

## SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

### SCP in national priority areas

#### *Inclusion of SCP in policies, laws, regulations and guidelines*

The **Energy efficiency law** was adopted in 2004 and amended in 2007. Its main objectives are introduction of voluntary agreements for providing energy efficiency services; increasing the energy efficiency; introducing a system of activities and measures for the final energy consumers and traders; increasing the competitiveness of the economy; improving the security of energy supply and environmental protection.

**Operational Programme “Development of the Competitiveness of the Bulgarian Economy”** (OP “Competitiveness”) is one of the seven operational programmes under the National Strategic Reference Framework for the period 2007 – 2013. The main purpose of this programme is to develop a competitive and efficient production and business potential, to contribute to increasing the economic effect and to assist the necessary structural changes in the economy with a view to achieving sustainable progress and feasible cohesion during the programme period. The overall objective of OP “Competitiveness” is to develop a dynamic economy competitive at the European and world market. The Operational Programme “Development of the Competitiveness of the Bulgarian Economy” is funded by the European Regional Development Fund and co-financed from the national budget.

The general objective of the operational programme shall be implemented through two specific objectives that cover both aspects of competitiveness – the preparedness of the Bulgarian enterprises for the Common European Market and for the fast changing conditions on international markets, as well as the condition of the environment in which they function.

One of the activities under OP “Competitiveness” is **improvement of technologies and management in enterprises**. A major operation under this topic is to support enterprises for investments in modern tangible and intangible assets, aiming at improvement of their business performance and expanding their operations, improving management, entering new or expanding on existing markets, etc. Special attention is paid to enterprises purchasing and introducing innovative technologies.

Another type of actions to be supported, is SMEs' projects aiming at achieving compliance with internationally recognised market standards – introduction of quality management systems (QMS), EMAS, IT-based management systems, GMP, etc.

Actions aiming at the introduction of energy saving technologies, as well as at the utilisation of renewable energy resources by enterprises will also be supported.

Another activity under the same Programme is **support for the creation and commercialization of innovations in enterprises and protection of industrial property rights**. The support under this thematic group of operations will be focused on start-ups or existing enterprises with innovative potential, aiming to bridge the gap between enterprises and research institutions which will lead to improvement of the productivity of enterprises, development of new or improved products and services with high added value, as well as improvement of the production methods, processes and their penetration to new markets.

Under this priority, innovative start-ups will be supported in their initial stage of existence by integrated support, covering the variety of their needs, such as business advice and coaching, initial investments in assets and for introducing their products on the market. These interventions should result in growing number of highly innovative, yet commercially sound enterprises in the Bulgarian economy.

On the one hand, companies will also be offered financial support for the costs of their R&D activities, including feasibility studies, industrial research and pre-competitive development and on the other hand, integrated support (consultations, investments, training of management and/or personnel) needed for introduction of products' or process innovations in their manufacturing and management practices. The expected result of this intervention is an increase in the number of successful R&D projects conducted by enterprises, as well as an increase in the overall expenditure of this sector on research and development.

In order to increase employment of researchers and highly qualified technicians in enterprises, support will be rendered to enterprises to hire PhDs and other R&D specialists for implementation of their own R&D projects. In addition, with the purpose of introducing the most recent innovative solutions and R&D results in the Bulgarian Economy Doctoral Programmes with strong applied potential will be supported under the condition that its future application, in case of successful result, be assured by a previously signed contract with an enterprise or consortia of enterprises.

In order to assure protection of the developed innovations in Bulgarian enterprises and research organizations, support for industrial property protection through national and international application and registration of patents, trade marks and designs, (including Community Trade Mark, Community Design, the Madrid Agreement and the Protocol attached to it, etc.) will be also provided.

### **Eco-efficiency/eco-design**

The Ministry of environment and water conducts the innovation policy in the field of environment in two ways:

- **By the instruments for the prevention control (implementing procedures of environmental impact assesment and issuing of of Permits for Integrated**

Pollution Prevention and Control for the Construction of New and the Operation of Existing Industrial Installations and Equipment)

- **Voluntary Schemes**

- **Eco-labeling scheme** – it aims to encourage elaborating, producing, distributing and using products which have potential to decrease the environmental impact
- **Ecoenvironment Management and Auditing Scheme (EMAS)** – it requires from the registered organizations to continuously improve the results concerning environmental protection.

