



TACKLING THE ENERGY AND CLIMATE SECURITY CONUNDRUM IN SOUTHEAST EUROPE

Policy Brief No.110, May 2022

The Russian invasion of Ukraine has exposed Europe's most painful energy and climate security vulnerabilities. It exacerbated the energy crisis that had been driven by gas supply deficits since 2021. The war showcased the **excessive reliance** of many EU member states on **Russian fossil fuel imports**, spotlighting in particular the biggest consumers Germany and Italy. The earthquake on the energy markets threatens to slow down the low-carbon transition in Europe although the decarbonisation and the massive uptake of renewable energy sources could be the strongest policy instrument to achieve sustainable energy independence. Countries in Southeast Europe are particularly vulnerable to such a scenario.

The absence of energy and climate security risk aspects from the policy debate in Europe after 2014 has allowed Russia to successfully undermine the consistency of the EU energy supply diversification strategy. As a result, the EU has been **unable to reach unanimity on imposing sanctions** on Russian energy exports and have kept on, de facto, financing the Russian military campaign in Ukraine by buying Russian oil, oil products, natural gas, coal and nuclear fuel to the tune of EUR 1 billion per day.

As the EU has mulled introducing oil and gas embargo, EU countries have started voicing concerns more and more vocally, increasing the prospects of breaking the sanctions ranks. Even as Russia cut the natural gas supply to Bulgaria and Poland at the end of April 2022, and the European Commission warned any agreement to the gas payment scheme in roubles proposed by Gazprom would infringe on EU sanctions, operators from many EU countries, still voiced readiness to consider agreeing to the scheme. This Russian **"special gas operation"** to undermine Europe's unity on energy security and diversification shows that Russia continues **using all the instruments**

KEY POINTS

- The Russian invasion of Ukraine has exposed Europe's most painful **energy and climate security vulnerabilities**.
- The SEE region is yet to undertake concrete measures to mitigate the security of supply risks from the war and to seek **viable long-term gas supply alternatives**.
- There is a need for a more ambitious energy and climate security strategy based on comprehensive data-driven policy instruments such as the **European Energy and Climate Security Risk Index (ECSRI)**.
- According to the pilot results from the index in SEE, Bulgaria, Greece and Romania have significantly **improved their energy and climate security position** over the last decade.
- Yet, the **geopolitical risk factors**, common to all three countries, **have increased** considerably.
- Despite a relative improvement of affordability indicators, Bulgaria still stands out as the **most energy poor country** in comparison with Romania and Greece.
- There is a realistic path to **carbon neutrality for all three SEE countries by 2050** but this would require a new, much more ambitious energy and climate strategy.
- A potential standoff with Gazprom over contractual breaches could set off a **major gas security crisis** in the SEE region.
- SEE countries should sign gas supply solidarity agreements and implement a set of short-term and long-term strategies to **cut fossil fuel import dependence**.



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of its **Kremlin Playbook**¹ to maintain its economic influence in Europe.

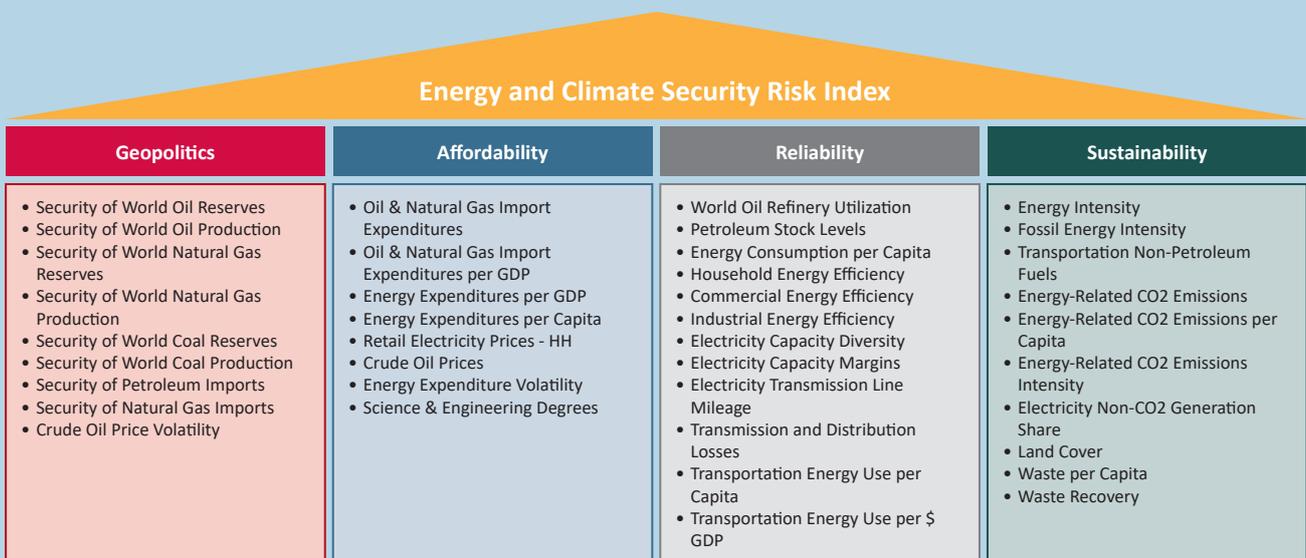
Southeast Europe (SEE) is especially vulnerable to energy and climate security risks. Most of the region’s political leaders have put a brave face that they would guarantee the security of supply in case of an actual physical disruption of Russian flows but they are yet to undertake concrete measures to mitigate the risks and to seek viable long-term gas alternatives. The region’s historical **lack of diversification options** to Russian oil and gas, the slow pace of the energy transition, and the more **acute energy poverty** issues have made the potential economic pain from sanctions against Russia particularly unwelcome by policy-makers and the society. As a result, many SEE countries have been hesitant, have asked for derogation from common EU sanctions, or have even openly opposed measures to reduce the region’s dependence on Russia.

