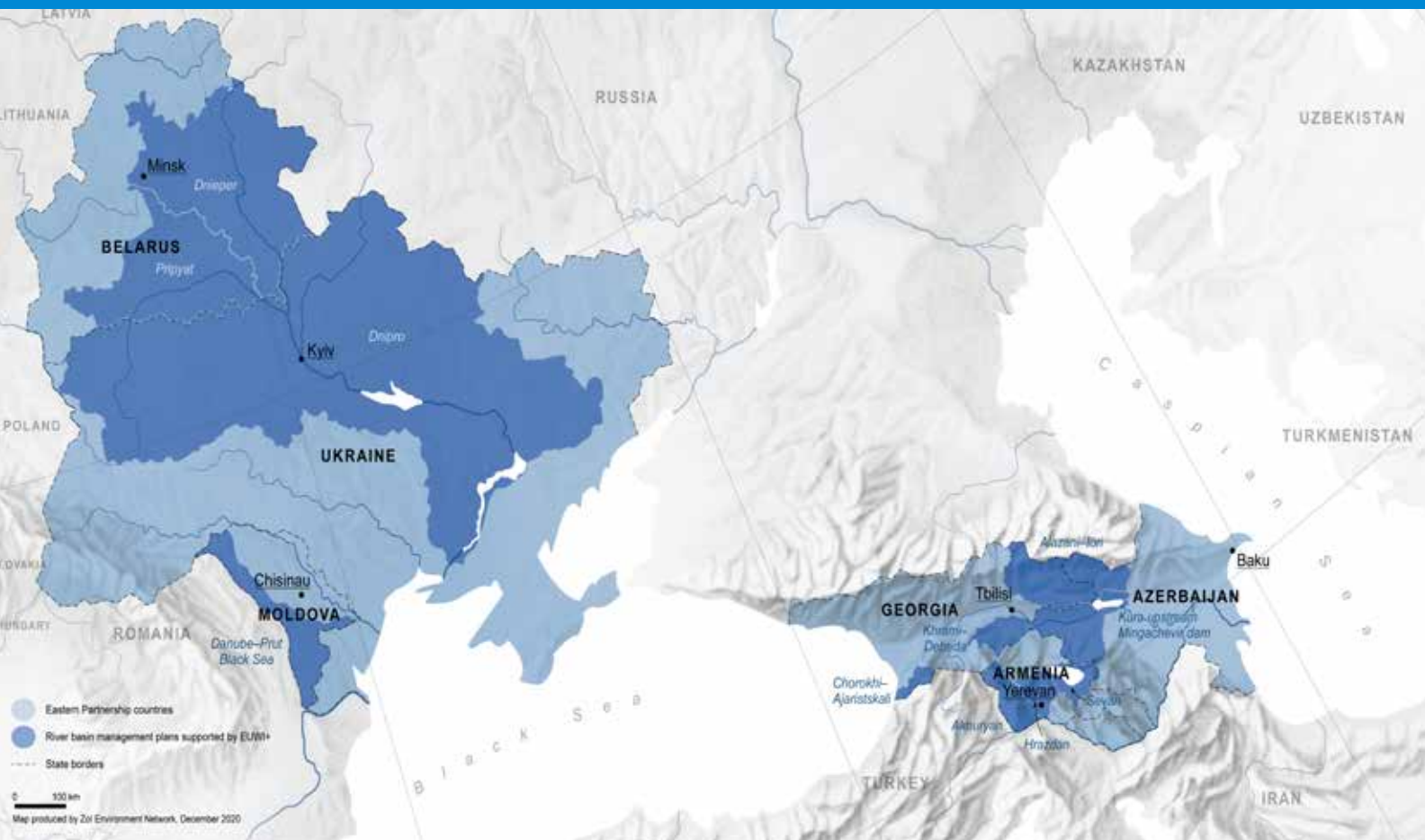


Water Policy Highlights Republic of Moldova



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In 2016, a major EU-funded project, the European Union Water Initiative Plus (EUWI+), was started to help strengthen water management in Moldova and the five other EaP countries. The European Commission selected the OECD and UN Economic Commission for Europe (UNECE) along with the EU member states of Austria (Environment Agency) and France (International Office for Water) to jointly implement the project. With EUR 23.5 million from the EU budget and EUR 1 million from Austria and France, the EUWI+ project aimed to strengthen management of national and transboundary water resources and develop tools to improve the long-term quality of all waters. It included EUR 6 million of direct investments in the EaP countries including Moldova to improve river basin policies, management planning and water quality monitoring.

