

Final Regulatory Impact Assessment with respect to Regulation on Surface Water Protection against Pollution

I. Introduction

The current Final Regulatory Impact Assessment has been developed in compliance with the provisions of the Methodology on the Regulatory Impact Assessment and on Monitoring the Efficiency of the Regulation Act approved by the Government Decision of the Republic of Moldova No. 1230 from October 24, 2006.

This Final Regulatory Impact Assessment concerns the Regulation on Surface Water Protection against Pollution (hereinafter – the Regulation) which formulates specific requirements towards the surface water quality and protection against pollution. Ensuring the observance of the requirements on matter will contribute to the water and water-depending ecosystems protection, maintaining and improving the water quality and creating favorable conditions for sustainable use of water for diverse purposes.

The Regulation requirements are aimed to contribute to prevention of the unfavorable impact of the surface polluted waters on people's health and on the sanitary, epidemiological and ecological security of the population.

The draft Regulation on Surface Water Protection against Pollution was subject to public consulting procedure with the interested stakeholders. Hence, a Working Group (WG) dealing with water-related legislative and institutional aspects was established in October 2007, comprising the representatives of the public authorities involved in water management in the Republic of Moldova and of the nongovernmental community. Consulting sessions with the main groups of stakeholders took place on March 06, 2008 during the second WG sitting, where the WG members agreed to set up the development of the Regulation in question as a priority.

Likewise, the draft Regulation special consultations on the concept and provisions of the draft Regulation had been carried out with the representatives of the Central Environment and Natural Resources Authority, Public Water Management Authorities and the Central Healthcare Authorities on May 22, June 26, July 21 and September 19, 2008, which provided overall support to the drafting endeavor.

In order to consult the Regulation preliminary version, its draft was presented at the Seminar titled „Convergence with the EU Water Directives”, organized by the Ministry of Ecology and Natural Resources on October 30, 2008. Officials of the Ministry of Ecology and Natural Resources, Agency “Apele Moldovei”/”Waters of Moldova”, Ministry of Health as well as members of the Parliament of the Republic of Moldova, representatives of the Ministry of Foreign Affairs and European Integration, Ministry of

Agriculture and Food Industry, Ministry of Local Public Administration, Environment NGOs and private sector were amongst the participants to the Seminar.

II. Problem Definition

The need to design a Regulation on surface water protection against pollution as one of the most appropriate alternative in conformity with the assessment presented in the preliminary analysis of the regulating impact was supported at the sitting of the Working Group of the State Commission for Regulating the Business Activity conducted on November 26, 2008.

The Regulation development goal is to define the requirements towards the surface water quality and protection against pollution. Setting up the aforementioned requirements is necessary to ensure sustainable water resources and water-depending ecosystems protection, preserving and improving the water quality and creating favorable conditions for sustainable use of water for diverse purposes. The strategic objective pursued through the water resources protection relationship regulation is to fairly ensure the current and future needs of the population, economy and environment in qualitative water resources through the establishment of certain coherent indicators with respect to the surface water for different usage purposes.

Currently, there is a legislative vacuum in terms of establishing certain requirements towards the quality of surface waters due to the fact that the Surface Water Protection Rules (SWPR) from 1991 (approved by the State Committee for Environment Protection of the USSR) for fishing aquatic objects and the Hygienic Regulation (HR) No. 06.6.3.23. from July 03, 1997 titled “Protection of aquatic objects against pollution” published by the Ministry of Health of the Republic of Moldova for the aquatic objects used to supply drinking water and recreation are not in force any more.

Such situation resulted from the adoption of the Law on Reviewing and Optimizing the Normative Framework for Regulating the Business Activity (No. 424-XV from December 16, 2004). All the regulations, norms and instructions/guidelines not published in the Official Gazette are regarded as null and void up until their revised version is published in the Official Gazette. In order to fulfill the provisions of this Law the Government adopted the Decision on “The Ledger of Official Acts for Regulating the Business Activity” (Decision No. 1030 from October 03, 2005), which Annex I comprises the list of documents with legal power in the Republic of Moldova. Neither the Rules for the Surface Water Protection from 1991, nor any hygienic regulation on the surface water quality (approved by the Ministry of Health) is included in the Annex of the Decision No. 1030 from October 03, 2005, which means that these documents are nor recorded in the Official Ledger. Annex IV to the same Decision comprises a list of documents subject to reconfirmation and official publication, including the Surface

Water Protection Rules from 1991. The Hygienic Regulation No. 06.6.3.23. from July 03, 1997 has not been comprised by the aforementioned annexes.

