



AIDE-MEMOIRE

Regional Workshop on Promoting Sustainable Biofuels Production and Use in Central and Eastern Europe

**Organized by
United Nations Industrial Development Organization (UNIDO) in cooperation
with Energy Institute Hrvoje Požar**

**Supported by
Ministry of Economy, Labour and Entrepreneurship of the Republic of Croatia
and Ministry of Economy of the Republic of Slovenia**

**Cavtat, Croatia
12-13 November 2007**

I. BACKGROUND AND OBJECTIVES OF THE WORKSHOP

A. Background and Context

Growing concerns about security of energy supply, the impacts of energy use on climate change as well as the need to revitalize rural economy have drawn the attention to biofuels as an alternative source to diversify the supply to the world's growing energy demand.

As several countries in Central and Eastern Europe region attempt to revitalize the economy through employment creation and boosting rural development, reducing the dependence on imported fossil fuels (both gas and oil) and increasing the share of biofuels and bioenergy in the total energy mix are considered a way forward to achieving these objectives.

This is to be observed in the National Energy Strategies and Action Plans that were developed in various Central and East European (CEE) countries promoting the use of bioenergy in general and biofuels in particular as an energy carrier with significant benefits in terms of geopolitical, environmental, rural development, clean air/pollution reduction, winning of marginal lands, etc.

The European Community's Directive (2003/30/EC) on the promotion of biofuels production and use (5.75% target by 2010) and the recently adopted strategic targets of increasing the share of renewable energy sources in total energy mix in the EU countries from the present level of 6-7% to 20% by 2020, both have created growing momentum for biofuels: (i) EU accession and candidate countries have to harmonise and prepare their regulatory framework to reflect and meet these requirements and obligations; (ii) as most of EU countries do not have enough land to meet the needed feedstock, a substantial market demand is created for biofuels feedstock and finished products. These latter's, therefore, have to come from somewhere else. This situation creates development and business opportunities and incites the supply chains in different parts of the globe. However, it also causes growing concerns and uncertainties as to possible competition on land; for food or for fuel; and the possible risks of undermining the environmental and social sustainability while striving for feedstock availability and price.

Conceiving and putting in place the appropriate policies and regulations is therefore considered as the starting point. This needs to be strengthened with the practical sustainability standards and criteria as instruments and tools to assure the priority for food and feed, and the protection of forest, soil, water, etc.

Nevertheless, the economic sustainability of the supply chain and the ability of biofuels¹ to compete with petroleum fuel (of around 65 US\$ a barrel) draw a question mark in the mind of government authorities seeking to balance between state tax revenue and benefits from biofuels production and use.

The CEE countries, therefore, are facing the challenge of maximizing the aforementioned benefits and meeting pre- set target market share, while avoiding the potential negative impacts on the biodiversity, food security and social economical issues.

Hence, there is an urgent need for a regional forum to provide a platform for reviewing the status of biofuels production and use, sharing experiences and highlighting concerns, looking into models adopted by leading countries in the region, providing insight into possible national and regional way forward, to capturing the environmental and economic benefits and minimizing potential risks

B. Objectives of the Workshop

Within the **overall objective** of promoting the sustainable production and use of biofuels, the Workshop aims at providing a forum for discussion between multi-sectoral stakeholders to share knowledge and experience and to formulate recommendations as to possible national and regional way forward towards increasing competitiveness, environmental and social sustainability of the biofuels value chains and strengthening the regional integration.

C. Expected Outcomes

- Increased awareness and sharing of knowledge and experience on the key issues needs to be put in place to increase the competitiveness of the biofuels industry and value chain;
- Briefing on the existing and emerging technologies and the potential role to improve the economic and environmental sustainability of biofuels;
- An update on the ongoing process of sustainability standards and their role in minimizing the environmental and social risks;
- Sharing of knowledge and lessons learned from the UNIDO Project on Biodiesel Production Promotion in Croatia;
- Recommendations on the way forward taking into account the added value of a harmonized regional approach.

D. Workshop participants

Countries

Albania, Armenia, Azerbaijan, Belarus Bosnia and Herzegovina, Croatia, FYR Macedonia, Georgia, Moldova, Russian Federation, Serbia, Slovenia and Ukraine are invited to participate in the workshop and are eligible for the financial support to be provided by UNIDO.

Other countries from Central Europe who joined the EU in 2004 and 2007 respectively, namely Bulgaria, Czech Republic, Hungary, Lithuania, Poland, Romania and Slovakia are invited as well to share their experience, but UNIDO will not sponsor their participation.

Participants

The Workshop is expected to bring together approximately 80 participants.

It is expected that two high-level experts from each country will be nominated: one representative of Government (e.g., Ministry of Economy, Ministry of Energy or Agriculture in charge of biofuels) and one representative of the relevant research institution, agency, private sector (investors, producers) or civil society.

