



From ESG frameworks to responsible investment: financial materiality in the Republic of Moldova through the lens of EU Experience

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Research objectives:



To analyze the conceptual framework of responsible investment.

To examine the influence of EU experience and international ESG frameworks on the development of responsible investment practices in the Republic of Moldova.

To analyze key indicators related to sustainable finance and responsible investment in the European Union, Romania and the Republic of Moldova.

To identify the main external pressures driving ESG integration in Moldovan manufacturing enterprises.

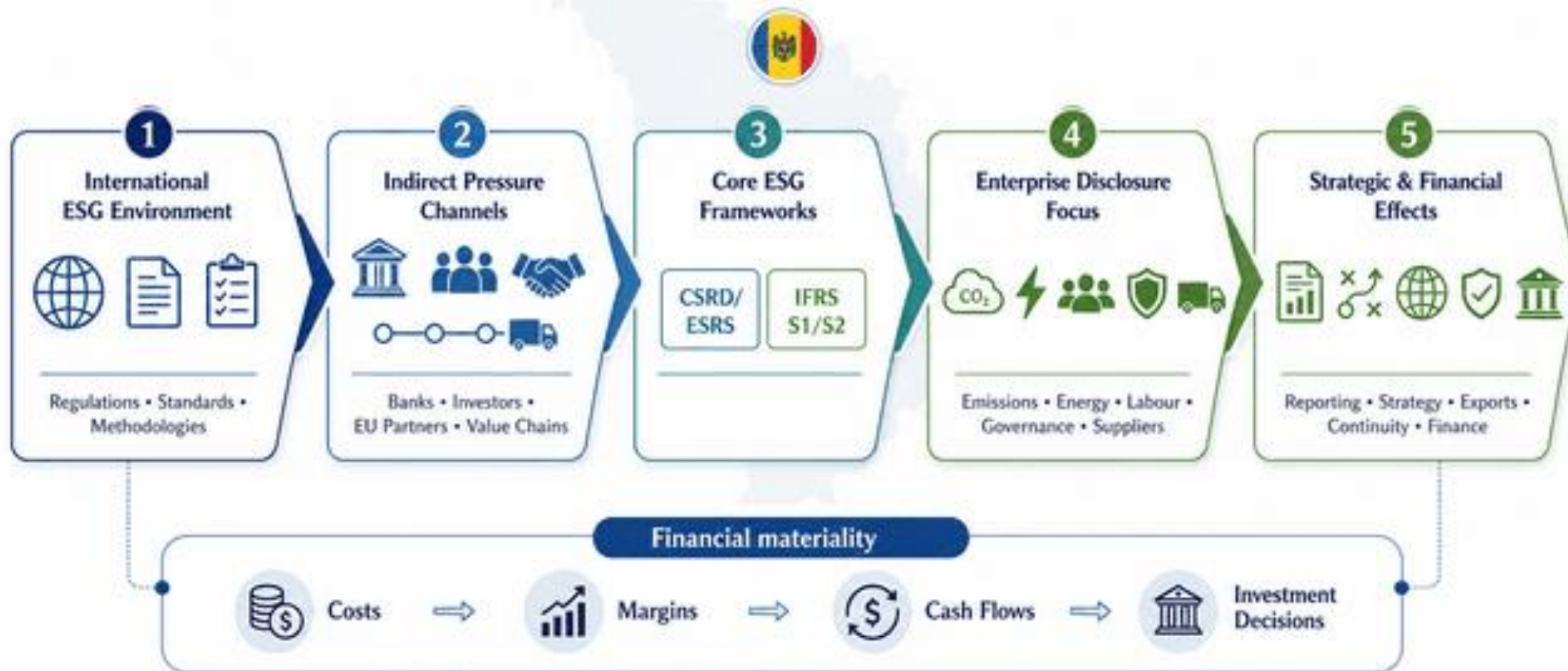
To evaluate the mechanisms through which responsible investment may influence the performance and resilience of manufacturing enterprises.

To compare the level of responsible investment development in the Republic of Moldova with Romania's experience.

Drivers and functions of responsible investment in the Republic of Moldova



Responsible investment and ESG in the Republic of Moldova: drivers & constraints



ESG frameworks and financial implications for Moldovan manufacturing enterprises



The main mechanisms influence of responsible investment on financial performance

Cost reduction: in manufacturing, investments in energy efficiency, waste reduction, cleaner technologies and resource optimization may reduce production costs over time.

