

# MOLDOVA

## Socio-economic indicators

	2002	2005
<b>Income and poverty</b>		
• GDP (million, constant 2000 USD)	1 474	1 804
• Annual GDP growth rate 2002-2005 (%)		7.0
• GDP per capita (PPP, constant 2000 international dollars)	1 462	1 707
• Poverty rate (% of pop. below USD 2/day)	64.1 <sup>a</sup>	
<b>Demography</b>		
• Population (million inhabitants)	4.25	4.21
• Urban population (%)	46.3	46.7
<b>Economic structure (as % of GDP)</b>		
• Agriculture	24.1	21.3
• Industry	23.2	24.2
• Services	52.7	54.5
<b>Exports (% of total exports)</b>		
• Agricultural products		58.8
• Fuels and mining products		2.4
• Manufactures		38.8
<b>Financial flows</b>		
• FDI (inward flows as % of GDP)	8.0	7.7
• ODA (% of GNI)	7.5	3.9

a) or closest available year.

Data based on PPP, constant 1993 international dollars.

**Note:** An international dollar has the same purchasing power over GDP as the USD has in the United States.

The poverty rate is the percentage of the population living on less than USD 2.15 a day at 1993 international prices.

**Note:** Moldovan authorities have reported some discrepancies in the data. According to national sources, the corrected figures for the following variables are:

- FDI inflows as % of GDP: 5.1 (2002) and 6.8 (2005).
- GDP per capita (PPP): USD 2 261 (2005).
- Poverty rate (% of population below USD 2/day, 2002 PPP): 39.8 (2002) and 27.6 (2005).

**Source:** UNCTAD, World Bank, WTO.

## Environmental priorities

Current environmental policy priorities are reflected in several **strategic and sectoral planning documents**, as well as in the 2005 EU Action Plan for Moldova. They include the following:

- Approximation of national legal and regulatory frameworks on environment and natural resources management with EU directives.
- Prevention and reduction of degradation of natural resources.
- More efficient use of natural resources.
- Maintenance of environmental quality as a factor of health and quality of life.
- Protection of water resources.
- Improvement of the waste management scheme, with a lower impact and load of toxic substances and waste.
- Protection of forests and expansion of the forest fund
- Conservation of biodiversity.
- Development of an efficient monitoring system.
- Prevention of, and damage compensation for, man-made accidents and calamities.
- Raising environmental awareness of the population; facilitating public access to environmental information and public participation in decision-making.

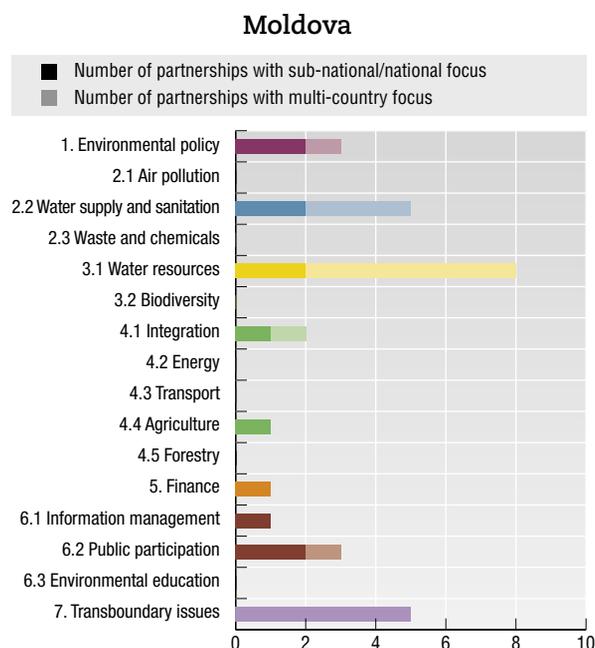
The **2003 Economic Growth and Poverty Reduction Strategy** identifies the following environmental priority areas:

- Reducing pollution of water resources.
- Improving waste management and decreasing the quantity of toxic substances and waste.
- Protection and increase of forested areas.
- Protection and increase of natural reserves.
- Decreasing soil degradation.
- Strengthening the monitoring system of natural disasters, and providing information and education for the public.
- Strengthening administrative and financial mechanisms for environmental protection.
- Strengthening environmental education.
- Greater public access to environmental information and decision-making.

