

Policy Brief

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Promovarea economiei verzi și circulare în Republica Moldova

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Introduction

The imperative to confront the global crises encompassing climate change and ecological degradation is progressively intensifying. Complexities associated with greenhouse gas (GHG) emissions, contamination, the inequitable utilization of natural resources, ineffective energy utilization, diminution of biodiversity, and wastage are expanding, with no indications of abatement. Beyond their immediate ramifications, the persistent climate and environmental predicaments cast a pervasive uncertainty over the prospects of human existence.¹ The resolution of these intricacies necessitates collaborative engagement from both the corporate and public domains. It demands the mobilization of individuals and societies at large. Furthermore, it mandates that the European Union harness the available instruments, encompassing the potency of policies, to expedite the process of ecological transition.

Global and regional crises cannot be addressed separately, as they are all interlinked and underpin the same symptoms of a fundamentally broken global economic system. In their current form, our economies stimulate over-consumption, degrade community bonds and destroy natural wealth. The extraction, processing and disposal of materials causes a variety of environmental impacts, including increased greenhouse gas emissions that put countries at risk of missing important environmental targets. To reduce material resource consumption and mitigate environmental impacts, stronger resource efficiency and circular economy policies are needed along the value chain, and linear business models need to be replaced by circular business models. In response to this challenge, the EU and its Member States, as well as other countries around the world, have adopted a series of circular economy strategies, action plans and circular economy action plans to address the challenges of the circular economy.

The concept of a green economy emerges as a proficient and multifaceted mechanism, capable of not only facilitating economic recovery but also effectively advancing the goals encompassed within the National Development Strategy "European Moldova 2030", extending beyond environmental spheres. Through the effective implementation of a well-structured program aimed at fostering the green economy, the nation stands poised to furnish a sustainable environment intertwined with economic prospects. This symbiotic relationship is pivotal in advancing the overall welfare of its populace.

The conferral, by the European Council in June 2022, of candidate country status to the Republic of Moldova for potential accession to the European Union (EU), has engendered a spectrum of outstanding advantages. Foremost among these is the prospect of affording Moldovan producers' access to an expansive international market. This development further encompasses the facilitation of sustainable development imperatives, heightened attractiveness for foreign investors, provision of aid and bolstered backing for reforms in pivotal domains, and direct access to the European funds and initiatives.

Within this contextual framework, it becomes imperative to formulate public policy documents congruent with the contours delineated by the European Green Deal, the 2030 Agenda for Sustainable Development or the Go Green Initiative. These policy articulations are positioned not only to align Moldova's trajectory with these pivotal initiatives but also to encompass the nation's prior commitments within the sphere of the green economy.

Furthermore, the adherence to the commitments delineated within the EU-Moldova Association Agreement assumes significance due to the Republic of Moldova's undertaken responsibility to adhere to the regulations and benchmarks stipulated by the European Union, encompassing aspects pertaining to environmental considerations and sustainable developmental paradigms. Hence, it becomes imperative for the Republic of Moldova to harmonize its trajectory with these stipulated commitments and to proactively undertake tangible measures in the realms of green economy and sustainable development. Such actions are pivotal not only for reinforcing the collaborative partnership with the European Union but also for fostering an augmented, sustainable trajectory for the Republic of Moldova.

1. Policy frameworks and governance arrangements towards a green and circular economy in the EU

The European Union generates an annual waste volume exceeding 2.2 billion metric tons.¹ Presently, the EU is in the process of revising its regulatory framework concerning waste management, with the primary objective of fostering a transition towards a more sustainable paradigm recognized as the circular economy.

The circular economy represents a production and consumption framework characterized by practices such as resource sharing, leasing, reuse, repair, refurbishment, and recycling of existing materials and products, thereby prolonging their operational life cycle.

In practical terms, this approach entails the minimization of waste generation. At the culmination of a product's utility, its constituent materials are retained within the economic cycle through recycling whenever feasible. These materials can be repeatedly employed, generating iterative value.