Tackling the region’s comprehensive energy security risks without compromising the climate transition process requires strong political will, evolving policy implementation capacity, and the design of a **new more ambitious European energy and climate security strategy** based on comprehensive data-driven policy instruments. One such tool could be the *European Energy and Climate Security Risk Index (ECSRI)* that would enable the comparative monitoring of EU and national progress on a number of energy security, climate transition and good governance indicators.² Such an instrument would enable the EU to further and deepen coordination of national policies across sectors and policy areas on the back of a long-term political, financial and social commitment. **Bridging the policy gap** between lagging SEE and Central European and more advanced Western European economies is critical for improving energy and climate governance in the EU and ensuring EU-wide policy convergence.

The European Energy and Climate Security Risk Index

The ECSRI is an evidence-based policy instrument that can help track the most important energy security and climate vulnerabilities faced by EU Member States based on data-driven policy assessment. The Index has four pillars³, reflecting the four dimensions of energy security: geopolitics, affordability, reliability, and sustainability.

Figure 1. The Pillars of the Energy and Climate Security Risks Index



Source: CSD.

¹ See Shentov, O., Stefanov, R., and Vladimirov, M. (eds.), *The Kremlin Playbook in Europe*, Sofia: Center for the Study of Democracy, 2020.

² Center for the Study of Democracy, *EU Energy and Climate Security Strategy to Counter the Russian Aggression in Europe*, Policy Brief No. 108, March 2022.

³ Modelled after the *Index of U.S. Energy Security Risk* developed by the *Global Energy Institute*.

The ECSRI covers 39 individual risk indicators, based on thousands of data points, all of them interpreted through the prism of **strengthening Europe's energy** independence and transition potential. While these factors apply to different elements of energy and climate security, they are often interdependent allowing for a systemic analysis of energy and climate policy trends. For instance, there is a strong link between the movement of crude oil prices, energy expenditures and the fossil-fuel energy intensity of the economy, which provides for an in-depth understanding of the decarbonisation/energy poverty nexus. Similarly, the level of oil and gas consumption on the national level impacts energy import expenditures, especially for countries with a high security of imports risk (reflected in the Geopolitical pillar). Meanwhile, oil and gas consumption patterns also directly impact the carbon intensity of the economy and its level of greenhouse gas (GHG) emissions, a key indicator in the Sustainability pillar.

The individual risks are measured in different units, such as EUR cents per kWh for retail electricity prices or tons of oil equivalent (toe) per EUR 1000 GDP for the fossil energy intensity of the economy. However, they are normalized into comparable indicators and are assembled into an index. The index reflects **the relative change of the level of energy and climate security risk over time**, using the year 2015 as a base.

The choice of 2015 to be the base year reflects the immediate aftermath of the Russian annexation of Crimea, which is a **key turning point in the geopolitics of European energy** and represents a missed opportunity for improving the continent's energy security. The decline in oil and gas prices in 2015 created favourable conditions for the diversification of energy supply, while the Kremlin aggression in Eastern Europe should have incentivised European countries to reconsider their structural energy dependence on Russia.