With the project ending in mid-2021, this summary highlights milestones of EUWI+ in Moldova. It recalls the state of water governance that led to the creation of the project. It highlights efforts to strengthen management of water resources at the national level and also in transboundary rivers. It also identifies tools developed to improve the long-term quality of all waters. Finally, it identifies outstanding issues for further action.



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Water management is a key environmental challenge for Moldova

Water governance

Moldova has regional disparities in water availability, compounded by challenges in groundwater and surface water quality. Coupled with a dependence on inflow from transboundary rivers and the risk of water-related hazards such as floods, droughts and landslides, water governance in Moldova is a significant challenge.

Moldova has been updating environmental and water legislation for several years. This aims to strengthen administrative capacity, enforcement of legislation, and public participation and awareness of environmental and water-related challenges. Tackling transboundary water resource management and pollution includes ensuring that necessary institutional and legal frameworks are in place. Like other EaP countries, Moldova needs to strengthen procedures for implementing commitments under multilateral environmental agreements and their capacity for implementing projects financed by international organisations and donors.

Moldova's Association Agreement with the European Union in 2014 obliged the country to harmonise its water legislation with the EU *water acquis*. Local budgets and the capacity of relevant institutions were limited for such an ambitious task.

To help address all these challenges, the European Union and international donors built on their long engagement in water sector reforms to develop the EUWI+ project.

Moldova needs to strengthen procedures for implementing commitments under multilateral environmental agreements.

The EUWI+ project

Environmental co operation is a principal focus area for the six EaP countries. However, as partner countries pursue economic growth and benefits for citizens, they face a legacy of environmental problems and new pressures, including from climate change. There are also important links between poverty and the environment, such as access to clean drinking water and appropriate sanitation.

The EaP builds on the willingness of the six Eastern neighbours of the European Union (EU) to align their policies and legislation. Better environmental policies in Moldova bring significant economic and social benefits, strengthening the EU's eastern neighbours. A strong water sector, which supports the population, all sectors of the economy and the environment, will be key.

In 2016, the European Union launched the EUWI+ as a major project to help strengthen water management in Moldova and the five other EaP countries. The European Commission entrusted several international organisations to provide concrete support to EUWI+ through studies, technical guidance, expert trainings and upgraded analytical infrastructure. The partners comprised the OECD, the UN Economic Commission for Europe (UNECE) and two EU members: Austria (Environment Agency) and France (International Office for Water).

The regional EUWI+ project builds on results from earlier EU-funded water governance actions in EaP countries. These include facilitation of the EUWI National Policy Dialogue (NPD) processes steered by the OECD and UNECE in 2006-15. It also includes the regional Environmental Protection of International River Basins (EPIRB) project to support river basin planning in 2012-16.

In addition, EUWI+ has been able to draw synergies with other EU-funded projects and activities, such as the Shared Environmental Information System (SEIS) East project. SEIS East aims to organise environmental information and facilitate access to environmental information and its integration into the knowledge-based economy.



Development of Moldova's national water policy to 2016



From the Water Code to the Water Law

Moldova's Water Law, adopted in 2011 and effective since 2013, is the main strategic document governing national water resources policy. The new law was prepared with the assistance of the United States. It replaced the Water Code (1993), which had been based on Soviet-era water management approaches.

The Water Law aligns with requirements of the Association Agreement with the European Union. It contains provisions on partial approximation of the national water legislation with the principles and approaches of the EU Water Framework Directive (WFD) and other water directives.

The same law sets the requirement to introduce the basin management principle. With assistance from Switzerland, Austria and other donors, Moldova has prepared secondary legislation in recent years to support implementation of the new Water Law. In 2014, for example, it adopted the Water Supply and Sanitation (WSS) Strategy until 2028. This contained a detailed action plan for the first five years.

Institutional reforms

In recent years, the organisation of institutions responsible for water management has changed significantly. As of January 2021, the Ministry of Agriculture, Regional Development and Environment (MARDE) became in charge of policy making. Meanwhile, the Water Agency (Apele Moldovei) became responsible for day-to-day operational management. On top of regular institutional reforms, Moldova has been challenged by limited funding, high staff turnover and the need to build capacity.