This paradigm constitutes a departure from the conventional linear economic model predicated upon a take-make-consume-dispose trajectory. The latter relies on abundant supplies of inexpensive, readily accessible resources and energy.

Further intrinsic to this model is the concept of planned obsolescence, whereby products are intentionally designed to possess a restricted lifespan to incentivize consumer repurchases. The European Parliament has advocated for measures to address this phenomenon.

The shift to a circular economy offers various compelling benefits. Firstly, it safeguards the environment by slowing down natural resource depletion, minimizing landscape disruption, and curbing biodiversity loss. Moreover, transitioning to a circular economy contributes to reducing annual greenhouse gas emissions, with industrial processes, product usage, and waste management playing significant roles. Designing more efficient and sustainable products from the outset can substantially lower energy and resource consumption, as the design phase influences over 80% of a product's environmental impact. The circular approach also diminishes waste generation through the adoption of durable and upgradable products, aiming to address the mounting issue of packaging waste.

In addition to environmental advantages, a circular economy strategy seeks to reduce dependence on raw materials. Given the limited supply of crucial resources and the growing global demand, recycling raw materials becomes pivotal in mitigating risks linked to supply uncertainties, price fluctuations, and import dependency. This is particularly pertinent for critical raw materials essential for climate-related technologies like batteries and electric engines.²

Furthermore, transitioning to a circular economy offers economic gains. The approach has the potential to enhance competitiveness, stimulate innovation, bolster economic growth, and generate a substantial number of jobs, potentially reaching 700,000 jobs within the EU by 2030.³ Rethinking materials and products for circular use can foster innovation across diverse sectors of the economy. Consumers stand to benefit from longer-lasting, innovative products that elevate their quality of life and result in long-term cost savings.

The transition of the European Union towards a circular economic paradigm holds the potential to mitigate the strain imposed on natural resources, facilitate the cultivation of sustainable economic growth and employment

¹ Waste management in the EU: infographic with facts and figures | News | European Parliament Waste management in the EU: infographic with facts and figures | News | European Parliament. (2018). Retrieved 30 August 2023, from <https://www.europarl.europa.eu/news/en/headlines/society/20180328STO00751/waste-management-in-the-eu-infographic-with-facts-and-figures>

² Eurostat (2023). Material flow accounts statistics - material footprints - Statistics Explained. Retrieved 26 August 2023, from https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Material_flow_accounts_statistics_-_material_footprints#EU.27s_material_footprint

³ European Parliament resolution of 10 February 2021 on the New Circular Economy Action Plan (2020/2077(INI)). Retrieved 26 August 2023, from https://www.europarl.europa.eu/doceo/document/TA-9-2021-0040_EN.html

opportunities. This transition is of paramount importance to effectively realize the European Union's objective of achieving climate neutrality by 2050, while also countering the decline in biodiversity.

The imperative shift from the conventional linear "take-make-use-dispose" model to a dynamic regenerative framework assumes critical significance in curbing the scope of resource utilization within the bounds of ecological thresholds. Within the construct of a circular economy, the retention of value pertaining to commodities, materials, and resources within the economic system for extended durations is prioritized, concurrently minimizing the generation of waste.

The persisting linear economic structure consistently exacerbates its demands on scarce natural resources. The adoption of a more circular approach to the patterns of utilization and consumption holds the potential to substantially alleviate the adverse environmental ramifications of human economic pursuits, encompassing those that impact biodiversity.

Promoting the circular economy, eco-design, innovation and investment in this sector, together with raising consumer awareness, could help reduce global GHG emissions even further, by up to 40%. Globally, greenhouse gas emissions from the waste management sector only account for around 3-4%. In the Republic of Moldova, the waste sector is responsible for about 12.5% of total national GHG emissions.

1.1. What EU does to promote green and circular economy?

In December 2019 the European Commission published the Communication on the **European Green Deal**.⁴ It is structured around 8 elements that clearly and explicitly highlight the critical relationships and positive and negative implications that each sector has in relation to the environment:

- Raising the EU's climate ambition for 2030 and 2050;
- Providing clean, affordable and secure energy;
- Mobilising industry for a clean and circular economy;
- Building and renovating in an energy efficient way;
- Accelerating the shift to sustainable and smart mobility;
- Farm to fork: a fair, healthy and environmentally friendly food system;
- Conserving and restoring ecosystems and biodiversity;
- Zero pollution ambition for a toxin-free environment.