Assessing Energy and Climate Security Risk in Southeast Europe

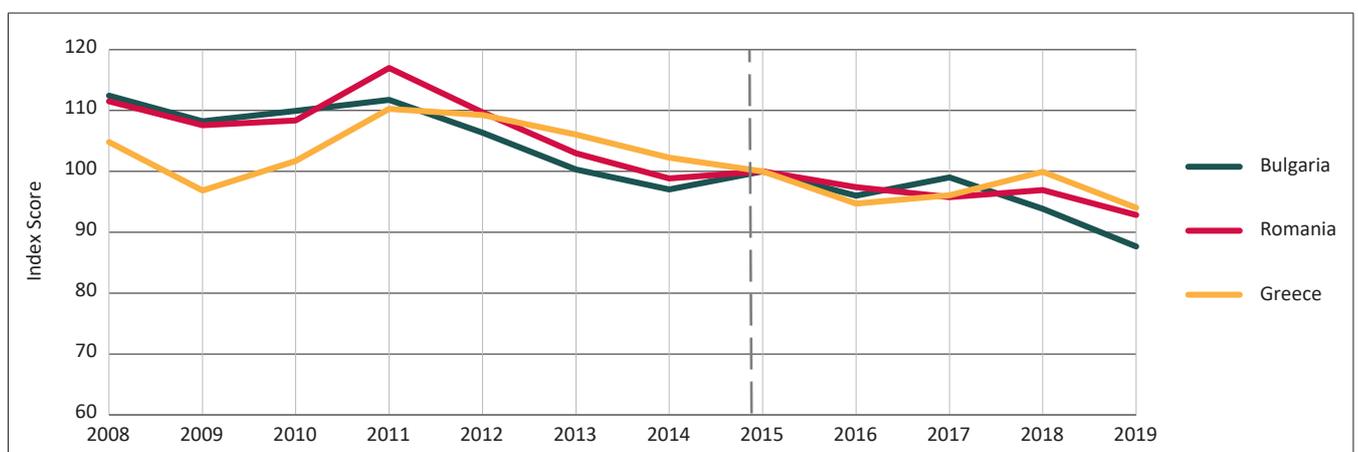
Piloted for Bulgaria, Romania and Greece the ECSRI allows for an objective comparative assessment of their progress towards common energy and climate security goals within the EU. The Index results reveal where they stand relative to each other in terms of individual risk metrics and shows each country's

individual progress relative to its energy and climate vulnerability position in the base year 2015.

Overall Risk Score

The overall energy and climate security risk assessment reveals that all three countries have **significantly improved their energy and climate security** position over the last decade. The main common supporting this trend have been the increase in energy

Figure 2. Energy and Climate Security Risk Index – Bulgaria, Greece, and Romania⁴



Source: CSD.

⁴ For a detailed view of the index scores and all the individual risk metrics, please visit the ECSRI [online interactive platform](#).

efficiency, the decline in oil and gas import expenditures, the diversification of natural gas sources and the expansion of renewable energy sources in the structure of power generation.

Zooming in on the individual country profiles, **Bulgaria has seen the fastest improvement** of its energy and climate security position. The main reason has been the relative decline in energy poverty and the pressure on macroeconomic stability from oil and gas imports coupled with a significant **expansion of renewable energy sources** in final energy consumption. In addition, a diverse power supply system, in which nuclear power contributes up to a third of electricity generation, and the **opening of LNG imports** in 2019 brought down traditionally high risks for the reliability of energy supply for the country.

Meanwhile, the energy and climate security risk profile of **Greece has remained relatively unchanged** after 2009. The country's main vulnerability comes first from the strong **dependence on energy imports** (both oil, gas and electricity) and second from the insufficient transition of the islands' energy supply to locally-sourced renewable energy. The fall of energy expenditures per capita has driven down the level of affordability risks. Nevertheless, compared to Romania and Bulgaria, **energy expenditures** in Greece remain noticeably higher.

Romania's energy and climate security position has **improved markedly** in the affordability and sustainability categories as energy consumption has fallen significantly and RES-based power generation investments have skyrocketed. As in the other two SEE countries, the decline in oil and gas prices and the shrinking of energy poverty have been **reducing the affordability risks**. The country further cut into its Russian oil and gas import dependence and has remained the most prepared country to become energy self-sufficient in case of a full energy supply cut from Russia.

Geopolitical Risk

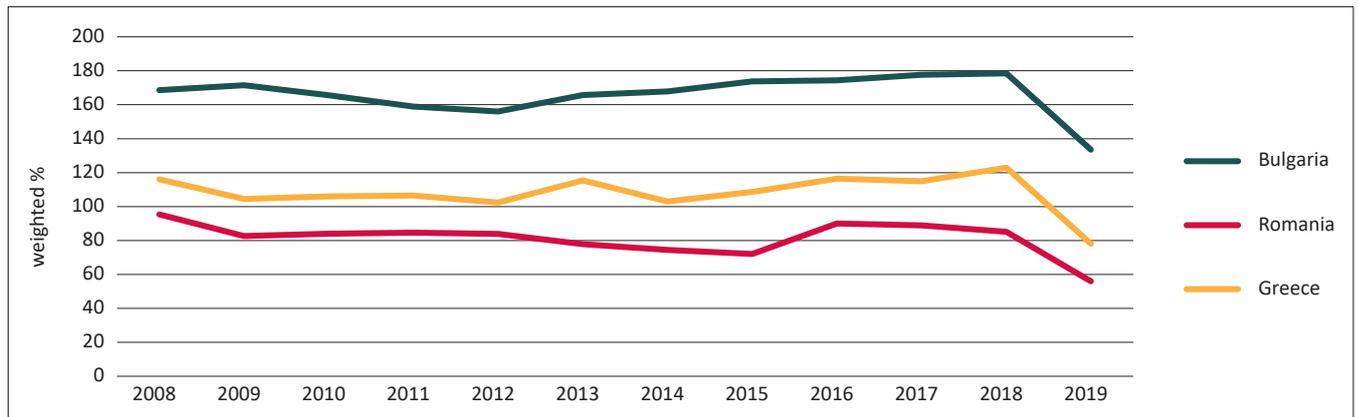
The Geopolitical Risk pillar reflects the impact of global factors such as crude oil prices on national energy security. The geopolitical risk sub-index reflects also the security of oil and natural gas imports of the specific country, taking into account the country's overall dependence on imports, especially from authoritarian states, as well as the diversity of import sources.

Some **global risk factors**, common to all countries, such as the security of global reserves and the level of production of key energy commodities (natural gas, oil, and coal), have increased over the past decade amid a growing concentration of these resources in the hands of a few authoritarian states. Meanwhile, a temporary respite in the volatility of crude oil and natural gas prices in 2018-2019 has played a key role in lowering the geopolitical risk scores of SEE countries. This risk metric has reversed dramatically in 2021 as global **oil and gas prices skyrocketed**. The inherent cyclical nature of commodity prices showcases that the sustainable way to tackle geopolitical energy security risks should focus on supply diversification and on the overall phase-out of oil and gas in the energy supply mix.

The security of natural gas imports has improved markedly for all SEE countries but the shift in Bulgaria in 2019 has been **transformational** as the country received its first ever large volumes of LNG deliveries from Greece. For the first time, **Bulgaria replaced around a quarter of the gas supply from Russia** with non-Russian volumes. The security of petroleum imports in Bulgaria has also improved over the past several years with some supply diversification, but progress has been slow, highlighting a key missed opportunity in securing alternative oil supplies to Russian crude while the global oil market was well supplied. Bulgaria's only oil refinery is owned by Russia's Lukoil, which helps explain the reluctance against a stronger **push for alternative crude oil supplies** although the coastal position of the refinery offers a lot of flexibility in terms of supply sources.

Greece has positioned itself as a **natural gas hub** in the SEE region receiving large volumes via pipeline from Azerbaijan and Russia and LNG via its regasification facility at Revithousa near Athens. However, a **long-term vulnerability** is that Greece has kept increasing its overall dependence on natural gas, mainly in the power sector. This is bound to also expand the share of Russian gas in the mix despite commitments of the Greek state **to reduce the share of Gazprom on the market**. Two of the largest gas companies in Greece extended their long-term contracts with Gazprom in 2016 and 2019 until the latter part of the 2020s.

From all countries in the SEE region, Romania has been **the leader in energy supply security** as it is one of the largest oil and gas producers in Europe. Although it exports refined petroleum products, predominantly gasoline and diesel, it is still a net importer of crude oil and natural gas. Moreover, its gas import dependence has been rising amid falling domestic production

Figure 3. Security of Natural Gas Imports – Bulgaria, Greece, and Romania

Source: CSD.

and rising consumption, while the share of **crude oil imports from Russia has increased** from 20% in 2011 to 38% in 2019. Hence, although Romania has relatively lower geopolitical risks linked to oil and gas imports, it remains **vulnerable to price volatility** and could lose its self-sufficiency position in terms of oil products.

Reliability Risk

The Reliability Risk pillar reflects the vulnerability of the country to potential energy supply disruptions. This pillar encompasses a wide variety of factors including:

- national petroleum stocks,
- the spare capacity of the global oil refining industry,
- the resilience of the national electricity system,
- the energy intensity of the national industrial, commercial, and household sectors,
- the role of the transport sector in the national economy.