River basin management

Both major rivers in Moldova – the Dniester and Prut – are transboundary. The Water Law of 2011 defines two river basin districts: Dniester; and Danube-Prut and Black Sea hydrographic basin districts. Government Resolution No 775, dated 4 October 2013, defined the boundaries of the river basin districts and sub-basins. In 2010-16, first generation River Basin Management Plans (RBMPs) were developed for both basins. This work was supported by the US Millennium Challenge Corporation and the EU-funded regional EPIRB project. Both plans were developed in the absence of a clear legal framework on the design and adoption of RBMPs.

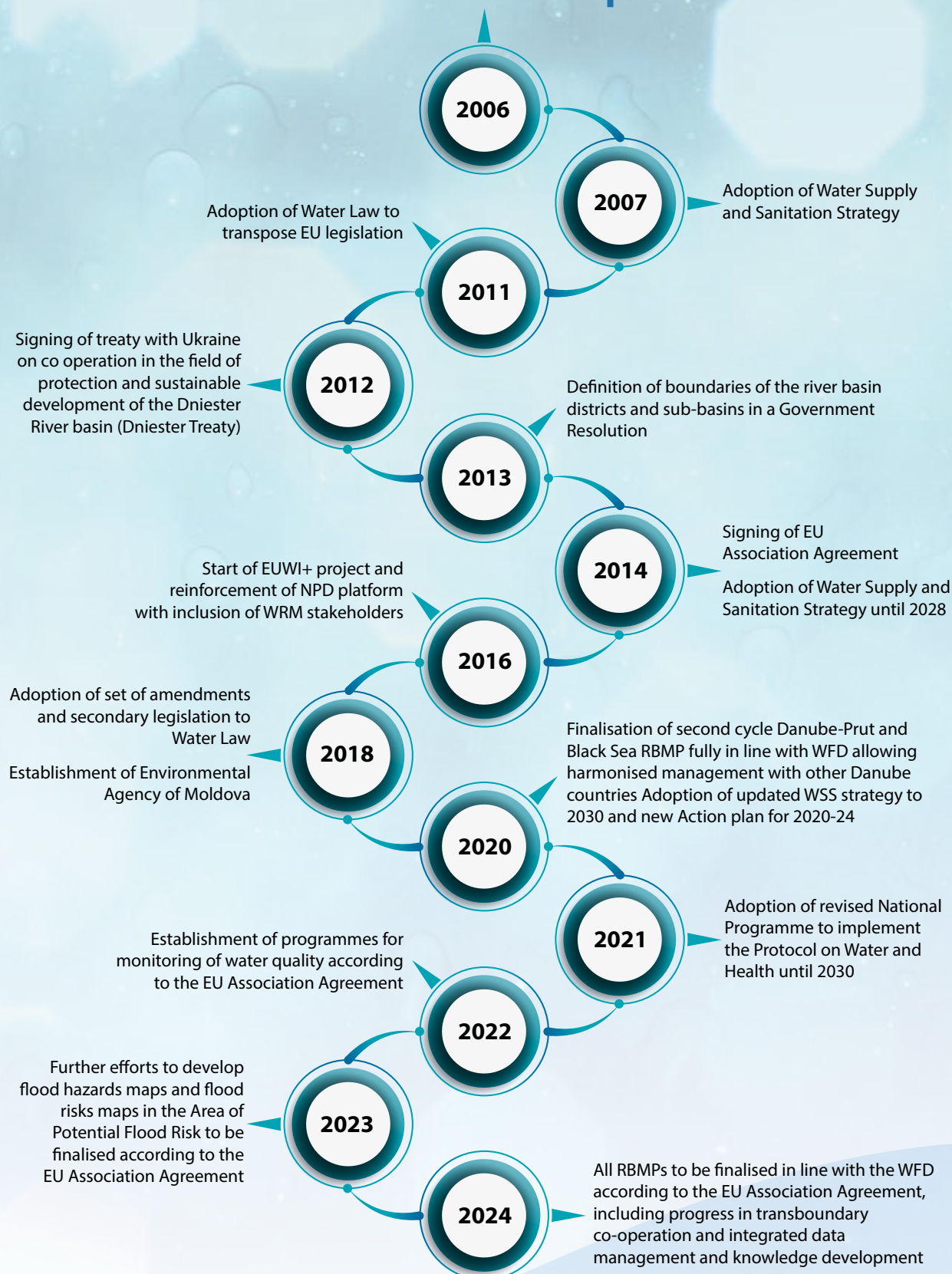
Monitoring capacity

Moldova's water monitoring infrastructure and capacity have been underfunded for operational activities. Prior to 2016, there were 33 groundwater monitoring sites in the Prut basin and 29 sites in the Danube and Black Sea basin. The stations were generally in a poor condition and required maintenance. During the EU-funded EPIRB project, some groundwater bodies were identified and delineated according to WFD requirements. In addition, the State Hydrometeorological Service had 63 biological monitoring sites by 2017. Prior to the EUWI+ project, the laboratory of the Surface Water Quality Monitoring Centre was ISO/IEC 17025 accredited. The laboratory of the Hydrogeological Expedition of Moldova for groundwater monitoring had a more limited capacity.

Transboundary water management

Moldova is a Party to both the UNECE Water Convention and its Protocol on Water and Health, which are jointly serviced by UNECE and the World Health Organization. In 2012, Moldova signed a bilateral treaty with Ukraine for joint management and protection of the transboundary Dniester basin. Meanwhile, Moldova shares the Prut sub-basin to the Danube River with Romania and Ukraine. Since 2010, Moldova and Romania have agreed to co operate on the protection and sustainable use of the Prut and Danube rivers. Under the Protocol, Moldova set its first national targets and associated implementation timeline in 2010. In 2016, through Government Resolution, it adopted a national programme to implement the Protocol for 2016-25 with support from Switzerland.

Launch of EUWI NPD process



Milestones in EUWI+ support to water policy reform in Moldova, 2016-21

During the inception phase of the EUWI+ project in 2016, the Ministry of Environment (later merged into MARDE) presented a comprehensive list of potential priorities to the EUWI+ project team. The list covered the following areas:

- updating the national WSS Strategy and developing a new mid-term Action Plan to support its implementation