In order to expedite the progression of the European Union towards the circular economic model, the European Commission undertook the endorsement of the innovative **circular economy action plan** in March 2020.⁵ This constitutes a fundamental cornerstone within the framework of the European Green Deal, signifying Europe's emergent paradigm for fostering sustainable advancement.

The novel action plan introduces an array of initiatives spanning the entirety of product life cycles. It intricately addresses the realms of product design, promotes the implementation of circular economic processes, advocates for patterns of sustainable consumption, and aspires to forestall waste generation while preserving the continued circulation of resources within the European Union's economic sphere.

Incorporated within this action plan are legislative and non-legislative measures deliberately aimed at sectors where EU-level intervention presents tangible augmentations in value.

The forthcoming measures delineated within the novel action plan are aiming to:

⁴ COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS The European Green Deal. Brussels, 11.12.2019 COM(2019) 640 final. Retrieved from https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF

⁵ European Commission (2020). Circular economy action plan. Retrieved 26 August 2023, from https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en

- make sustainable products the norm in the EU
- empower consumers and public buyers
- focus on the sectors that use most resources and where the potential for circularity is high such as: electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrients
- ensure less waste
- make circularity work for people, regions and cities
- lead global efforts on circular economy

Subsequently, in February 2021, the Parliament endorsed a resolution concerning the new circular economy action plan, thereby advocating for supplementary measures aimed at realizing a carbon-neutral, environmentally sustainable, toxin-free, and entirely circular economy by 2050. The prescribed measures encompass more stringent recycling regulations and obligatory benchmarks for material usage and consumption to be achieved by 2030.

Continuing this trajectory, in March 2022, the Commission unveiled the inaugural package of measures designed to accelerate the transition towards a circular economy, constituting a constituent component of the broader circular economy action plan. The assortment of proposals encompasses the augmentation of sustainable products, the empowerment of consumers for the ecologically conscious transition, an evaluation of construction product regulations, and the formulation of a strategy pertaining to sustainable textiles.

Lastly, in November 2022, the Commission propounded novel, EU-wide regulations concerning packaging. This proposition is designed to curtail packaging waste and enhance packaging design, including provisions for lucid labeling to incentivize reuse and recycling. Furthermore, the proposal advocates for a shift towards bio-based, biodegradable, and compostable plastics.

Vigilant monitoring of advancements directed toward the realization of a circular economy, coupled with an astute assessment of its both immediate and derived advantages, assumes a paramount significance. This practice enables the European Union and respective national entities to systematically evaluate the efficacy of policies and discern exemplar methodologies.

Therefore, in 2023, the Commission undertook a revision of the circular economy monitoring framework, which had previously been endorsed in 2018. This revision introduces novel indicators pertaining to:

- Material footprint and resource productivity - designed to oversee and evaluate material efficiency.
- Consumption footprint - devised to assess whether the consumption patterns within the EU adhere to planetary limitations.

This newly revised framework aligns itself with the European Union's aspirations of realizing a circular economy and attaining climate neutrality, both of which are integral components of the overarching European Green Deal agenda.

2. The context for promoting the green and circular economy in the Republic of Moldova

Over the last decades, both globally and nationally, we are facing serious challenges such as climate change, dramatic reduction of biodiversity, problems related to the use of raw materials and natural resources, waste management, escalating inequality, financial instability, political instability and social fragmentation. Although steady progress has been made since 2016, the achievement of the Eastern Partnership countries' national targets towards a transition to a green economy still faces a number of challenges.⁶

⁶ OECD. Green Action Task Force. Progress on Green Economy Transition in Eastern Europe, the Caucasus and Central Asia and ways forward, ENV/EPOC/EAP(2022)7

Despite economic progress and many efforts over the last decade, public awareness of climate issues in Moldova remains insufficient, so the green transition may require intensive efforts in this area. Therefore, it can be mentioned that Moldova is still at the beginning of the transition from a linear to a circular and green economic model.

