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Bulgaria's Green Deal U-turn

Article by Maria Mateeva Kazakova March 31, 2023

Ahead of yet another general election, Bulgaria's commitment to the European Green Deal is on the line. Key political players support reversing the country's coal phaseout and the way forward is unclear.

In January, the Bulgarian Parliament adopted a resolution requiring the government to submit an important modification of the National Recovery and Resilience Plan. Instead of working towards achieving its commitment to cut the CO2 emissions from electricity by 40 per cent by 2025 (comparing to the 2019 levels), the government will try to renegotiate the national targets. The reason behind it is the ambition to extend the operation Maritza Iztok coal power plants up to 2038.

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The resolution was endorsed by the MPs under the pressure of significant social movements. Thousands of coal miners and energy workers protested in front of the Parliament ahead of the vote. In total, 20,000 people will lose their jobs as a result of the closure of the coal plants. Most of these people live in the central Bulgarian city of Stara Zagora (7319), as well as the cities of Radnevo (3347), Galabovo (1717), Nova Zagora (1188), and others. The average age of the workers is 45 years old and 27 per cent of them hold a university degree.

Many experts are concerned that the closure of the coal industry in Stara Zagora will imply a deep social crisis. The coal industry generates local tax revenues that help to support crucial sectors such as social services and education. Their closure will also dramatically affect the demographic characteristics of the region. Most families will prefer to search for jobs in Sofia or abroad. The closure of the power plants will affect the entire Bulgarian economy. The estimated rise in energy prices will be around 35-40 per cent.

Bulgaria was among the last European Union member states to submits its Recovery and Resilience plans and will be among the first ones to request an amendment. The total amount of the support allocated to Bulgaria is 6.3 billion euros in grants. If the amendment is approved by the European Commission, the country will lose significant funding.

Unending political crisis

The decision to push back the coal phaseout was taken in the context of Bulgaria's deep political crisis. Bulgaria has been in a cycle of recurrent parliamentary elections (four in a row) during the last two years. Bulgaria is currently governed by a technical government.

The attempt to extend the life of coal plants is inseparable from the political insecurity of national political

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players trying to prepare their re-election during the next vote. The energy crisis, job losses and the role of Russia as a key energy supplier have made energy and the coal plants a central part of the electoral campaign. The vote is scheduled for 2 April. All the key political players support their extension.

The two coalitions leading the polls for the elections GERB-SDS (Citizens for European Development of Bulgaria and the Union of Democratic Forces) and PP-DB (We Continue the Change and Democratic Bulgaria, which includes the Greens) supporting the extension of the life of the coal power plants. Their leaders and former Prime Ministers Boyko Borissov (GERB – SDS) and Kiril Petkov (PP-DP) are even fighting over who promised that the plants who be closed. Both now support the re-negotiation of the deadline for closure. At the same time, the Bulgaria Socialist Party and the pro-Russian nationalist party Varzrajdane also favour the extension.

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A difficult but necessary transition

Bulgaria's Recovery and Resilience Plan devotes 59 per cent of its total allocation on measures relevant to EUs climate objectives. Among them is setting out a framework for the coal phase-out, now under threat.

Crucial investments are planned to accelerate the decarbonisation of the energy sector, increasing power generation from renewables by 300 per cent by 2026, constructing large electricity storage capacities, and cutting greenhouse gas emissions of the power sector by 40 per cent by 2025. The plan also includes help for energy-efficiency renovation of the building stock and promotes sustainable transport. Important steps are envisaged in the field of water management and biodiversity conservation and restoration.

The possible U-turn is even more problematic in the light of Bulgaria's general approach of the country to the CO₂reduction targets. The Bulgarian National Energy and Climate Plan 2021-2030 is based on a "Walk now, Sprint later" approach. The plan does not offer a strong foundation for a transformational policy roadmap until 2050. It relies on assets in coal and natural gas. Both of which have a projected 18 per cent share in the total energy mix projections for 2030. In addition, it prioritises megaprojects such as Belene Nuclear Power Plant and the Turkish Stream gas pipelines as strategic elements of emissions reduction policy.

Kicking the can

Bulgaria's political leaders seem leaving the unpopular decarbonisation decisions to future policymakers. Bulgaria has been ruled by a technical government since inconclusive elections in October 2022. Prime Minister Galab Donev was nominated by the President Roumen Radev. The technical government is focused on a day-to-day management without initiating structural reforms. It is a pattern seen throughout the last 10 years.

Since 2014, four out of seven governments were technical. This vacuum has left many crucial issues without a response. According to the polls, the next elections will not help to overcome the crisis. They

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will not end up with a clear political majority or a new potential viable coalition. PP-DB and GERB-SDS are both polling around 25-26 per cent. The ethnic minority party, Movement for Rights and Freedoms, is polling around 13-14 per cent, just ahead of the nationalist pro-Russia party Vazrajdane. The socialist BSP is somewhere below 10 per cent.

Bulgaria is not an exception in the region. The Polish government was among the main opponents of the adoption of the European Green Deal. The public support for climate policies is weaker across central and eastern Europe in comparison to the rest of the EU. The reasons are sense of lesser historical responsibility, lower economic development, and the structure of most central and eastern Europe countries' energy mixes. According to a 2020 survey, 73 per cent of people in southern Europe believe that climate change is a "very serious" threat, only 47 per cent share the same opinion in eastern Europe.



Maria Mateeva Kazakova has extensive consultancy experience. She has undertaken assignments for the European Commission (DG MOVE, DG Connect, DG Grow), the European Parliament, the Council of Europe, different Agencies of the European Union (INEA, EASME, ERCEA) and others. Before that she was an Advisor to the Chair of REGI Committee at the European Parliament. Maria is a GLG Council Member and former Consultant at the Centre for Strategy and Evaluation Services in London. She holds a PhD in Political Science (First-Class Honours distinction) from Paris Sorbonne-University (Paris II Pantheon-Assas).

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