- developing the regulatory framework and transboundary co operation
- developing an RBMP
- strengthening of water quality monitoring capacity.

The unique setup and flexible nature of the EUWI+ project, alongside the complementary skills of the implementing partners, allowed them to incorporate these diverse priorities into the four-year national work programme.

Alignment with the EU Association Agreement

Moldova needs to align its relevant legislation to comply with the requirements of the EU Association Agreement. The WSS Strategy until 2028 had an associated mid-term Action Plan with a timeframe that expired in 2019. The strategy therefore

required updating to reflect evolving priorities and to integrate new international commitments. These included Sustainable Development Goals (SDGs) related to water and sector adaptation needs under the Paris Agreement.

The EUWI+ project started its policy work by helping Moldova update the WSS Strategy and design a new mid-term Action Plan. In July 2020, the government adopted an updated strategy with its timeframe extended to 2030, in line with the deadline for implementation of the SDGs, as well as a new mid-term Action Plan for 2020-24.

With limited possibilities to finance necessary investments in the WSS sector, the updated strategy and its detailed Action Plan are a vital tool in attracting donor aid. With support from development partners, some activities are already being implemented, particularly with regard to WSS investments.

Water supply and sanitation

In 2018, with support of UNECE under the EUWI+ project, Moldova adopted amendments to the Water Law to strengthen the legal foundation for implementation of the EU WFD and other relevant EU directives. It developed an important bylaw containing the new norms for design and construction of small-scale water supply systems with assistance from EUWI+ and approved by the



Ministry of Economy and Infrastructure. The norms, established by a code of practice, are expected to lower the unit costs per person connected, and increase the cost-effectiveness of interventions in WSS by the public budget and donors.

Some donors such as GIZ are already carrying out pilot projects to show how to lower the unit costs of building small-scale water supply systems. The EUWI+ project supported the development of a concept of similar new norms for small-scale sanitation systems covering both on-site and piped sanitation. These interventions have significant potential to increase access of rural areas to water and sanitation, improving the environment and quality of life of rural citizens. They will feed into other activities under EUWI+, such as the Water Supply and Sanitation Master Plan developed for the Nirnova sub-basin.