The Environmental Protection Law introduces the requirements of Regulation №1980/2000 and Regulation №761/2001.

<b>SECTORS AND ISSUES</b>	<b>Current Government Priority</b>	<b>Expected Future Priority</b>
<b>Solid waste management</b>		
- Waste disposal	The quantity of waste, which generation can't be prevented and/or recovered by landfilling or burning, has to be disposed	
- Reuse and recycling		
- Waste reduction,		
- Others		
<b>Transport</b>		
- Clean fuels and vehicles		
- Public and alternative transportation		
- Urban and regional transportation planning		
- Others		
<b>Cleaner production</b>		
- Resource efficiency		
- Pollution prevention		
- Technology strategies		
- Others		

<p><b>Energy efficiency and renewable energy</b></p>	<p>Given the still rather high energy intensity of the economy, households included, energy efficiency has become a priority. The Energy Efficiency Act, together with five regulations, build up the legal framework for introducing the energy efficiency into industry, transport, services, households, and agriculture significant energy consumers. The Long-Term National Programme for Energy Efficiency is based on projected adverse trends in the primary and end energy consumption until 2015, caused by economic development and the substitution of solid, liquid and gaseous fuels for electricity. To offset these negative tendencies, a number of legislative, organisational and financial measures have been developed.</p>	
<p>- Industrial energy efficiency</p>	<p>Given the sector's restructuring and migration to less energy intensive technologies and the energy savings introduced by new owners after the privatisation of enterprises, the total sum of process and combustion air emissions had dropped significantly. Measures in this sector include: heat loss reduction; promotion of natural gas; monitoring of industrial energy consumption; modernisation of steam generators and compressor installations; and the introduction of highly efficient construction machinery.</p>	
<p>- Household energy efficiency</p>	<p>Measures in the sector include: household gas supply and various financing arrangements for the introduction of solar collectors, hybrid hot-water installationsmeasures aimed at reducing energy consumption , etc.</p>	
<p>- Renewable energy markets</p>	<p>The introduction of renewable energy sources in the framework of Bulgaria's legal harmonisation with the EU law is provided under the</p>	

	<p>Energy Act. RES incentives include preferential electricity purchasing prices.</p> <p>An important element of Bulgaria's RES policy is the promotion of biomass and liquid biofuels. Hydroelectric generation and the utilisation of wind and geothermal energy also attract interest. The country has adopted an indicative target to achieve 11 % share of RES in total domestic electricity consumption by 2010.</p>	
- Others	Measures to reduce energy consumption in the transport sector include: introduction of dispatch systems to manage road and railway transportation; railway and public urban transport modernisation; infrastructure improvements and the introduction of biofuels.	
<b>Housing and construction</b>		
- Energy efficiency		
- Building materials		
- Construction standards		
- Building operations		
- Others		
<b>Food and clothing</b>		
- Organic products	Organic farming amounted to mere 0.4% of the total area utilized for agricultural purposes in 2007, which is quite low as compared to EU-15 average (4,3%)	
<b>Chemical management</b>		
<b>Hazardous waste</b>		
<b>B. POLICY INSTRUMENTS</b>	Current Government Activities	Expected Future Priorities
<b>General policy instruments</b>		
- Taxes, subsidies		
- Preferential tariffs and trade policies		
- Economic instruments		
- Tax reform		

- Consumer protection policies		
- Polluter-pays principle		
- Integrated product policies		
<b>Changing consumer behaviour</b>		
- Education and public information		
- Consumer information		
- Labeling, eco-labels		
- Consumer organizations		
- Public procurement policies		
- Others		
<b>Changing production patterns</b>		
- Regulation of emissions and effluents		
- Charges or incentives for cleaner production		
- Product standards (e.g. energy efficiency)		
- Cleaner production programmes		
- (R&D, training, technical assistance)		
- Pollutant reporting and registers	National GHG emissions registry- the purpose of the registry is to ensure accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of emission units.	
- Strategic industrial and technology planning		
- Investment incentives		
- Voluntary initiatives and codes of conduct		
- Corporate social/environmental responsibility		
- Improved management accounting		
- Investment analysis		
- Others		
<b>Analytical tools</b>		
- Life-cycle analysis		
- Indicators of sustainability		
- Technology impact assessment		
- Policy impact assessment		
- Impacts of globalization and urbanization		
- Impacts of changes in international markets		
- Others		