Risk reduction: ESG-oriented enterprises may be better prepared to identify environmental risks, labor risks, governance risks and supply-chain disruptions

Investment attractiveness: responsible investment can increase the confidence of investors, development institutions and business partners by improving the transparency and credibility of enterprise information

Export adaptability: manufacturing enterprises that operate in or near European value chains may need to provide ESG-related information to maintain or expand access to external markets

Improvement of corporate governance: responsible investment requires better internal control, clearer allocation of responsibility, more reliable reporting and greater accountability



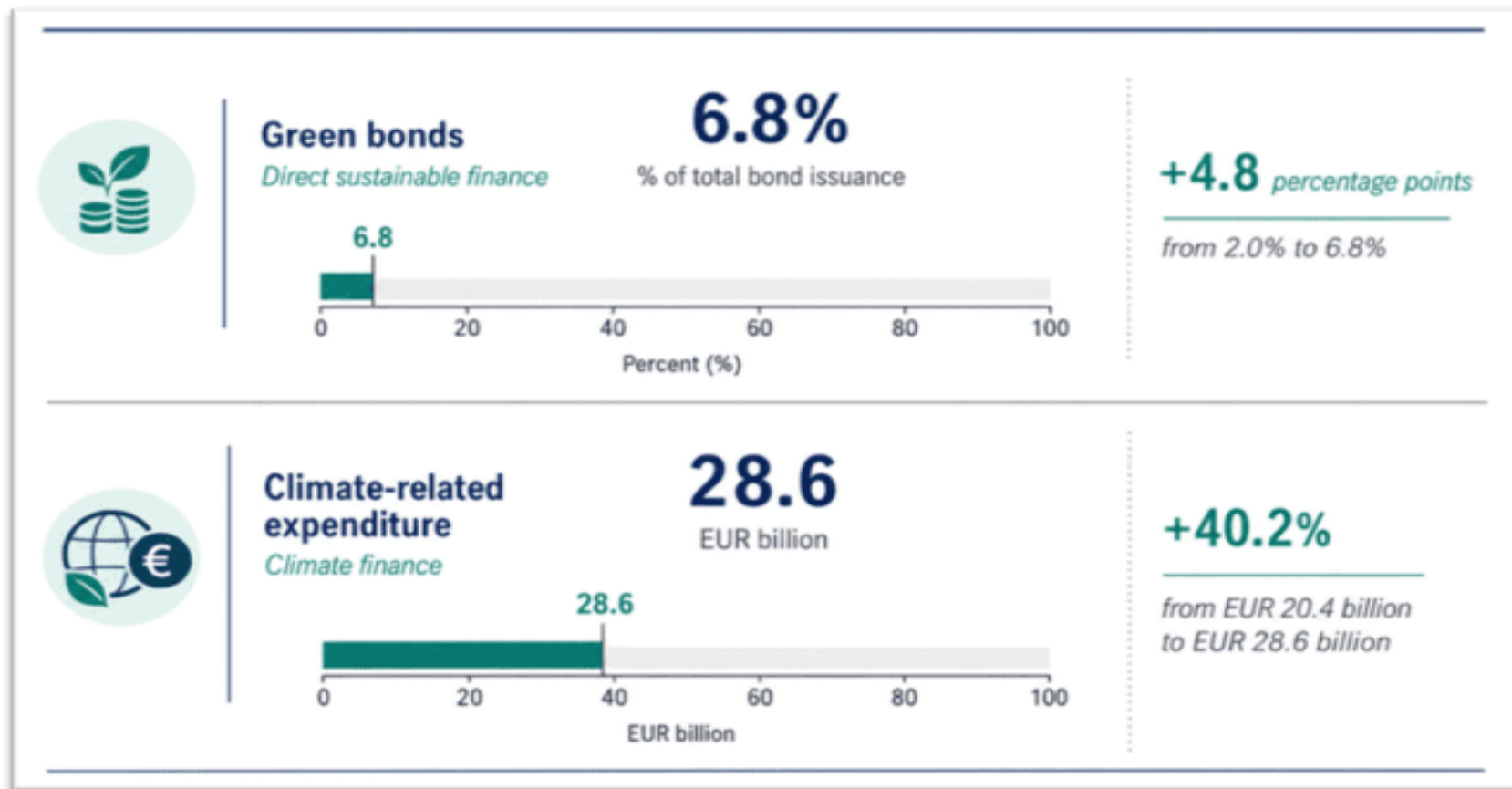