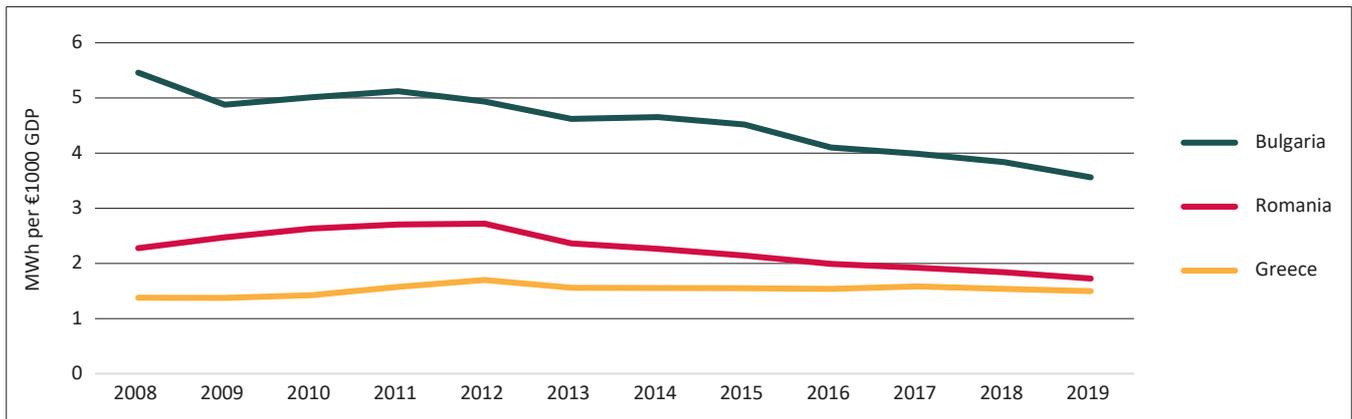
The high energy intensity of the economy, raises the vulnerability of potential supply disruptions. From this perspective, Bulgaria is in a riskier position relative to Greece and Romania, with **more than two times higher energy consumption per EUR 1000 of GDP**. Risk metrics assessing the resilience of the electricity system are also of particular importance amid the accelerating trend of electrification of the European economies, a key element to the solution of the decarbonisation/supply reliability nexus. For the reliability of supply to be guaranteed on regional level, it would be crucial to **complete all interconnection projects** and improve the coordination of trans-border capacity allocation among the three transmission system operators.

From the three SEE countries under study, **Bulgaria is the most vulnerable to reliability risks** as the relatively low energy efficiency of the Bulgarian economy means that supply disruptions can more easily lead to oil, power and gas shortages. Bulgaria has the lowest number of days of normal oil consumption covered by storage, compared to Romania and Greece. The reliability of electricity supply in Bulgaria benefits from a diverse power generation mix. Yet excessive spikes in **peak electricity demand in winter** undermine the system as seen by the 2017 winter crisis when the Bulgarian government cut electricity exports to neighbouring states. Modelling assessments show that the power system remains adequate even with a full coal phase out. Hence, **decarbonisation of electricity generation is feasible** also from an energy security point of view even if it means that Bulgaria becomes a net importer of electricity by 2030⁵.

The Romanian and Greek reliability risk positions are much better. Yet Romania's risk has worsened between 2015 and 2019 on the back of **rising transportation sector energy use** and overall expansion of energy demand. Unlike Greece, Romania's capacity margins have increased only somewhat, as peak electricity demand has remained elevated and total electricity capacity has not increased much. An increase of its natural gas-fired power generation may expose it to geopolitical and affordability risks linked to the European gas market. Meanwhile, **Romania is well interconnected** to other gas and power transmission systems in the region positioning it as a major energy exporter over the next decade. Its diversified electricity generation portfolio with abundant hydropower, as well as nuclear means that a coal phase out is unlikely

⁵ László, S. et al., *Accelerated lignite exit in Bulgaria, Romania and Greece*, Joint Report by REKK, TU Wien, CSD, EPG, FACETS, 2020.

Figure 4. Energy Use per Unit of GDP in Bulgaria, Greece, and Romania



Source: CSD.

to undermine the adequacy of the power system even as large amounts of solar and wind power are added to the system.

The increase of natural gas power generation capacity in Greece’s electricity mix has supported healthier capacity margins and helps balance the huge influx of intermittent renewables. While this contributes to lower reliability risk, it exposes the country to the high volatility of oil and gas prices and contributes to **higher affordability risks** driven by excessive energy expenditures per capita and **volatility of energy costs**. The country remains a net importer of electricity, a trend that may be reversed with the increase in renewable energy and storage penetration.