## International co-operation

Main bilateral environmental co-operation partners are Czech Republic, Denmark, Germany, Latvia, Norway, Poland and Romania. The multilateral donors include GEF, EC/TACIS, UNDP and UNEP.

### Number of registered partnerships

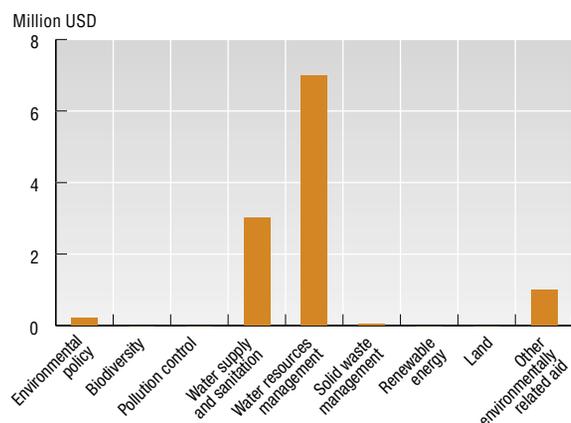


**Note:** The chart includes only the partnerships registered in the EECCA Partnerships Database as of 31 March 2007.

**Source:** EECCA Partnerships Database.

## International assistance for environment

### Environment-related ODA/OA to Moldova, 2003-05



**Source:** OECD DAC Aid Activity database, donors and IFIs reporting.

### Implementation highlight

#### APPROXIMATION WITH EU LEGISLATION

One of Moldova's policy priorities is EU accession. In this context, approximation with EU environmental legislation is both a major challenge and an important priority for the Ministry of Environment. With its limited capacity (only 25 staff), the Ministry is making great efforts to reach this goal. It has mobilised support from several partners (Latvia, TACIS, OECD/EAP Task Force) to build its capacity, and harmonise national legislation and approximate water quality standards with EU directives. As a result, current legislation has been analysed, and the first draft of the Action Plan to Approximate Legislation with European Legislation has been prepared and revised, and seven "approximation sub-plans" developed.

**Source:** Ministry of Environment and Natural Resources of Moldova.

## Policy matrix

The following two pages summarise actions taken by the Government of Moldova that contribute to achieving the objectives of the EECCA Environment Strategy. Unless otherwise stated, information is taken from the EAP Task Force Questionnaire. Accordingly, the period covered is June 2003-June 2006 for qualitative information and 2002-2005 for quantitative information.

The other sources referred to in the matrix are:

- (1) REC Moldova.
- (2) Main text of this report (see thematic chapters for sources consulted).
- (3) Additional information provided by the Ministry of Environment.

Considerable efforts were made to bring out relevant information, but the policy matrix is not exhaustive.