At the same time, both the Water Code (No. 1532 from June 22, 1993), Articles 91-96, which includes provisions with respect to water protection against pollution and contamination with petroleum derivatives, chemical substances and other production activity waste; and the Law on Environment Protection (No. 1515 from June 16, 1993), Article 45, prohibit a series of activities contributing to water pollution. Thus, another objective of the draft Regulation is to expel the legislative vacuum existing at present.

At the same time, the Government of the Republic of Moldova has committed itself to approximate the national legislation provisions with the requirements of the key EU Directives in this field. But, in comparison with the equivalent regulations of the EU, currently the Republic of Moldova, overall, applies (unofficially) more rigid standards/norms for the surface water quality intended for the supply of drinking water, fish protection/breeding, and recreation. Concomitantly, the maximum permissible concentration (MPC) of certain parameters for fishing reservoirs is comparable with the Environment Quality Standard (EQS) for the priority substances established by the EU Water Framework Directive.

Also, the current requirements accountable for the surface waters of the Republic of Moldova do not stipulate granting certain grace periods to reach the requirements set forth towards the water quality (MPC), unlike, for instance, the Framework Directive that defines the year of 2015 as the time-horizon necessary to reach a “good status” for the surface and underground waters.

Due to the fact that all surface waters from the Republic of Moldova are viewed as (potential) fishing waters, the water reservoirs/flows, which, in fact, are used for drinking or recreation purposes only, and these have to comply with the MPC for fishing waters, more rigid, provided by the SWPR (1991).

In same context another problem is the fact that the requirements towards the surface water quality according to the aforementioned regulations, comprise a much larger number of regulated parameters, which, as a rule, have to be monitored and assessed. At the same time, only one third of the priority substances established by the DCA are regulated by the legislation of the Republic of Moldova.

The number of truly monitored parameters is pretty small compared to the large number of regulated parameters. Especially, the toxic pollutants are poorly represented in the current monitoring programs, and, of course, are not monitored. Moreover, the main laboratories are not always capable to investigate the monitored micro-pollutants at the

level of the concentration that corresponds to the MPC, due to the fact that the detection level of the available equipment is pretty low.

The overall conclusion is that the Republic of Moldova shall reform its system of requirements in terms of surface water quality and establish a simpler, more practical and more realistic system from the economic point of view, which would comply much more with the EU legislation. The reform relevant components have been included in the draft Regulation. Drafting a Governmental Decision pursues in this regard the goal to ensure stability for the field-related regulation.

The requirements included in the draft Regulation body text will contribute to preventing the unfavorable impact of the surface polluted waters on people's health and on the sanitary, epidemiological and ecological security of the population. Also the requirements will be simpler and compared to those existing.

III. Potential Impacts.

Due to the fact that the surface waters support a series of activities, out of which drinking water supply is the most important, the deterioration of the surface water quality may negatively affect the public health and the country economy. Therefore, ensuring an adequate surface water quality is essential.

Implementing the Regulation requirements would have a direct impact on the water quality. The Regulation will establish the criteria for the surface water protection against polluting, the observance of which will contribute to improving and preserving the water quality as well as the direct water-related ecosystems quality, sustainable water use. Hence, the Regulation implementation will prevent the polluted water negative impacts on the people's health, sanitary, epidemiological and ecological security. As for the human health, we can mention that the Regulation implementation will lead to diminishing the number of diseases caused by the shortage of good quality water or by the available water of poor quality, and reduce the costs incurred for health care.

Improvement of the water quality would contribute to mitigating the production costs of the domestic producers, and, as a result, the products would become more competitive. Following that, the number of job places would be boosted, while the expenses related to supporting the socially vulnerable groups of population would be reduced. The good status of water resources would enable expanding the irrigated areas, thus, having created opportunities to practice organic agriculture as well as opportunities for protecting the environment against pollution with pesticides.

Reaching the water bodies „good status” would establish conditions for preserving the biodiversity, the domestic flora and fauna. Consequently, the water resources good status would have a positive impact on the natural landscapes and beauty spots.

IV. Alternative Options.

Within the regulation impact preliminary analysis, the Secretariat for Assessing the Regulating Impact and the Working Group of the State Commission for Regulating the Business Activity were submitted several tackled options in conformity with the provisions of the Methodology for the Regulating Impact Analysis, as well as their advantages and disadvantages. The table below displays the options proposed and their summary:

Option	Benefits	Costs	Impacts over small and medium-sized enterprises	Distribution issues	Uncertainties
Doing Nothing	No need to allocate financial and human resources.	No need to allocate financial and human resources either by the Government or by the private sector; Increasing the production costs; Maintaining or increasing the social and health protection related costs.	Maintaining the production costs at the current level; Maintaining the labor productivity at the current level;	Lacking a field-related Regulation (legislative vacuum); The inefficient management of the water resources would persist; Continuous deterioration of water resources. Depletion of qualitative water resources in the future;	-
Awareness Campaigns to promote observance of the previous requirements.	Increasing the level of population awareness;	Lower costs for the Government;	Enhancing the level knowledge in the field of water protection;	Lacking a field-related Regulation (legislative vacuum);	The campaigns may have a non-substantial and short-term impact;

