



Weekly Briefing

Bulgaria external relations briefing:


**BULGARIA AND RUSSIA - BETWEEN TRADITIONAL
FRIENDSHIP, STRATEGIC INTERESTS AND POLITICAL
TENSIONS**

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BULGARIA AND RUSSIA - BETWEEN TRADITIONAL FRIENDSHIP, STRATEGIC INTERESTS AND POLITICAL TENSIONS

Within only this month two high level visits marked the current development of the relations between Bulgaria and Russia. On 25th and 26th of June, a Bulgarian parliamentary delegation, led by National Assembly President Tsveta Karayancheva visited to Moscow. A few weeks ago between June 6th and 8th, Bulgarian president Rumen Radev also visited the Russian Federation to take part in the St. Petersburg International Economic Forum and within the forum he had meeting and talks with Russian President Vladimir Putin. Only several months ago, in the beginning of March Russian Prime Minister Dmitry Medvedev made an official visit in Bulgaria and had talks with Bulgarian Prime Minister Boiko Borisov as well as with Bulgarian President Rumen Radev. To this should be added the fact that just an year ago, in May 2018, Bulgarian President and Prime Minister as well had working visits to Russia. After that another Ministerial Meeting took place in October last year at the Asia-Europe Summit in Brussels.

What all this activity in the bilateral relations between Bulgaria and Russia shows and what is the light motive in all this meetings and talks.

During the most recent visit of the Speaker of the National Assembly Tsveta Karayancheva, Bulgaria highlighted that Russia is an important partner of Bulgaria in the energy sphere, which holds a leading position in bilateral relations. Karayancheva pointed out that there is great potential for deepening bilateral energy relations between Russia and Bulgaria as long-standing partners. For the first time, the Speaker of the Bulgarian Parliament speaks to the representatives in the upper chamber of the Russian Parliament. Tsveta Karayancheva specified that energy cooperation should be continued in line with the principles – expedience, competitiveness, transparency, security of supply and market-based price. She noted also that Bulgaria is pursuing a policy aimed at ensuring energy security for the country as well as for the European Union. In this framework it was highlighted that Bulgaria supports the possibility of passing a branch of the so called "Turkish Stream" energy infrastructure project through the territory of Bulgaria in the context of the creation of the Balkan regional gas hub. According to Karayancheva „*This will achieve a real diversification of gas supply and competitive prices*". The Bulgarian position is that it does not object to any project that is in line with current European legislation, contributes to the security of supply and the goals of the Energy Union and is economically justified.

Another accent that Bulgarian delegation did in its statements was that the cooperation between Bulgaria and Russia in nuclear energy deserves a careful, responsible and in-depth discussion as well.

Another point of Bulgaria was that as a full member of the European Union and NATO it could help to develop the dialogue of these two organizations with the Russian Federation.

During the Bulgarian president Rumen Radev's visit and his talks to Russian President Vladimir Putin Bulgarian head of state stressed that Bulgaria is a member of the EU and NATO but this does not exclude the development of vigorous relations with the Russian Federation and again highlighted the fact that Bulgaria and Russia are strategic partners in the energy sector and have the potential to deepen this cooperation.

Furthermore, Bulgarian president pointed that "we already acquired two Russian-made (nuclear) reactors, which means that Russia has a place in the construction of the future nuclear power plant, regardless of who wins the strategic investor tender [for the Belene N-plant project]". He added that there is a longstanding partnership in natural gas supply and transit between the two countries so Bulgaria will continue to modernize and expand its gas transmission network and has plans to build a gas distribution center, a gas exchange, while the construction of gas interconnectors with our neighbors has already started.

President Vladimir Putin also confirmed that the relations between Russia and Bulgaria are gradually being restored, adding that the reserves for activating them have started to be utilized and on its turn agreed that Bulgaria can deepen its strategic partnership with Russia in the field of energy, but to this end, concrete conditions have to be met, among which the projects are profitable for both countries.

During Medvedev's visit in Bulgaria the energy project called "Turkish Stream" and the NPP "Belene" were the most important topics of all meetings and talks to the Bulgarian government but Russian prime minister also pointed out that that the gas project could only be realized with guarantees at the level of the European Commission.

All this dynamics of the bilateral relations between Bulgaria and Russia shows that since the last two years they are gaining momentum and Bulgarian government is trying to find a way to maintain though very difficult balance between the duties of Bulgaria coming out of its membership in EU and NATO and its quite difficult and problematic relations with the Russian Federation due to many political, ideological and economic reasons.

What stands behind the current positive dynamics of the relations between Bulgaria and Russia? It is more than clear that one of the most delicate and complicated directions in the Bulgarian foreign policy is exactly the relations with Russia. This year both countries mark an anniversary of 140 years of Establishing Diplomatic Relations. Both Bulgaria and Russia have

deep historical and cultural ties. Traditionally in the Bulgarian society there is a very strong sentiment toward Russia since it is the country that stands behind Bulgaria's liberation from Ottoman rule. In 1945 Bulgaria became part of the Soviet sphere of influence and It was known as the most faithful Soviet ally within the socialist bloc. Bulgaria was industrialized and modernized with the help of the Soviet Union. Both countries share Slavic heritage, a linguistic, cultural, religious and historic affinity. All these encouraged Bulgaria's close approximation with Russia during all that time of bilateral relations even after the collapse of the Soviet Block.

At the same time foreign policy reorientation of Bulgaria after the end of the Cold war was motivated by the attractiveness of the Euro-Atlantic model and the weakness of Russia under Yeltsin's rule. Even more, the accession of Bulgaria to NATO and the EU led to a quite complicated situation and calls for a measured, pragmatic approach in Bulgaria-Russia bilateral relations as well as the pursuit of a level-playing field in energy and trade negotiations, especially in light of Bulgaria's dependencies on the Russian Federation. Bulgaria has also tried to position itself as a strategic bridge between East and West on matters of energy, security, conflict mitigation and resolution in the EU's neighborhood.