The Republic of Moldova has set and updated national targets to guide their transition towards a green economy, including on environmental protection, reduction of the greenhouse gas emissions and adaptation to the climate change and natural resource management. Moldova has been preparing to align their environmental policies with EU laws and standards in the context of implementation of the EU Association Agreements. For instance, the EU's Water Framework Directive, the EU Industrial Emissions Directive and the Environmental Liability Directive has provided Moldova with a framework for enhanced political and economic links with the EU and approximation towards far-reaching legislation in these policy agendas.⁷

The main institutions on environmental compliance assurance are the Ministry of Environment, the Environmental Agency and the Inspectorate for Environmental Protection, the competences and duties of which are determined by several pieces of legislation (see below the main laws approved). In general, there has been a positive development in which environmental ministries and agencies have been strengthened, even if they have undergone frequent changes.

Moreover, considering that the transition towards green and circular effort requires a holistic approach, several other key actors at national and regional level, from the associative, academic and private sectors, play an important role in the elaboration and subsequent implementation of the planned actions.

The development of the framework of national strategies and policies has, in many cases, also been accompanied by the creation of several inter-ministerial coordination mechanisms. Their purpose is to facilitate dialogue between ministries and subordinate institutions on the integration of environmental and ecological considerations into development policy processes.

Moldova has successfully formulated and ratified an all-encompassing body of environmental legislation that facilitates adherence to environmental regulations. This encompasses Laws and Government Decisions delineating the obligations pertinent to ensuring environmental compliance, the formulation of a risk assessment methodology tailored to authorized entities, and the establishment of a procedural framework for the creation of a State Registry of Control. The most important laws and strategies that helps Moldova promoting the transition towards a green and circular economy are:

1. Law No 1515/1993 on environmental protection;
2. Law No 98/2022 on atmospheric air quality
3. Law No 277/2018 on chemical substances;
4. Act No. 227/2022 on industrial emissions;
5. Law no. 10/2016 on the promotion of the use of energy from renewable sources;
6. Law no. 209/2016 on waste;
7. Law no.139/2018 on energy efficiency
8. National Development Strategy "European Moldova 2030";
9. National Environmental Strategy for 2014 - 2023 (a new strategy will be developed);
- 10.Strategy for waste management in the Republic of Moldova for the years 2013-2027;
- 11.Low emission development strategy of the Republic of Moldova until 2030;
- 12.Energy strategy of the Republic of Moldova until 2030;
- 13.National agricultural and rural development strategy for 2023 - 2030;
- 14.National Regional Development Strategy of the Republic of Moldova for the years 2022 - 2028, etc.

Additionally, there are several government programmes promote the take-up of green practices by companies (i.e. the Programme for the greening of small and medium-sized enterprises (SMEs); the Programme for the re-tehnologisation and energy efficiency of SMEs; the National Programme for the expansion and rehabilitation of forests for the period 2023-2032; the National Programme for the implementation of the Protocol on Water and

⁷ Ibidem, p. 11

Health in the Republic of Moldova for the years 2016 - 2025, etc.) and currently the Government is working on developing the 2030 Low Emission Development Programme and Waste Management Programme for 2023-2027.

According to the OECD Green Action Task Force Report (2022), the oversight of environmental adherence within Moldova has been considerably broadened, transpiring through a diverse range of mechanisms: premeditated and spontaneous inspections founded upon risk evaluations, environmental surveillance conducted by the Reference Laboratory of the Environmental Agency (which has been newly accredited according to ISO 17025 standards), autonomous monitoring by commercial entities, as well as public notifications facilitated by hotlines and written correspondence. Nevertheless, both the private sector and civil society have noted an absence of authorized environmental data and insights pertaining to compliance monitoring. The initiative for the Environmental Agency to release a national environmental status report biennially stands as a constructive advancement.