The National Programme to implement the Protocol on Water and Health for 2016-25 is being revised through UNECE-led activities. This will update the list of national targets and extend the time horizon to 2030. In so doing, it will further support the work on water and sanitation and better reflect the 2030 Agenda for Development and other declared international commitments.

Alignment with WFD

Improved coherence of the national-level policy framework paved the way to practical application of core water management principles, primarily the design of WFD-compliant RBMPs. The WFD-compliant RBMP for the Danube-Prut and Black Sea River Basin District (DPBS-RBMP) for 2022-27 was developed and finalised. The process was led by the International Office for Water in France with regular supervision by the Basin Committee. It included two rounds of consultation.

Support for the RBMP process also had international significance. It allowed the 19 Danube basin countries to move a step closer to completing harmonised planning under the umbrella of the Moldovan presidency of the International Commission for the Protection of the Danube River (ICPDR) in 2020. The fourth Joint Danube Survey (JDS4) of surface water survey in summer 2019 along the Danube was also important. EUWI+ financed the Moldovan part of the survey, which took place under the auspices of ICPDR.

Moldova also moved towards alignment with the EU Floods Directive. In July 2020, the government approved flood risk management plans for both river basin districts with support from ADA and SDC. It integrated the main measures of these plans into the DPBS-RBMP, reinforcing the EUWI+ focus on achieving synergies between international projects.

Finally, Moldova took an important step towards implementation of the EU Nitrate Directive by adopting the Code of Good Agriculture Practices. The Code recommends the most useful practices, measures and methods to protect waters against pollution with fertilisers (especially nitrates) from agricultural activities. The Code obliges farmers to take certain actions in areas vulnerable to nitrate pollution. However, in other areas it recommends actions that remain voluntary. EUWI+ has completed a training on diffuse pollution.

Data interoperability

Moldova has taken additional steps to support the sustainability of its progress, including in-depth structuring of data management practices and enhanced delivery of modern information production tools. EUWI+ has provided support



to relevant water management institutions to ensure data interoperability. In so doing, it complements the long-term support provided by ADA and SDC in developing links between different institutions that collect data on water. Access to the right data and information at the right time by the right institutions provides the platform for improved and timely decisions, optimum prioritisation of resources and improved public participation in water management.

Water quality monitoring

The Environment Agency Austria (EAA) provided support to increase the capacity of local counterparts in water quality monitoring. The EAA has supported the establishment of new groundwater monitoring sites and delivered equipment such as a gas chromatograph and equipment for biological monitoring of surface waters along with relevant trainings to aid application. In addition, after the Environmental Agency of Moldova lost its accreditation in December 2018, the EAA helped it regain ISO 17025 (2018) re-accreditation in March 2021. This will allow the reference laboratory to operate competently again.

Various field surveys (groundwater, biology, hydromorphology) have prepared the first ecological classifications of water bodies in the pilot area. This classification is a prerequisite for assessing which water bodies risk failing to achieve “good status”. In response, the DPBS-RBMP will provide targeted measures.

Strategic and mid-term planning

The EUWI+ project has built local capacity to ensure its achievements – and those of other donor-supported projects – are sustainable. First, EUWI+ has supported developing capacity for strategic and mid-term planning. Second, it has supported use of economic instruments for managing water resources and infrastructure. Third, it has helped implement water-related environmental agreements and SDGs, including reporting on SDG 6.5.2 through regional training events.

With an eye on future water sector employees, the Academy for Economic Studies and several other local institutions integrated training materials on economic instruments for water management into their curricula in anticipation of the 2021-22 academic year. This included specialised trainings on topics such as quality management for laboratories and hands-on learning for surface and groundwater sampling. These were deemed important to improve skills and invest in the retention of motivated laboratory staff.



Public engagement at national and local levels

Public consultations on different aspects of the EUWI+ activities and deliverables engaged a wide range of stakeholders. At the national level, public consultations were held during revision of the National Programme to implement the Protocol on Water and Health. Dedicated meetings for stakeholders attracted more than 45 participants representing local nongovernmental organisations (NGOs), local government representatives, students and academia. Similarly, two rounds of public consultations on RBMP development were held in 2019 and 2020. They attracted more than 200 people from local communities in the river basin district (Edineț, Hâncești, Făleşti, Comrat, Cahul, Briceni Bălți Nisporeni and Hîncești). Participants included mayors, public health and environmental officials, water users, farmers and NGOs.