Figure 1. Responsible Investment Indicators in the EU, 2023

Source: Elaborated by authors based on Eurostat data

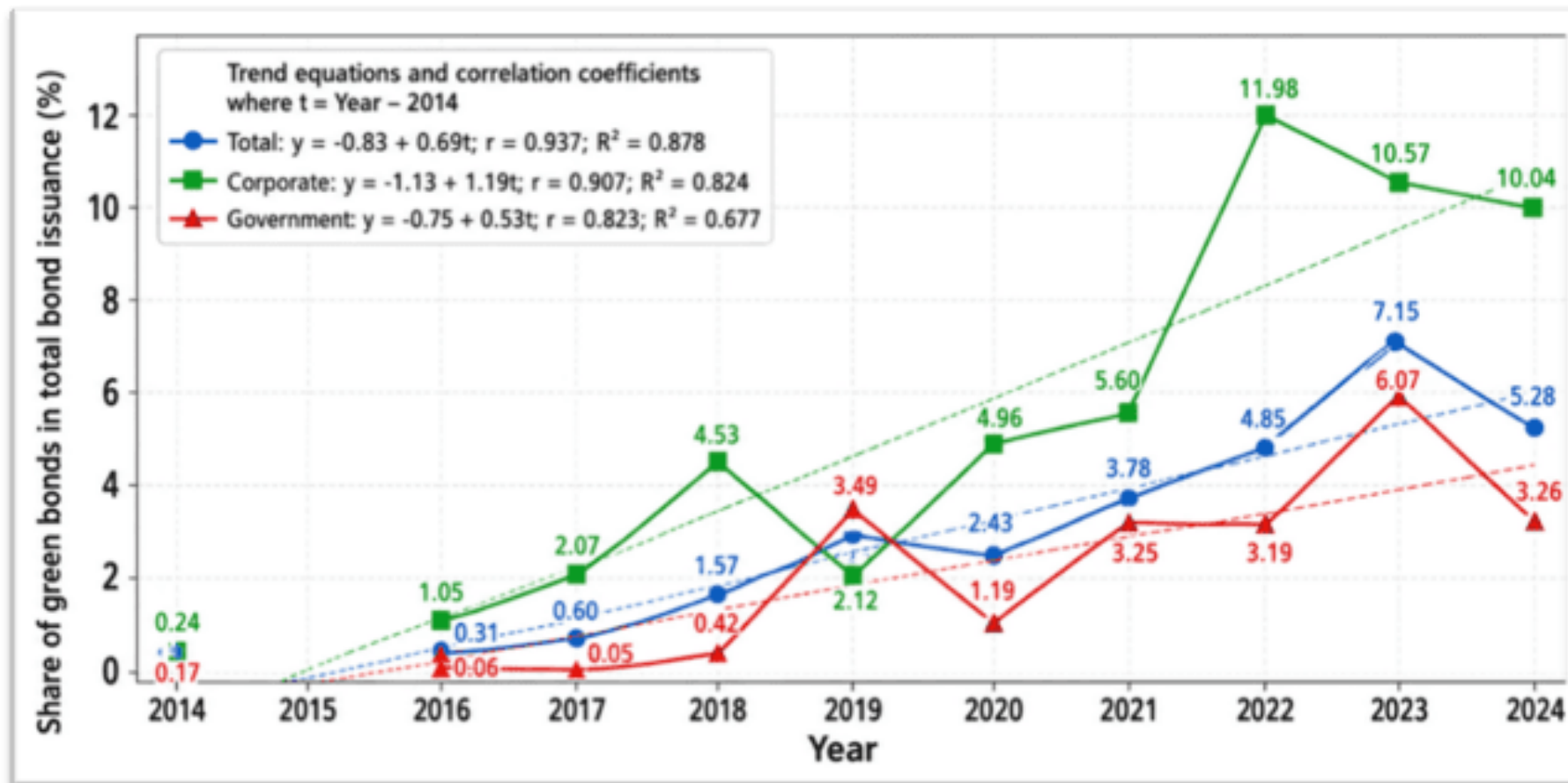


Figure 2. Dynamics of green bond issuance by issuer type in EU-27, 2014–2024

Source: Elaborated by authors based on Eurostat data

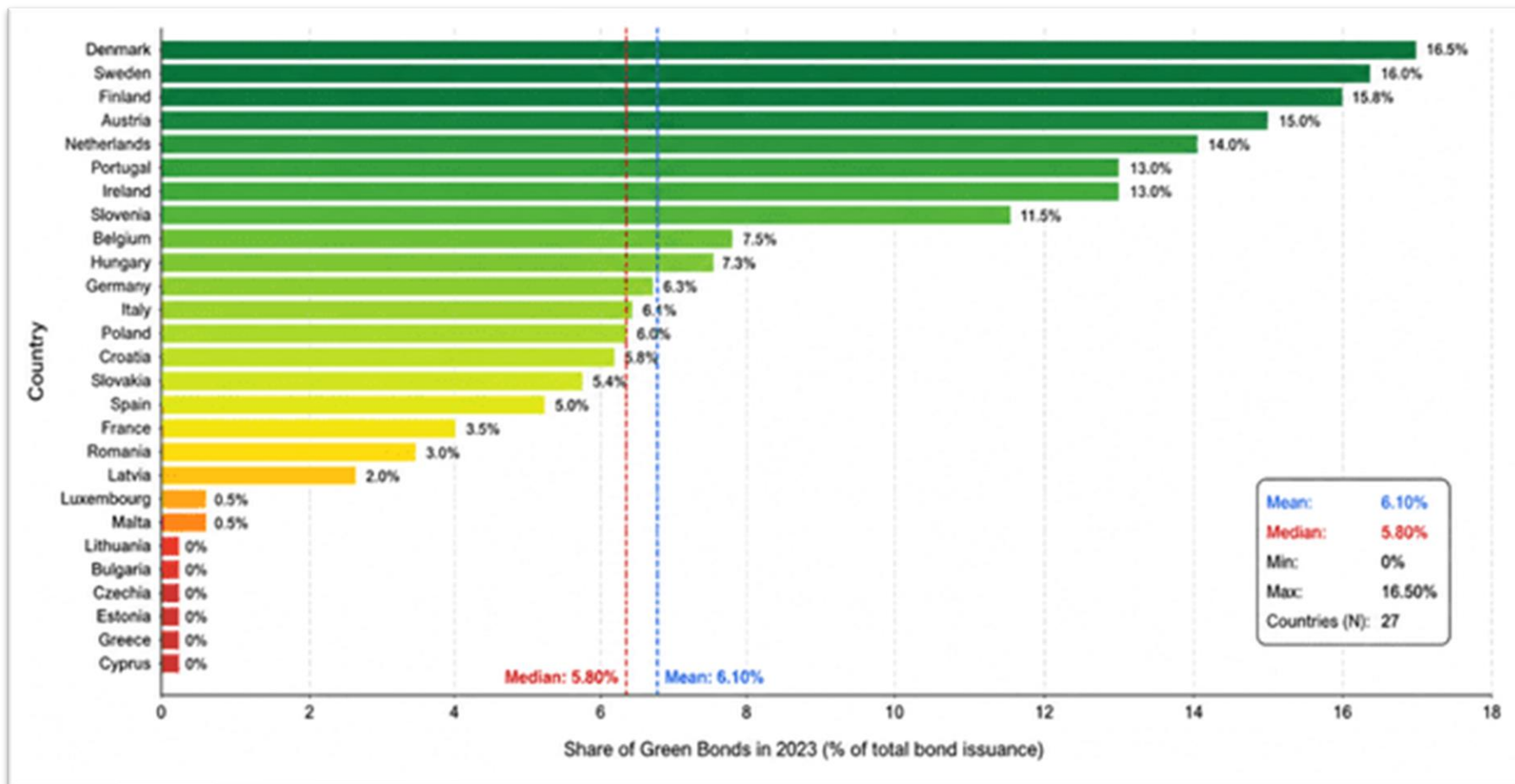


Figure 3. Share of green bonds in 2023 as a percent of total bond issuance by country