Affordability Risk

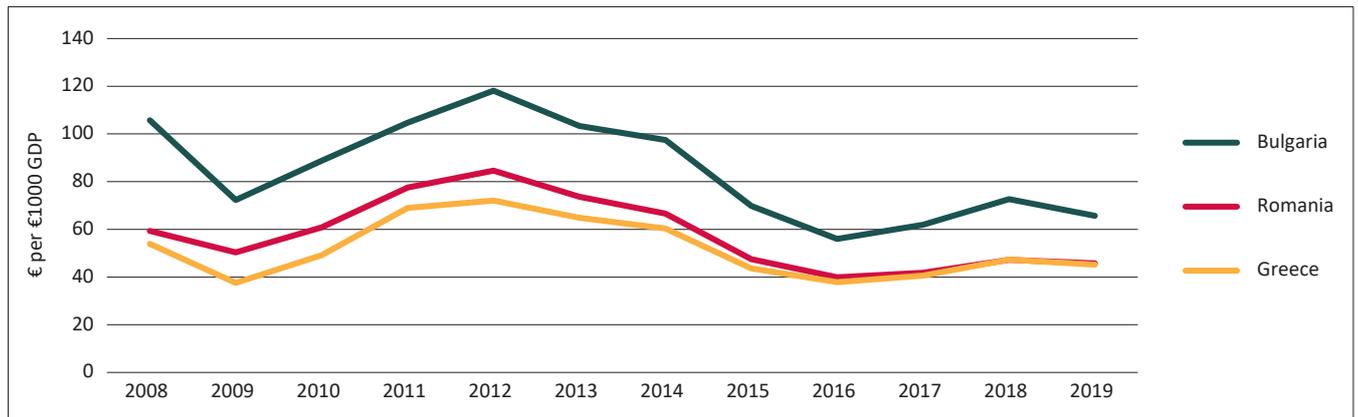
The Affordability Risk pillar assesses the impact of energy prices and energy import costs on macro-economic stability, as well as the household energy poverty. It takes into account national expenditures on oil and gas imports and their weight relative to national GDP. Some of the indicators reflect the cost of total energy consumption on the national level, taking into account petroleum, as well as retail electricity and natural gas prices for households and for businesses. These indicators are strongly affected not only by the price level of different energy sources, but also by the fuel mix, consumer choices, and energy efficiency. In this sense, high energy consumption and the use of more expensive fuels strongly increase affordability risks.

Bulgaria is the **worst performer in terms of the energy intensity** of the economy and overall **energy poverty**.

Despite a relative improvement of these indicators over the last decade, Bulgaria still stands out as underperformer relative to Greece and Romania. In 2019, estimated energy expenditures in Bulgaria for every EUR 1000 of GDP stood at over EUR 65, 37% higher than in Romania. Meanwhile, even though Bulgaria’s energy consumption per EUR 1000 GDP is 2.4 times higher than in Greece, energy expenditures are only 1.5 times higher due to Greece’s more expensive fuel mix.

Greece has not seen any major improvement in its affordability risk position since 2015. Greece has suffered **one of its worst energy poverty crisis** after the 2009 economic collapse when one in two Greek citizens was considered energy poor. The fall in oil and gas prices after 2014 did not resolve the structural problem of high national levels of energy poverty but has somewhat reduced the pressure on household budgets. The relatively more expensive fuel mix of Greece contributes to similar energy expenditures intensity to that of Romania, even though Romania’s overall energy intensity is 15% higher than that of Greece. The 2021 energy crisis has likely led to **the deterioration of energy poverty** indicators although the government cut energy taxes and increased the subsidies to the most vulnerable segments of society.

Romania is vulnerable to **strong energy expenditure volatility** and to the increase of the energy intensity of the economy, particularly in the transport sector. Romania like the other two countries is mulling how to complete the phase out of coal-fired power generation as quickly as possible without compromising the security of supply and by preventing skyrocketing electricity prices. Energy poverty is probably **the single biggest energy security risk** faced by Romania as close to 14% of Romanians struggled to pay their utility bills

Figure 5. Energy Expenditures per Capita in Bulgaria, Greece, and Romania

Source: CSD.

in 2020 and around a third of households fell below the poverty line when they have covered their energy needs⁶.

Sustainability Risk

The Sustainability Risk pillar reflects the climate and environmental factors that affect the long-term sustainability of the national economy and its progress towards key EU climate objectives. Key risk factors include the emission intensity of the energy sector and the share of fossil fuels in key sectors such as electricity generation and transport, as well as in the overall national economy. It also includes a risk metric that evaluates the level of circularity of the national economy and the sustainability of land use.

Alongside the overall higher energy intensity, **Bulgaria's carbon intensity of the energy sector is also higher compared to Romania and Greece**, which also comes together with relatively higher energy-related CO₂ emissions per EUR 1000 GDP produced.