Despite the government's initiation of an ambitious initiative aimed at advancing comprehension of the green economy and sustainable development, further endeavors are requisite to heighten consciousness regarding the imperative of environmental safeguarding. The existing mechanisms encompassing environmental regulations, educational initiatives, outreach endeavors, and on-site consultations, while present, remain inadequately substantive. Furthermore, an observable insufficiency pertains to the private sector's acquaintance with institutions dedicated to ensuring environmental compliance assurance.

As a way forward, the government is currently working and finalizing and approving a national Programme to promote the green and circular economy in the Republic of Moldova for the period 2024 – 2028.

The introduction of the new program follows the execution of the preceding Initiative for the Advancement of the Green Economy in the Republic of Moldova for the period 2018-2020. The outcome of its implementation yielded several accomplishments, including:

- Establishment of an inter-ministerial coordination mechanism and a coordinating body dedicated to advancing the green economy agenda.
- Implementation of measures to prevent pollution and minimise waste generation.
- Support the implementation of the principle of extended producer responsibility in different sectors of the national economy.
- Stimulating innovation and development of green technologies for re-use, recycling and other forms of waste recovery.
- Advocacy for the principle of extended producer responsibility within the economic framework.
- Formulation and propagation of regulations pertaining to the gradual elimination of plastic bags and bottles.
- Authorization and enactment of the greening initiative tailored for small and medium-sized enterprises (Government Decision nr. 592/2019).
- Promotion of environmentally conscious enterprises and technologies through facilitative measures, encompassing financial support (EU4Business Programme).
- Sanctioning and execution of the modernization and energy efficiency program for SMEs (Government Decision nr. 515/2022) alongside the program fostering digital innovations and technology startups (Government Decision nr. 243/2022).
- Amplification of the acreage of agriculturally utilized land dedicated to organic production, coupled with an augmentation in the number of organic farmers, and the establishment of an atlas delineating organic agriculture distribution.
- Creation of curricula dedicated to instruction in the spheres of green economy and organic farming within educational institutions.

Concurrently, as outlined in the Final Evaluation Report concerning the execution of the Program spanning the interval 2018-2020, discernible were the primary challenges germane to the operational, managerial, and implementational framework within the domain of "green" economy promotion, as delineated in the Program endorsed by Government Decision no. 160/2018, a framework which remains extant:

- Manifestations of insufficiencies in the orchestration and dissemination of information across the national and local strata within the ambit of the green economy.
- Strategic doctrinal compendiums exhibiting an absence of provisions relating to the green economy, bereft of concise, near-term measures inclusive of well-defined metrics for surveillance and earmarked fiscal reservoirs.
- A paucity of organizational entities within ministerial frameworks tasked with the oversight of the green economy, alongside constricted human and fiscal competencies for addressing and responding to prevailing exigencies and challenges pertaining to green economy promotion.
- An indistinct apportionment of responsibilities concerning the evolution and enactment of green economy policies and the monitoring of performance indicators among governmental institutions.
- Very high landfill rates and very low recycling rates, contrary to the waste hierarchy and recycling targets set by national legislation.
- Increased influence of transport emissions on the ecological environment and human well-being.
- The current statistical waste reporting system is incomplete and poorly applicable by economic operators which does not allow monitoring of waste at different points in the waste chain, taking into account the toxicity and hazardousness of waste. A heightened influence of emissions emanating from transportation on the ecological milieu and on human well-being.
- Partial recognition and application of the economic gains attributed to resource and energy efficiency, encompassing modest traction among small and medium-sized enterprises.
- Conspicuously limited recognition and endorsement of green economy principles solely within a minor segment of the populace, in addition to environmental non-governmental organizations.

The genesis of the new Programme to promote the green and circular economy in the Republic of Moldova for the period 2024 – 2028 stems from the imperative for a nationally applicable medium-term policy document centered around green and circular economy principles. This Programme recognizes Moldova's adeptness in assimilating these principles and acknowledges their potential to facilitate an ecologically sound economic transition, fortify environmental safeguards, engender employment opportunities, enhance energy security, and curtail production expenditures.

