability and continuity of capacity building after a project**, transferring ownership to the country and institutionalising the results. The focus should be on creating a sustainable mechanism to build capacity for environmental management and the green economy in the public administration and on incorporating such a curriculum into the educational system at all levels. It should also bridge any gaps between two programmes to ensure smooth continuation of support.
- **Optimise impact of trained officials, to improve ministries' capacity** by creating incentives to retain trained staff and maximise use of their knowledge.
- **Reinforce support for building capacity for the environment and the green economy at regional and local levels** by supporting local projects, working more closely with local authorities, and providing tailored training on the green economy and support for navigating the digital infrastructure (to be progressively adopted in the Digital Strategy).
- **Work more closely with local NGOs and civil society to build their capacity and encourage their participation**, by involving them in international green projects, offering tailored training and including them in international environmental networks. The focus should be on local NGOs, to develop their capacity.
- **Continue to facilitate knowledge sharing through regional programmes** by offering international organisations' expertise and regional capacity-building events. A dedicated online **platform** or regional network for EaP countries could be considered on capacity building for a green economy, beyond the scope and duration of a single project. It could exchange best practices; liaise with the EU, international actors, experts and NGOs; and access data/information and training opportunities.
- **Support Moldova's integration into existing international networks** with strong capacity-building elements, such as developing common projects with the EU Network for the Implementation and Enforcement of Environmental Law (IMPEL), including the development of common projects and cross-fertilisation with other programmes.
- **Develop a tool for (self-)assessment and monitoring of administrative capacity**, to draw more attention to the institutional capacity needed to implement legislation, in addition to the adoption of *acquis*. Performance should be assessed based on the indicators of changes in the quality of the environment, which have now gradually started to be applied, rather than the number of laws and regulations developed or number of meetings conducted (although these can serve as intermediate indicators). Change in the quality of the environment is well understood to be a long-term process.



Funded by
the European Union

EU4Environment

Green Economy in Eastern Partner Countries

Strengthening administrative capacity for green transition in the Republic of Moldova: State of play and reflections on possible improvements

A well-functioning public administration is a prerequisite for transparent and effective democratic governance. It is the foundation for the functioning of the state, determining a government's ability to provide public services and to encourage competitiveness and growth. Public institutions are the principal drivers of a country's economic and sectoral policies. Public authorities also play an important role in aligning various goals and interests and evaluating progress in meeting policy objectives.

The same applies to the institutions that develop and execute policies on environmental management and greening economic growth. They set up ambitious but realistic objectives of environmental policies and design mechanisms that minimise the impact of human activity on the environment and natural resources. Environmental agencies also help build the scientific understanding to meet such objectives as the sustainable use of natural resources, protection of public health, and protection of valued species or places. They also provide needed information and infrastructure, resolve conflict, enforce compliance with rules and facilitate adaptation to change.

This report takes a snapshot of administrative capacity in the field of environment management and the green economy in Moldova at the central and subnational levels. It provides recommendations for strengthening the capacity of government institutions and their staff.



Action implemented by:

