

Bulgaria goes 'green'?

Bulgaria's energy sector suffers from deep governance and security challenges, which hold the first pages of the mainstream media in the past year with stories of fraud, nepotism and political corruption. The urge for action to transform the sector's governance and open up markets for competition has been growing louder in the face of shrinking resources and increasing demands from different lobbies. The EU green policies and funding have been one of the precious few anchors, which the Bulgarian government should use to diversify its energy sources and liberalize its markets. Can the Bulgarian government really deliver for the benefit of its citizens?

Recently, the Bulgarian government released its National Plan for the Achievement of Renewable Energy Sources (RES) target. The document maps out directions and means for attaining 16% of final energy consumption of RES by 2020, a requirement prescribed by the EU energy directives and the Energy-Climate Policy package of 2007. The last-minute haste over submitting the plan on time, which comes on top of a freeze of RES projects construction and the exclusion of the country from the international emissions trading puts the capacity of the public administration for the actual implementation under question. A reference scenario, elaborated in the Draft Energy Strategy proposed last month by the government, suggests that Bulgaria can achieve its "green" goals by 2020. The paper of the Center for the Study of Democracy (CSD) *The Green Element in the Sustainable Energy Policies of Europe* acquaints the public with the comprehensive but sometimes over-complicated framework of EU green legislation for sustainable development of the union and what it entails for Bulgaria's energy future.

Summary of EU Green Legislation on Energy

EU Energy Legislation	General	Energy Policy		
		Market-based Instruments		
		Financial Instruments		
		Research and Innovation		
	Green Policies	Energy Efficiency	Policy Orientations	
			Delivering Energy Efficiency	
		Renewables	Policy Orientation	
			Electricity	
			Heating and Cooling	
			Biofuels	
		Nuclear Energy	Euratom	
			Nuclear Research and Development	
	Nuclear Safety			
	Nuclear waste			
	Market Policies	Internal Energy Market	Competitive Internal Market	
			Interconnected Internal Market	
Public Procurement				
Security of supply / External Dimension		Taxation		
		Security of Supply		
		External Dimension		
		Enlargement		

Prominent challenges of implementing EU's green regulations still lie ahead for all stakeholders in Bulgaria: (1) the government needs to enforce all Community legislation into an effective action, getting dirty money and big

lobbyist keen on state preferences out of the way; (2) the business needs to transform and reform basic patterns of its energy production and consumption to meet rising energy prices; and (3) the households and private consumers should take their responsible role in the process of adopting a more environment-friendly consumption behavior being ready to swallow higher prices but also demanding higher transparency.

Against this backdrop, The Bulgarian government should prioritize a plethora of issues related to EU's green policies and regulations:

- Speedy adoption of the two strategies concerning sustainability – the national energy strategy and the national strategy for sustainable development. Bulgaria is the only EU member state that lacks both;
- Adequate inclusion with the highest priority level of the EU 20-20-20 target in the national energy strategy and energy policies. Failure to achieve the set national targets will entail Community sanctions and obligatory purchase of insufficient quantities of renewable energy and CO2 emissions reduction;
- Improving governance in the Bulgarian energy sector. The transition to low carbon economy with the need for preferential treatment, licensing and quota distribution can easily lead to a large volume of abuse, including political corruption, vulture investment and criminal money entering green sectors;
- Improving energy efficiency and carbon reduction performance. According to CSD findings the Bulgarian energy intensity and carbon performance scores low compared to its fellow EU member states.

Other reports and materials of the Center for the Study of Democracy on good governance in the energy sector:

[Policy Brief No 23: Energy Efficiency in Bulgaria: The Case for Market-Based Approach and Transparency](#)

[Policy Brief No 19: Energy Strategy of Bulgaria 2020: A Better Governance Perspective](#)

[Policy Brief No 18: Better Governance for Sustainable Energy Sector of Bulgaria: Diversification and Security](#)

[Policy Brief \(published jointly with The Atlantic Council\) March 2010: The Energy Sector of Bulgaria](#)

[Media Note: Exposing Bad Governance in the Energy Sector: Reinventing the Wheel?](#)

[Charticle: Copenhagen 2009: Outliers among CO2 Emitters: Choose your Pick](#)

[Charticle: Are Bulgarian consumers willing to pay for clean energy?](#)

Annual Policy Report to be released in September 2010: Energy Sector Good Governance: Problems Challenges and Possible Policy Solutions Options

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Established in 1989, the Center for the Study of Democracy is a Bulgarian multi-disciplinary think tank covering a broad range of interrelated development issues. CSD is a non-partisan, independent organization fostering the reform process in Bulgaria through impact on policy and civil society. CSD objectives are:

- *to provide an enhanced institutional and policy capacity for a successful European integration process;*
- *to promote institutional reform and the practical implementation of democratic values in legal and economic practice;*
- *to monitor public attitudes and serve as a watchdog of the institutional reform process in the country;*
- *to strengthen the institutional and management capacity of NGOs in Bulgaria, and reform the legal framework for their operation.*



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