There is a **realistic path to carbon neutrality** for all three SEE countries by 2050 but this would require a new, much more ambitious energy and climate strategy. A clear coal phase-out timeline is a must, as without it, for example, the current pledge of the Bulgarian government to reduce CO₂ emissions by 40% until 2026 is unrealistic and risks leading to even more subsidies for the country's outdated coal fleet. Meanwhile, the boom of private investment in renewable energy sources (19,000 MW of new RES capacity has

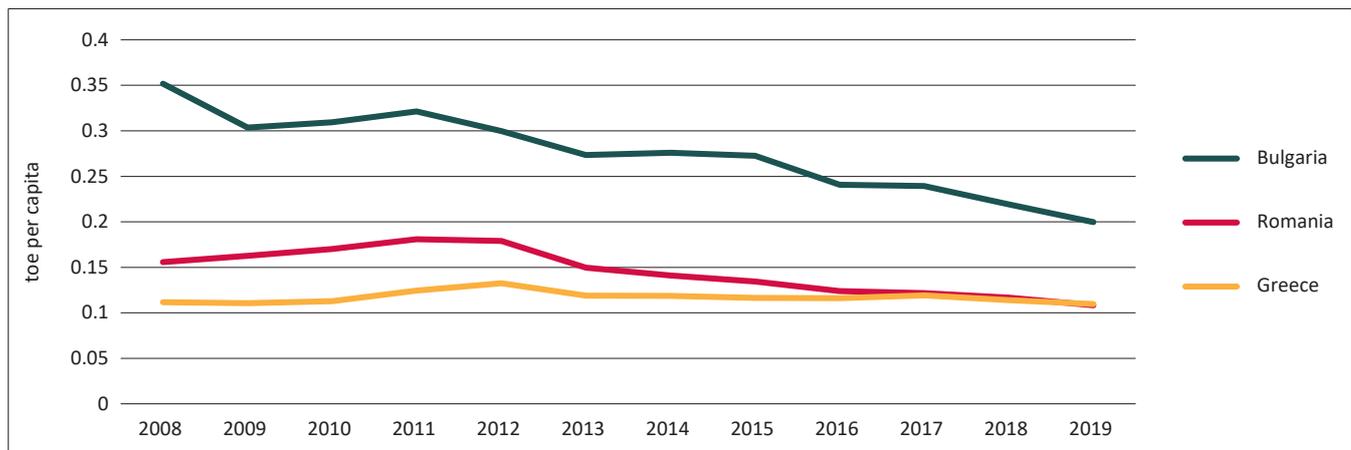
been announced by private companies by 2022) faces **considerable administrative bottlenecks**. The unclear regulatory framework, lack of transparency of administrative procedures, corruption and state capture risks, in turn contribute to **low public acceptability of renewables**⁷.

Although much more energy efficient than its neighbours, the **energy and fossil fuel intensity of the Greek economy** have barely decreased despite the acceleration of RES-based investment. The sustainability risk trends of Greece are likely to improve significantly in the 2020s amid **an ambitious lignite exit plan**, targeting the full decommissioning of lignite-fired power plants by 2028. Already by the end of 2022, 1700 MW will be shut down permanently out of the 3904 MW currently in operation. The aggressive coal phase-out strategy is coupled with an **even more ambitious strategy for RES uptake** in power generation. A total of 19 GW of renewables are expected to be operational by 2030. Nevertheless, the slow uptake of electrification of the transportation and industrial sectors and the delayed decline of energy intensity are key future risks.

Romania has seen its overall sustainability risk fall by 15% by 2019 relative to 2015, mainly thanks to lower energy intensity (mirroring similar improvements across Southeast Europe). An increase in the share of renewables in power generation and the gradual reduction of coal-fired power generation in the supply mix have also contributed to lower energy-related CO₂ emissions. RES expansion is likely to accelerate over the coming decade, in combination with a rapid

⁶ CSD assessment based on Eurostat national-level data.

⁷ Center for the Study of Democracy, *Technological and Policy Innovation Scenarios for the Low-Carbon Transition of the Bulgarian Energy Sector*, Policy Brief No. 109, April 2022.

Figure 6. Carbon Intensity of the Energy Sector in Bulgaria, Greece, and Romania

Source: CSD.

coal phase out as the operation of the country's lignite fleet is no longer economically feasible at the current price of ETS emissions and the lack of available public funding support schemes for coal. A full decarbonisation of the energy system and the transformation of the economy would require a much greater **focus on the industrial and transportation sectors** where there is a need for a consistent long-term policy for electrification via RES-based sources and the uptake of cutting-edge technologies for optimization of business process, the use of materials and low-carbon fuels.

What's next?

In the context of Russia's aggression in Ukraine, SEE countries need to immediately **cut their dependence on Russian fossil fuel imports** as a matter of national security. This is the way to stop funding Russia's war and to counter its malign economic and political influence across the EU. In the context of deteriorating ties with Gazprom, governments in the region have to take immediate measures to **ensure the security of supply** and the **protection of vulnerable consumers**. After the Russian decision to cut the natural gas supply to Bulgaria on its long-term contract, there will be a change in the direction of physical natural gas flows as Bulgaria seeks to import alternative gas volumes in reverse mode from Greece.