National Policy Dialogue

The NPD on water has supervised the water policy reform process at the national level. The NPD is a multi-stakeholder platform with cross-ministerial support that recognises the horizontal nature of water and its importance to the citizens and economy of Moldova. Under EUWI+, this platform has enjoyed strong political support, being chaired by the Ministry of Agriculture, Regional Development and Environment at State Secretary level. Several other key line ministries and agencies with a stake in water management have also participated. In addition, the NPD in Moldova has also brought together donors and other international projects to share experiences and identify synergies to aid implementation and streamline progress. All told, five NPDs were held between September 2016 and June 2021.

Water policy reform achievements

Improved strategic planning builds confidence in water sector and attracts donor support

- adoption and implementation of Water Supply and Sanitation (WSS) Strategy until 2030 and a new 2020-24 Action Plan
- development of first master plan for WSS at Nirnova sub-basin scale under the supervision of 18 localities
- adoption of code of practice to establish new norms for design and construction of small-scale potable water supply systems
- completion of work on the economic regulatory system and economic instruments, including the National Environmental Fund to improve financial sustainability of the water sector.

Improved monitoring and data management inform high-level decision making and resource prioritisation

- strengthened surface and groundwater quality monitoring by EU investment into new laboratory and field equipment, production of new data from innovative field surveys and staff trainings, including on quality assurance for re-accreditation
- establishment of data management platform to ensure data exchange and enhanced knowledge on integrated water resources management.

Water sector becomes increasingly aligned with EU legislation and good practice; the public is increasingly involved in water management

- adoption of amendments to the Water Law that supported strengthening implementation of the Water Framework Directive (WFD) and other water-related EU directives
- finalisation of second cycle Danube-Prut and Black Sea RBMP for 2022-27 (e.g. a new water body delineation harmonised with Romania) that was ready for adoption after two rounds of public consultation
- adoption of Code of Good Agricultural Practices.

International commitments and transboundary water management are well integrated and drive sector progress

- revision of National Programme and a set of targets to implement the UNECE-WHO/Europe Protocol on Water and Health until 2030
- establishment of bilateral Moldovan-Ukrainian Dniester Commission and guidance for the creation of a Moldovan-Romanian-Ukrainian working group under ICPDR.

Investment in staff and decision makers of the future is prioritised

- development of local capacity regarding strategic and mid-term planning for WSS, the use of economic instruments for managing water resources and infrastructure, surface water and groundwater monitoring, and reporting on SDG 6.5.2.

Stakeholder engagement increased and cross-sector importance of policy coherence recognised

- continued focus on National Policy Dialogue on Water with strong political support
- engagement of public through awareness actions, including Danube Day.

Future opportunities for the national water reform journey

The regional EUWI+ project completed its activities in Moldova in July 2021 but the water reform journey will continue. While the country has made progress since 2016, the discussions and implementation during the project have exposed a number of outstanding issues. In addition, the global pandemic caused by COVID-19 has impacted the public budgets of all EaP countries, including Moldova.

The need to respond to environmental challenges has never been greater. Yet the finances to do so face conflicting pressures, especially as countries prioritise finances for the post-pandemic recovery. At the same time, the links between health and environment have become increasingly apparent. The COVID-19 pandemic, for example, has shone a light on the importance of access to clean drinking water and adequate sanitation and the significance of hygiene in communities. Early work has also shown that COVID-19 can be traced in communal wastewaters, potentially offering early indication of the health of communities.

Finding the funds

Large investment needs to meet Moldova's policy targets will require increased funding from user charge revenues, the public budget, mobilisation of private finance, innovative financing schemes and official development assistance. These should be supported by the identification and removal of counter-productive subsidies that impact the water sector.

National investments...

From a legislation perspective, the WSS Strategy to 2030 and its mid-term Action Plan for 2020-24 are already helping to identify, prioritise and boost much-needed investment in infrastructure. These investments bring direct benefits to the quality of life, well-being and health of the population and natural habitats. To meet these priorities, financing from national public sources will need to be strengthened.