Though not explicitly pro-Russian, the political mainstream in Bulgaria tries to reconcile a firm pro-EU and pro-NATO stance with maintaining friendly relations with Russia. For example Bulgaria sees sanctions over Russia as an obstacle for its own economy, but in the past few years it became more aware of threats posed by Russia to the rest of Europe.

So as it has been seen by the main topics in the agenda of the most recent meetings and talks on a high level between Bulgaria and Russia, one of the most important issues regarding the relations between both countries refers to the fact that Bulgaria is highly dependent on Russian fossil fuels. Bulgaria is dependent on Russia for 90% of its natural gas consumption and three-quarters of its primary energy resources. Dependency is exacerbated by the infrastructure of Soviet design and restrictive long-term energy transmission contracts. In the last 15 years this has caused a series of problems: in 2006, Bulgaria was forced to renegotiate its supply contract with Gazprom earlier and on less favorable terms, and in 2009, its gas supply was cut off in the Russia-Ukraine dispute. Russia sought to solidify control through projects such as the proposed "South Stream" gas pipeline, "Burgas-Alexandroupolis" oil pipeline, and nuclear power plant at Belene. While initially cooperative, Bulgarian government eventually rejected all three projects (citing the EU's Third Energy Package, environmental regulations and lack of interest from investors) which led to tensions in the bilateral relationship between Bulgaria and Russia. For a long time Bulgarian government remained dedicated in following EU guidelines and rejected all Russian energy projects. The South Stream project was cancelled by Bulgaria following pressure from the European Union and the United States. The final

decision to stop the project was announced in June 2014 by the Bulgarian authorities following the visit of US Senators John McCain, Chris Murphy and Ron Johnson. The project, which was officially agreed in 2012, was seen as an important step towards energy security for Europe, as it would bypass politically unstable Ukraine.

But meanwhile the Bulgarian public and the country's major political parties regret the deterioration of Russo-Bulgarian relations since 2009, when, as it was already pointed out, under Western pressure, Sofia withdrew from almost all of its joint projects with Moscow. These moves yielded no tangible benefits for Bulgaria and even had some adverse effects. This way we came to the point that for the last two years, calls for a more pragmatic and self-centered approach to Bulgaria's relations with Russia are gaining momentum.

Since the cancellation of the "South Stream" project, Russia has announced it would re-route its gas flow to Southern Europe through Turkey. This way there has been established the so called energy project "Turkish Stream" which consists of two lines. The first, with a maximum capacity of 15.75 billion cubic meters, will deliver Russian natural gas directly to Turkey. The second is intended to deliver gas to European customers through Turkey. And the possible clients of Turkish Stream are Greece, Italy, Bulgaria, Serbia and Hungary.

Last year during the official its visit in Russia and after a conciliatory two-hour meeting with Russian President Vladimir Putin, Bulgarian Prime Minister Boyko Borissov announced that Bulgaria will receive Russian gas from the "Turkish Stream" gas pipeline. Speaking to Putin Borisov personally took all the blame for the failure of the South Stream project. The ground for the gas talks between Putin and Borisov was prepared by the visit of Bulgarian President Rumen Radev to Russia on 21 May 2018. Radev was the first to speak publicly about the need for a decisive improvement of the Bulgarian-Russian relations and the construction of a direct gas pipeline to Bulgaria. He has called it "Bulgarian Stream", as a second pipe of Turkish Stream has not yet been completed. Borisov too embraced the new Bulgarian-Russian relations, but "Bulgarian Stream" was put aside at the expense of "Turkish Stream". So finally what was agreed in Moscow? Through the Turkish Stream gas pipeline, which should turn to Bulgaria, Borisov said the country would receive 15.75 billion cubic meters of gas per year (bcm/y) to realize his idea for a gas hub "Balkan" near the Black Sea city of Varna. Bulgaria needs approximately 3 bcm/y for its own consumption. Until now, it has not been clear how gas from Turkish Stream pipeline, which reaches the European territory of Turkey, would reach EU territory. The two options are Greece and Bulgaria. "Turkish Stream" is a direct competitor of the Southern Gas Corridor and Russia has plans to use the provisions of the EU legislation so that Russian gas could flow via the TAP pipeline via Greece to Italy. Borisov presented the news as his personal success from his meeting with Putin, although it became clear that the

Russian position had been prepared in advance. A day before his talk with Borisov, Putin received the agreement from Turkish President Recep Tayyip Erdogan on the turn of Turkish Stream to Bulgaria.

However, European leaders have not only declined to assist Bulgaria in implementing its Balkan gas hub project but also tolerated the construction of Nord Stream 2 pipeline in Germany. Today, the pro-Russian Radev and the hitherto anti-Russian Borisov both declare a desire for Bulgarian participation in Russian gas projects. What will happen next and how this relations will continue its development regarding the difficult task of Bulgarian Government to balance between the West and its own strategic and very important economic and particularly energy interests is a matter of political will and mastery of political skills.

The question of how close Bulgaria should be to Russia has been at the heart of the Bulgarian foreign policy debate for a century and a half, so unfortunately the current government is unlikely to offer a decisive answer. Nevertheless, recent Sofia's rapprochement with Moscow is a step in the right direction in the way that Bulgarian government should try to defend Bulgarian national interests which could be only achieved by very smart, purposeful and well balanced foreign policy between which naturally comes from the fact that Bulgaria lays on an extremely geopolitically important place on the border between the West and the East.