Source: Elaborated by authors based on Eurostat data

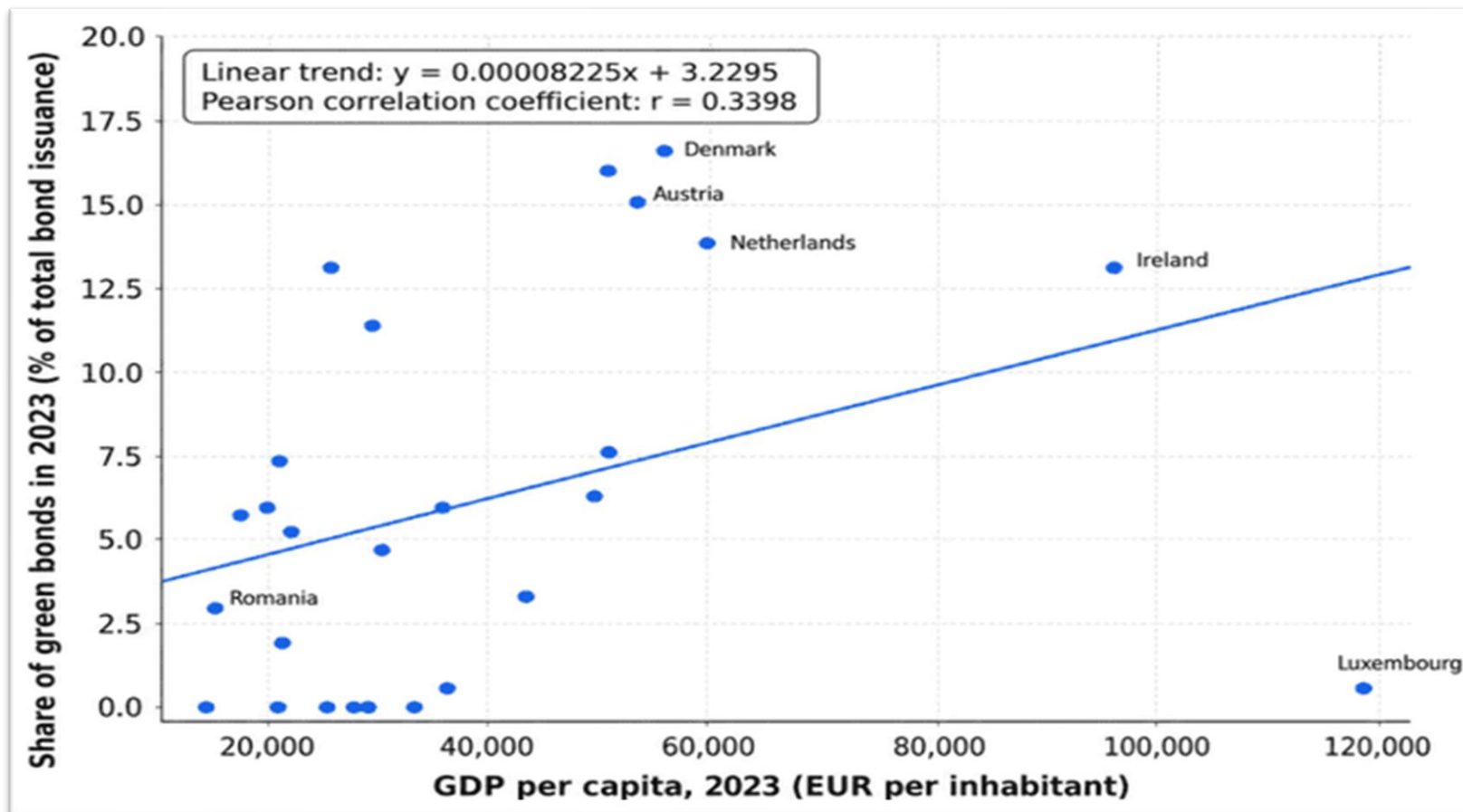


Figure 4. Relationship between GDP per capita and the share of green bonds in total bond issuance across selected EU countries, 2023

Source: Elaborated by authors based on Eurostat data

Comparative overview of green finance instruments and sustainability-related financial development in Romania and the Republic of Moldova

Criterion	Romania	Republic of Moldova
Stage of development	Practical implementation of instruments	Formation of institutional foundations
Green bonds	7 issuances, EUR 8.1 bn in 2024	Market not yet formed
Green loans	RON 5.7 bn by September 2024	No comparable statistics available
ESG reporting	Developing under CSRD / EU practices	Preparation & adaptation stage (SMEs)
Renewable energy	25.8% (2023); target 38.3% by 2030	20.8% (2024); target 27% by 2030
Main driver	EU regulation, capital markets, banks	NBM roadmap, energy security, donors
Main limitation	Slow fund absorption, reform pace	Lack of mature financial instruments & data

Responsible investment and ESG in the Republic of Moldova: drivers & constraints





- Responsible investment in the Republic of Moldova is still at an emerging stage and should be interpreted as a developing institutional and financial mechanism rather than as a mature market practice.
- For Moldovan manufacturing enterprises, ESG integration is becoming economically relevant mainly through external pressure.
- Responsible investment should not be reduced to ethical or reputational considerations, because its main value lies in its connection with financial materiality.
- The most realistic short- and medium-term benefits for Moldovan manufacturing enterprises are related to energy efficiency, risk reduction, improved governance, transparency and export readiness.
- The comparison with Romania confirms that Moldova should not mechanically copy more advanced ESG markets, but should adapt responsible investment tools to its own institutional and economic context.
- The success of responsible investment in Moldova will depend on the interaction between external institutional pressure and internal managerial capacity.

Thank you for your attention!

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