... can engage international donors

With national ownership ensured, international donors are expected to become engaged in designing concrete actions. Moldova can explore and benefit from many opportunities in this domain:

- **Develop pipelines of prioritised infrastructure projects that are bankable, well justified and aligned with national objectives.** The further implementation and roll out of new design standards allows for development of more cost-effective and efficient infrastructure solutions. These would have lower capital and operational unit costs, thereby optimising the use of financial resources. EUWI+ work on economic instruments, including recommendations to optimise the usage and focus of the National Environmental Fund, could be developed further to support water sector development.
- **Future investment in the WSS sector is underway.** quoting the ambitious targets of the WSS Strategy, the World Bank has started preparing a water security plan for Moldova. It provides a USD 50 million loan for water sector investments over five years between 2021-26. The plan may prioritise the rayons of Cahul, Riscani and Ialoveni and a wastewater treatment plant in Soroca. Long-standing water sector donors such as Austria (ADA) and Switzerland (SDC) may also back implementation of the WSS Strategy with grants of some USD 2 million to complement World Bank investment. Other donors, such as Germany (GIZ) and Slovakia, may support implementation of the strategy, including principles of the EU Urban Wastewater Treatment Directive (Slovakia).
- **Guarantee much-needed co ordination of water use between different sectors of economy, such as agriculture and industry.** A broader national Water Strategy would be an effective mechanism to pursue better co ordination. However, it requires clear political will to design, adopt and implement such a strategy, which would complete the necessary national policy framework. The policy should be economically sound and account for long-term impacts of climate change. The revised National Programme to implement the Protocol on Water and Health will also help respond to challenges, including those posed by COVID-19 (e.g. access to water, sanitation and hygiene in educational and medical facilities). Moldova will require assistance to implement some targets of the revised programme, based on government priorities.



- **Build capacity in central and local governments, and at basin level.** Moldova is a small country with an inevitably limited pool of experts in the field of water resources management. Therefore, attracting and retaining motivated staff is core to its success and maintenance of progress. Over four years, the EUWI+ project invested resources and attention to building capacity in the water management sector. This must continue. Large investments or donor-supported projects will not benefit the Moldovan population in the long term without sufficient government commitment and local capacity to manage water systems and the precious national water resources professionally. Capacity building is needed at both the central government level and in river basins and local public administrations. Meanwhile, Basin Councils need to be strengthened by involving relevant water users and observers. Their decision-making powers should be increased.
- **Strengthen transboundary action.** Moldova relies on transboundary rivers to support its economic development. In the face of challenges from climate change, it needs well-structured daily co operation with its neighbours. The newly established joint commission on the Dniester with Ukraine needs support to implement the bilateral Dniester Treaty. Work is ongoing with a project funded by the Global Environment Facility, but additional support will be required. Given neighbouring Romania is updating its basin plans in 2021, Moldova could support work on a transboundary umbrella plan for the Prut basin. With political support, and in co ordination with ICPDR, Moldova could seek a joint management plan with Romania and Ukraine. Ideally, this would lead to an agreement and joint commission by 2027.
- **Build capacity of staff through training.** Water quality monitoring could greatly support putting water sector reforms into practice. Although Moldova has a generally satisfactory water quality monitoring system, further development is needed to properly inform water policy decisions. With a high turnover of staff in recent years, training is in constant demand, as is methodological support to advanced biological and

hydromorphological monitoring. Local counterparts have benefited from hands-on training during EUWI+. They have requested future pilot projects in basins to ensure that more staff benefit from this form of practical training.

- **Pursue a pilot project to strengthen accreditation of laboratories.** Accreditation of laboratories, and improved quality assurance and proficiency testing, are essential to build confidence in the generated data. A further pilot project for enhanced water permitting and licensing would support integration with information management and the water cadastre.
- **Strengthen public engagement.** Enhanced public awareness, understanding and support would improve the daily use of water resources by agriculture, industry and local communes. Regular public information and practical involvement of water users in Basin Councils promotes understanding, local ownership and support for better protection, reduced pollution and more efficient use of resources. These are all essential to strengthen water management in Moldova.

As the world recovers from the COVID-19 pandemic and responds to a changing climate, this challenging backdrop provides the catalyst and focus for the next phase of the water policy reform journey in Moldova. Reforms must strive for cross-sectoral policy coherence, recognising the horizontal nature and value of water. The sector must target improvements for citizens, the environment and the economy, fulfilling international commitments and making the best use of limited financial resources.

The need to respond to environmental challenges has never been greater. Yet the finances to do so face conflicting pressures, especially as countries prioritise finances for the post-pandemic recovery.



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