## MOLDOVA ENVIRONMENTAL

	<b>Institutional strengthening</b> (re-organisation, system creation, staffing, training, equipment)	<b>Planning</b> (SoE monitoring, analyses, targets, action plans, performance monitoring)	<b>Command-and-control instruments</b> (bans, direct regulation, permitting)
<b>Air pollution</b>	<ul style="list-style-type: none"> <li>• 4 monitoring stations (including one for transboundary air pollution) created or re-established (3)</li> </ul>		<ul style="list-style-type: none"> <li>• Leaded petrol phased out (2)</li> </ul>
<b>Water supply and sanitation</b>		<ul style="list-style-type: none"> <li>• Goals and objectives defined in MDG report, PRSP, "Moldovan Village" programme and in WSS programme (3)</li> </ul>	
<b>Waste and chemicals</b>	<ul style="list-style-type: none"> <li>• Office for the management of POPs projects created (3)</li> <li>• Courses organised for customs officers and environmental inspectors (3)</li> </ul>	<ul style="list-style-type: none"> <li>• POPs strategy adopted and implementation plan submitted (3)</li> <li>• Stockholm Convention, Rotterdam Convention, and Montreal and Pekin amendments to Montreal Protocol ratified (3)</li> <li>• Law on industrial and municipal waste amended (3)</li> <li>• National network of laboratory control over hazardous substances regulated (3)</li> </ul>	<ul style="list-style-type: none"> <li>• Regulations on control of transboundary movement of hazardous waste streamlined (3)</li> <li>• Permitting for waste management improved (3)</li> <li>• List of products subject to mandatory certification approved (2004)</li> <li>• Regulation on pesticides and fertilisers approved (3)</li> <li>• Permitting for ODS improved (3)</li> </ul>
<b>Water resources</b>	<ul style="list-style-type: none"> <li>• 4 automatic monitoring stations set up to monitor surface water quality at the transboundary Prut and Dniester rivers (3)</li> </ul>	<ul style="list-style-type: none"> <li>• Nr of surface water quality parameters monitored increased from 46 to 49</li> <li>• 2003-2010 Water Resources National Policy Concept developed (3)</li> <li>• Water and Health Protocol ratified (2)</li> </ul>	
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>• National Commission on Biosafety created (1)</li> <li>• Biosafety research centre established (3)</li> <li>• Customs officers trained in CITES Convention requirements (3)</li> </ul>	<ul style="list-style-type: none"> <li>• High nature value farmland project under development (2)</li> </ul>	
<b>Integration into key economic sectors</b>	<ul style="list-style-type: none"> <li>• National commission on UNFCCC and Kyoto implementation created (3)</li> <li>• Nr of staff in the MoE working on integration issues increased from 4 to 6</li> <li>• Commission to co-ordinate implementation of concept of organic agriculture established (3)</li> </ul>	<ul style="list-style-type: none"> <li>• 6 JI/CDM project proposals developed</li> <li>• 2003-2020 Programme of Reforestation and Afforestation of Forest Fund Land approved (3)</li> <li>• Sustainable tourism strategy approved (1)</li> <li>• Concept of organic agriculture developed (3)</li> </ul>	
<b>Cross-cutting</b>	<ul style="list-style-type: none"> <li>• Nr of staff in the MoE <b>decreased</b> by 35% to 25%</li> <li>• Salary of department head and senior specialists increased by 52% and 76%, respectively</li> <li>• Inspectorate reorganised</li> <li>• National Commission on Environment and Health created (3)</li> <li>• Interaction of public authorities in the development of normative documents regulated (3)</li> </ul>		<ul style="list-style-type: none"> <li>• Reform of environmental quality standards started (2)</li> </ul>

## POLICY MATRIX

Market-related instruments (property rights, tariffs, charges, taxes, deposit-refund schemes, trading)	Information-related instruments (labelling, information disclosure, public participation, education, technical advice)	Direct provision of services (investment programmes, funding)	
<ul style="list-style-type: none"> <li>Gas tariffs for households doubled to 2.20 lcu/kwh</li> </ul>	<ul style="list-style-type: none"> <li>“City without Cars Action“ organised annually (3)</li> <li>“Clean Air Action” jointly organised annually by the MoE and the Ministry of Interior (3)</li> </ul>		<b>Air pollution</b>
<ul style="list-style-type: none"> <li>Tariff setting methodology for WSS and wastewater treatment improved (3)</li> <li>Nominal water abstraction fee for utilities increased by 180% to 0.5 lcu/m<sup>3</sup></li> </ul>		<ul style="list-style-type: none"> <li>Public domestic and foreign investment in the water supply and sanitation sector increased (3)</li> </ul>	<b>Water supply and sanitation</b>
	<ul style="list-style-type: none"> <li>Mass-media campaigns on ozone layer protection, waste management and POPs carried out (3)</li> </ul>		<b>Waste and chemicals</b>
<b>Water resources</b>			
<ul style="list-style-type: none"> <li>Tax on import/export of animals created (3)</li> </ul>	<ul style="list-style-type: none"> <li>Awareness-raising materials published (3)</li> </ul>		<b>Biodiversity</b>
<b>Integration into key economic sectors</b>			
<ul style="list-style-type: none"> <li>Methodologies for assessing damage of different environmental media approved (3)</li> </ul>	<ul style="list-style-type: none"> <li>Public involved in developing strategic papers (3)</li> <li>Awareness-raising materials published, mass-media campaigns carried out, and environmental contests organised (3)</li> <li>EE/ESD multi-stakeholder body established (2)</li> <li>Inter-agency body on ESD created (2)</li> </ul>	<ul style="list-style-type: none"> <li>Nr of environmental funds reduced from 7 to 4</li> <li>Share of funds from environmental taxes allocated for environmental programmes increased 4-fold since 2003 (3)</li> <li>Revenues of the national environmental fund increased 3-fold since 2002; and 2-fold since 2003 (3)</li> </ul>	<b>Cross-cutting</b>