Gas imports at the **LNG regasification terminals** in Greece and Turkey would play a crucial role in maintaining the security of supply. However, it is imperative that Bulgaria, Greece and Romania sign **solidarity agreements** along the model of other EU member-states to optimize the allocation of

limited volumes of alternative gas supplies entering the region. The three countries should also seek to conclude a **joint LNG import agreement** with major suppliers such as Qatar, Algeria or the U.S. that extends beyond emergency deliveries month by month.

As Bulgaria is a major transit country for Russian gas deliveries in the SEE region, a potential standoff with Gazprom over contractual breaches could set off a **major gas security crisis**, especially in countries with high gas dependence of the energy demand and no physical access to alternative deliveries. In case of a transit halt, Serbia, North Macedonia and Bosnia and Herzegovina, will be especially hard hit.

Energy security risks may increase even further if there is an **EU-wide embargo** imposed on Russian oil imports. The Bulgarian refinery Neftochim on the Black Sea coast, which is the biggest in SEE and also owned by the Russian private company Lukoil, is indispensable for the oil and fuels supply security for most countries of the region barring Greece and Romania. The diversification of the crude oil deliveries for the processing facility is possible as the refinery could operate with similar petroleum grades from Saudi Arabia and the United Arab Emirates. However, this diversification strategy could require Bulgaria to adopt difficult to enforce legal measures against the Russian company on the wholesale market including the possible need to **put the refinery complex under state supervision**. Retaliatory measures cannot be ruled out, which means that SEE countries need to **boost coordination efforts** on jointly managing the oil and fuels stocks in the region as to prevent unsustainable price spikes and deficits on the wholesale and retail markets.

Other **immediate measures** should make sure domestic energy consumption is guaranteed, a market panic is avoided and the economic growth is not compromised:

- Under the EU lead, all member states should implement **gas solidarity agreements** with a focus on optimizing West-to-East gas flows.
- All long-term contracts with Gazprom should not be renewed as they expire in the following years while longer-term agreements should be renegotiated to allow more flexibility to replace the contracted volumes with alternative supply.
- Make sure that Russia does not circumvent sanctions on Gazprom's sales by facilitating the exports via intermediaries with close ties to the Russian company.
- A **common EU gas purchasing mechanism** should be introduced that secures gas stocks and achieves economies of scale in mobilizing alternative gas supplies.
- Countries should expand the current limited priority list of **vulnerable consumers**.
- Roll out **demand response tenders** to urgently reduce natural gas demand and prevent large business losses.
- To protect vulnerable consumers, the EU needs to **develop an emergency spending package** based on the national ETS revenues and the shifting of resources in national recovery and resilience plans.
- Redirect a 10% share of the national recovery and resilience plans to the **financing of energy security** measures.
- Temporary cuts of excise and VAT duties on natural gas as additional support measures for vulnerable consumers.

SEE governments should also work out a set of longer-term measures along the REPowerEU plan put forward by the European Commission. They need to design a new energy and climate security strategy that not only tackles the region's excessive reliance on Russian fossil fuel imports, but also the critical role of renewable energy, electrification, energy efficiency, and innovation for ensuring the long-term energy security of the EU without comprising the climate transition process.

More specifically, SEE countries in close cooperation with EU institutions need to undertake a number of

critical policy steps to improve their overall energy and climate security position including by:

- Clearly establishing the dependence on oil and gas imports from Russia as a primary long-term energy security risk.
- **Improving the integration and liberalization** of natural gas and power markets as a crucial step to removing bottlenecks that cause regional price divergence and stoke energy nationalism.
- Focusing on the **completion of gas diversification strategies** in the medium term and a complete fossil fuel phase out that avoids a gas lock-in by the end of the decade.
- Implementing **deep renovation programs** to reduce energy consumption faster than the current 2030 targets.
- **Avoiding blue hydrogen development**, linking any hydrogen project plans to renewable energy sources, such as solar and wind.
- Defining **energy and climate security goals for 2030 and 2050** based on a comprehensive data-driven analysis and a coherent strategic vision. Current strategic documents have unrealistic goals with poorly coordinated measures that are often in conflict with EU priorities, although predominantly reliant on EU funding.
- Putting a **strategic focus on R&D**, innovation and the uptake of new technologies, as well as market capacity building in these technologies, rather than on their passive consumption.
- Treating **energy poverty** as the primary energy and climate security risk. This is the only way to ensure a politically acceptable and economically sustainable transition. All energy security and decarbonisation strategies should be clearly linked to alleviating energy poverty within a broader economic strategy for increasing prosperity. Hence, it is imperative to **educate and empower energy poor households** to benefit from the European Green Deal by also tackling climate change misinformation and propaganda.

The most important prerequisite for the success of energy and climate security reforms in SEE is the strengthening of good governance. A radical improvement of the quality of governance that focuses on **countering corruption and state capture risks** in the energy sector is imperative for the design and implementation of an effective energy and climate security strategy.