Option	Benefits	Costs	Impacts over small and medium-sized enterprises	Distribution issues	Uncertainties
			<p>Uncertainty with respect legislative requirements;</p> <p>Uncertainty with respect to the results of the campaigns and their sustainability;</p>	<p>High probability that the inefficient management would persist;</p> <p>High probability that continuous deterioration of water resources would persist.</p>	<p>It would be impossible to implement the Water Law provisions, especially the accomplishment of its objectives;</p> <p>Impossibility to implement rules on surface water classification;</p>
Enforcement of the previous requirements.	No major changes in the legislation are required;	Partial approximation with the EU standards;	<p>More severe requirements towards the users;</p> <p>Increasing the existing costs;</p>	Impossibility to efficiently plan the monitoring policies and programs;	<p>Substantial costs for the users of water to observe the requirements, ending, as a rule with failure.</p> <p>Reducing the efficiency of the surface water monitoring process due to a large number of parameters.</p>
Regulation approval	<p>Regulation implementation will improve the water quality.</p> <p>Regulation implementation will diminish the incidence of diseases caused by the usage of</p>	<p>Increasing the state budget and the local public authority budget expenditures;</p> <p>Expensive process of</p>	<p>Reducing the production costs;</p> <p>Increasing the labor productivity level;</p>	-	<p>Shortage of financial resources;</p> <p>Implementation inconsistency;</p> <p>Fluctuation of the personnel of</p>

Option	Benefits	Costs	Impacts over small and medium-sized enterprises	Distribution issues	Uncertainties
	<p>poor-quality water;</p> <p>The environment status will be improved;</p> <p>Preserving and developing the existing ecosystems dependent on water quality;</p> <p>Increasing budget revenues;</p>	<p>approximation with the new requirements;</p>	<p>Increasing the number of economic activities involving water usage;</p>		<p>the authorities in charge for implementation;</p> <p>Tardy approximation;</p>

IV. Implementation

Implementing the water quality criteria requires budget allocation at the expense of the state budget and of the local public authority budgets, related especially to the construction of the infrastructure necessary to purify the waters and implement adequate technologies to bring the public services in line with the established requirements. In particular, these expenses will be related to additional investments in constructing and upgrading the existing stations of water purification. Other possible expenses are related to the construction of the drinking water supply infrastructure.

Likewise, it would be necessary to appropriate resources with the purpose to adjust the monitoring program to the Regulation provisions after its approval.

As for the adjustment costs to be incurred by the individual users in order to comply with the new provisions, the former will be minimal or there would be no costs at all because the requirements to be developed will not be as rigid as the ones applied up until 2005 and applied at present on a voluntary basis.

Some additional administrative resources will be required, including the ones for strengthening the surface water capacities and monitoring, which are inevitable in order to ensure the fulfillment of the Regulation provisions.

The main types of implementation expenses and their amounts are displayed in the table below:

No.	Activity	Expenses (thousand Moldovan Lei)	Expenses Bearer
1.	Investments in the infrastructure to approximate with the new requirements.	--	State Budget/local public administration budgets
2.	Upgrading the water purification equipment.	70,000	State Budget/local public administration budgets
3.	Strengthening the capacities of the authorities in charge, including the provision of high performance equipment and setting up the monitoring network.	2.000	State Budget
4.	Implementing the monitoring programs.	500 ¹	State Budget
5.	Adjustment costs for industrial and household users.	--	Private sector
6.	Administrative costs incurred during the quality monitoring process.	--	State Budget
7.	Total expenses	72,500	-

VI. Performance Indicators.

¹ Anually.

The Ministry of Ecology and Natural Resources and the Ministry of Health shall monitor and assess the Regulation implementation process. The State Ecological Inspectorate and the State Sanitary and Epidemiological Service are the public authorities directly responsible for implementing the Regulation provisions.

The monitoring of the implementation process will be carried out based on the following performance indicators:

- The water quality at the monitoring points;
- Number of monitoring points;
- Number of water bodies included in the Water Cadastre;
- The quality of the discarded waters;
- Costs incurred for water monitoring;
- The number of cases of failure to observe the requirements established;

VII. The date of Regulation entering into effect and its term of action.

The Regulation on Surface Water Protection against Pollution shall become effective on the date of its publication. The term of action is unlimited because the activities aimed at surface water protection against pollution require continuity, so that the performances accomplished are sustainable.