

The figure comes from government numbers seen by EURACTIV Bulgaria, which are yet to be presented to the European Commission. Bulgaria says it needs €33 billion to start meeting the main goals of the EU Green Deal over the next 10 years.

Replacing coal with nuclear energy

The Commission is pushing for a more ambitious target of cutting CO2 emissions by between 50% and 55% compared to 1990. Bulgaria insists it will not accept a target that is higher than the current 40%.

Bulgaria is on track to be one of the most severely affected by the decarbonisation of the EU economy. The Eastern European country accounts for 7% of the coal used in the EU and 8% of the jobs in the EU's coal sector.

The transition from coal to alternative fuels alone is estimated at more than €20 billion over the next ten years.

Although the document does not explicitly mention it, Sofia has included in that sum the construction of the Belene Nuclear power plant. Projected costs top approximately €10 billion.

One of the ways to make it competitive is for Bulgaria to receive a capital injection from Brussels. However, even the most optimistic forecasts do not predict the plant to become operational before 2031.

But new EU funding instruments like the Just Transition Fund, as well as the European Investment Bank's updated energy lending policy preclude nuclear from eligibility criteria. In its position paper, Bulgaria explicitly emphasises that it will continue to use atomic energy and is considering the construction of new facilities.

Sofia was very slow in developing its position on the Green Deal goals. Sources familiar with the negotiations told EURACTIV that the government was unprepared until the end of last year. However, some progress in data collection and adopting a position has been visible recently.

"With more data coming from the other sectors of the economy affected by the overall transition to a low carbon economy, the effects [of the Green Deal] on the economy could be much more significant," Bulgaria states in its position.

The Commission estimates indicate that an additional €260 billion a year will be needed for the EU's long-term climate and energy targets to be met. Cohesion funds are not included in these estimates.

The price of coal

Around 8,800 people are directly involved in coal mining in Bulgaria, while those indirectly affected are estimated at over 94,000, with social costs at about €600 million per year. The amount of €33 billion needed for the Green Deal is half of Bulgaria's GDP. If the investment pace is steady, in order to complete the Green Deal, the government will have to spend 5% of the country's GDP each year.

The water sector is also a major problem. More than €3 billion is needed to meet the minimum requirements of the European Urban Waste Water Treatment Directive. Improving air quality will cost at least €1.7 billion, while the government acknowledges that the sum could be much bigger.

The necessary investments needed for waste management by 2027 are estimated at €500 million.

Approximately €2.35 billion is also needed for social adaptation. Increasing the energy efficiency of old buildings will cost an extra €2.5 billion by 2030.

Red lines

Bulgaria will support the long-term objective of achieving carbon neutrality in the EU by 2050.

But the country has reservations about the proposal to include certain transport modes and buildings in the Emissions Trading Scheme (ETS), labelling the idea as "extremely unfavourable".

The Mobility Package is also included in Bulgaria's "green" arguments. Sofia insists on dropping the legislative proposal which requires empty trucks to return every month to the country of registration.

"As a member state with a low GDP, raising the intermediate target will have a serious negative impact not only in economic terms, given the need for drastic investments, but also in social terms," the position on the Green Deal states.

Sofia insists that pushing for the completion of the Green Deal at any cost with insufficient financial compensation will jeopardise "energy security, geopolitical positions and would pose serious competitive challenges even at the local level".

As Bulgaria is located at the EU's external borders, issues related to competition from the outside seem serious. The cement industry is already exporting its production to North Macedonia and Turkey, while ammonia production is already experiencing serious difficulties due to its low cost in non-EU countries.

Most energy-intensive industries in Bulgaria are already using natural gas while cement plants use biomass and waste, meaning that their emission reduction capabilities are

technologically limited.

Compensations

Within the framework of the Just Transition Fund, the funding for Bulgaria is foreseen at 6.1% of the budget, or €458.2 million. The ETS Modernisation Fund will also complement the wider Just Transition Mechanism.

That additional €14 billion from the Modernisation Fund will be directed towards low carbon investments in the ten beneficiary countries - Romania, Bulgaria, Hungary, Latvia, Lithuania, Estonia, Czech Republic, Poland, Slovakia, and Croatia by 2030.

Source: euractiv.com