The Programme is harmonized with the National Development Strategy "European Moldova 2030" (hereinafter referred to as NDS), the prospective Environment Strategy for the period 2023-2030, and pertinent strategic documents. Noteworthy among these are the National Strategy for Regional Development of the Republic of Moldova for 2022-2028, the National Strategy for Agricultural and Rural Development for 2023-2030, and the Strategy for Waste Management in the Republic of Moldova for 2013-2027. Moreover, this alignment extends to the outcomes realized through the execution of the Program for the Advancement of the Green Economy in the Republic of Moldova for 2018-2020 and its associated Action Plan.

Consequently, the primary objective of the Program is to propel the application of green economy tenets and the embrace of circular economy principles within the jurisdiction of the Republic of Moldova. In order to achieve the general objective, several specific objectives are envisaged as follows:

- Strengthen the legal and institutional framework and harmonize national policies to integrate the principles of the green and circular economy;
- Support the development of the green economy and innovative circular and green business models;
- Promoting the circular economy as a means to reduce greenhouse gas emissions;
- Promoting sustainable lifestyles, education and awareness of the green economy.

The implementation of the program is poised to exert a substantial and discernible influence on both the trajectory of the green economy and the ecological sphere, within an intermediate time frame. Effectuating the promotion of secondary materials along with the embrace of circular economic paradigms is anticipated to yield conspicuous reductions in the quantum of material consumption, thereby concomitantly mitigating the consequential environmental impacts. The proposition of stringent quality standards for repurposed construction constituents stands to imbue incentives for their adoption and concurrently bolster faith in the efficacy of these reconstituted products. Correspondingly, the institutionalization of deposit and return systems

holds the capacity to inculcate an ethos of methodical collection pertaining to utilized articles and materials, thereby effectively stemming the ingress of refuse into the ecosystem.

The fostering of secondary materials, especially within comprehensive reinvigoration endeavors, bears the potential to engender a surge in ecologically-oriented employment opportunities, thereby fostering the organic evolution of a sustainable and ecologically amenable green economy. Furthermore, the elevation in the integration of reprocessed resources stands poised to engender a decline in the reliance upon novel constituents, subsequently ameliorating the security associated with the provision of essential raw materials.

In parallel, the propulsion of consumers to undertake preventative measures against waste generation, effectuated through the institution of levies on ecologically detrimental products, holds significant promise in diminishing the volume of waste engendered and concurrently engendering conscientious and sustainable patterns of consumption. Augmenting the potency of communication mechanisms holds the potential to invigorate consumer consciousness vis-à-vis environmental predicaments, thereby engendering the groundwork for potent modifications in behavioral predilections.

Conclusions and recommendations:

The progression towards a green and circular economy necessitates a comprehensive restructuring, particularly concerning industrial operations and economic undertakings, with the goal of diminishing resource consumption and optimizing the utilization of existing materials within the economic framework. To effectively realize this transformation, urgent and substantial alterations are imperative across diverse policy domains, with a particular emphasis on education and training, research, development and innovation, digitalization, entrepreneurial endeavors, infrastructure, and public procurement.

Despite the existing initiatives and legislation advancement, still more efforts are needed to promote a green and circular economy in the Republic of Moldova. The Government can undertake a range of enforcement measures to further promote green and circular transitions within Moldovan society and economy, which are designed to encourage sustainable practices, reduce environmental impacts, and foster a circular economy model, as follows:

- *Multi-Stakeholder Collaboration:* Foster collaboration between government agencies, private sector entities, civil society organizations, and academia to collectively drive the transition towards a green and circular economy. Greater co-operation between the finance ministry and other sectoral ministries and agencies is also of utmost importance. Enhanced collaboration could allow for a greater level of data availability and quality, such as on foreign direct investment directed to activities that can promote the country's green economy transition.
- *Regulations and Standards:* Introducing and enforcing stringent environmental regulations and standards can compel industries and businesses to adopt eco-friendly practices. These regulations can cover emissions, waste management, energy efficiency, and more. Conduct an appraisal of the current legal framework's appropriateness and its efficacy in providing adequate stimuli to foster, and potentially surpass, regulatory adherence. Additionally, involve the corporate sector, which appears to possess limited participation in the formulation of environmental directives. Evaluate both incentives and hindrances pertaining to the assimilation of resource-efficient technologies.
- *Strengthening Environmental Compliance Enforcement:* Promptly conclude the ongoing review of the environmental payments system with the objective of aligning payment levels with the magnitude of environmental damage inflicted; Develop and implement a comprehensive enforcement guidance document that outlines the criteria, procedures, and considerations governing the imposition of penalties for environmental offenses; establishment of an environmental insurance regime should be explored which could offer entities an avenue to mitigate financial risks associated with environmental penalties through the purchase of insurance coverage specifically designed to address environmental compliance violations. All these measures can provide an incentive for proactive risk management and reinforce the importance of adherence to environmental regulations.

- *Capacity Building*: Strengthening the capacities of environmental agencies and regulatory bodies to effectively monitor and enforce green and circular policies is crucial for successful implementation.
- *Education and Awareness Campaigns*: Launching public awareness campaigns can educate citizens and businesses about the benefits of green and circular practices, fostering a culture of sustainability.
- *Increasing the efficiency of natural resource use*: The potential benefits are huge and can facilitate Moldova's transition to a circular economy where nothing is wasted. There is a need to move to a circular, resource-efficient development model - one that reduces waste before it is produced and treats waste as a valuable resource. Actions taken in the waste management sector will also have an impact on other sectors such as energy or industry.
- *Promote public procurement policies*: Governments can leverage their purchasing power to prioritize environmentally friendly products and services, thereby creating a demand for sustainable goods in the market.
- *Extended producer responsibility*: these regulations require manufacturers to take responsibility for the entire lifecycle of their products, including disposal. This encourages product design for recyclability and waste reduction.
- *Eco-Taxes and Subsidies*: Implementing taxes on environmentally harmful activities and providing subsidies for green technologies and practices can incentivize the adoption of sustainable practices and discourage environmentally detrimental actions.
- *Develop Green Financing Mechanisms and scale up investments in green economy transition*: Allocating resources to research and development projects focused on green technologies and circular economy solutions can drive technological advancements in these areas. Thus, establishing mechanisms for providing financial support and incentives to businesses and projects aligned with green and circular economy goals is very important. Moreover, encouraging banks to offer favorable loans for sustainable initiatives might be another option to consider. The realization of national objectives pertaining to climate change mitigation and broader agendas centered on sustainable green growth necessitates substantial capital infusion from a diverse set of sources, including the private sector.
- *Research and Development Funding*: Allocating resources to research and development projects focused on green technologies and circular economy solutions can drive technological advancements in these areas.
- *Support for Circular Business Models*: Providing resources and support for businesses transitioning to circular business models, such as rental and repair services, can accelerate the shift towards circularity. Therefore, it is recommended to further promote the existing programmes (i.e. SMEs greening Programme, Re-technologization and energy efficiency Programme, etc.) and develop new initiatives in catalyzing the private sector investment which are promoting the intake greening solutions into their business models.
- *Monitoring and Reporting*: Develop and implement a robust system for monitoring progress towards green and circular economy targets. Regularly report on key indicators such as resource efficiency, waste diversion rates, and carbon emissions reduction. Furthermore, augment the risk assessment methodology by providing a more comprehensive delineation of economic activities and establishing a predetermined minimum frequency for inspection occurrences.

These policy recommendations collectively address crucial aspects of the environmental compliance enforcement regime, fostering a more robust and equitable approach to enforcement while incentivizing responsible environmental stewardship among both public and private entities.

By implementing a combination of these recommendations and enforcement measures, governments can create a conducive environment for sustainable development, encourage responsible resource use, and drive the adoption of green and circular practices across various sectors of the economy. The Republic of Moldova has a unique opportunity to position itself as a regional leader in sustainable development by embracing a green and circular economy. By implementing the strategies and recommendations outlined in this policy brief, Moldova can mitigate environmental risks, create new economic opportunities, and contribute to a more resilient and harmonious future for its citizens.