The national participants are invited to provide a brief overview of the biofuels production, use and prospect for further development in their countries for the future synthesis report to be prepared after the meeting. In this overview, the participants might consider to highlight the following:

- Fuel consumption per sector, especially for the transport sector, in the last 3-5 years, what is the forecast for consumption for the near and mid-term future;
- Brief information on the agricultural sector, its performance and problems, percentage of land owned/managed by agribusiness and by small farmers/households;

- Oil, starch and sugar crops national production and import in the last 3-5 years;
- Is there a regulatory framework for biofuels in operation or under preparation;
- Are there installed production capacities and investment (quantified information);
- Unemployment rate in rural areas, and at the national level;
- Preliminary indication of technical assistance needed;
- Any other info considered relevant by the participant.

II. ISSUES TO BE ADDRESSED

The Workshop addresses five key issues:

1. Policy and mechanisms promoting sustainable biofuels
2. Feedstock availability, sustainability criteria and trade
3. Process technology and fuels quality
4. Regional and international trends- industrial perspectives
5. Issues affecting biofuels perspectives in Central and Eastern European countries
6. Recommendations and the way forward

III. ORGANIZATION OF THE WORKSHOP

A. Meeting venue

The Workshop will be held in the **Hotel Croatia, Cavtat, Croatia on 12-13 November 2007.**

Address: Frankopanska 10
20210, Cavtat, Croatia
Phone: +385 20 475 555
Fax: +385 20 478 213
E-mail: info@hoteli-croatia.hr
Webpage: www.hoteli-croatia.hr

B. Meeting language

The working language of the Workshop is English and no translation into other languages will be provided.

C. Accommodation and Transport

The organizers have arranged for the preliminary hotel room booking in the Hotel Croatia ***** (meeting venue) for all meeting participants.

Shuttle buses will be provided between the international airport of Dubrovnik (<http://www.airport-dubrovnik.hr>) and the Hotel Croatia in Cavtat (approximately 10 minutes travel time). A driver with “BIOFUELS CAVTAT” sign will meet the participants at the airport.

Participants are kindly requested to provide their arrival and departure time (please see a registration form on page 8).

Please note that the filled-in registration form should be returned to the organizers by e-mail or fax by 10 October 2007.

D. Financial Arrangements

According to UNIDO rules and regulations, UNIDO will provide the following financial support for two participants from the CEE region:

- **Roundtrip air ticket economy class to Dubrovnik, Croatia, and back;**
- **Terminals;**
- **Daily subsistence allowance (DSA).**

UNIDO and the co-organizers will not assume responsibility for the following expenditures in connection with the participants' attendance of the Workshop:

- **Costs incurred by participants with respect to private local travel, any insurance, medical bills and hospitalization fees;**
- **Incidental costs incurred with travel, e.g. passport, visas, private stop-over;**
- **Compensation in the event of death, disability or illness;**
- **Loss or damage to personal property;**
- **Purchase of personal belongings and compensation for damage caused to them by climatic and other conditions.**

E. Visa Arrangements

All meeting participants who would require visas to enter Croatia are urged to acquire valid entry visas in their home countries prior to their departure. Those participants are kindly requested to ask for visa support in the registration form (please find enclosed on the page 7). For the overview of visa requirements for Croatia, please visit <http://www.mfa.hr/MVP.asp?pcpid=1615>.

F. Cavtat & Dubrovnik

Dubrovnik and Cavtat are situated in Southern Dalmatia, arguably the most beautiful part of the whole Adriatic coast. Dubrovnik is rich in cultural and historical monuments and is included into the UNESCO World Heritage List.

The geographical position of the area is typical of the classic Mediterranean or “estasian” climate with mild and damp winters and hot dry summers at quite low air humidity (approx. 2,600 sunny hours). The annual average of rainfall is 1,250 mm. The average air temperature is 17°C and the

summer sea temperature is approximately 21°C.

G. Social excursions

For the participants arriving on 10 or 11 November 2007, a variety of excursions can be organized. Hotel reception will be pleased to inform you how to reach the Old City Dubrovnik (just 17 km away) by bus or tours boat service. For more tours please contact the tourism agency in the hotel lobby.

On 13 November, an organized evening tour to the Old City Dubrovnik will be available for all interested participants. The bus will leave from the hotel entrance at 5 pm and return around 10 pm. All interested participants should approach the conference desk and book the tour before 10am on 13 November.

CORRESPONDENCE AND ENQUIRIES

All correspondence and enquiries related to the Regional Workshop should be addressed to:

CONTACTS: CROATIA

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**Regional Workshop on
Promoting Sustainable Biofuels Production and Use in Central & Eastern Europe**
12-13 November 2007, Croatia
Provisional Programme

	12 November	13 November		
Morning Sessions	<p>OPENING SESSION HE Mr Branko Vukelic, Minister of Economy, Labor and Entrepreneurship of the Republic of Croatia HE Mr. Kandeh Yumkella, Director-General, UNIDO Slovenia</p>	<p>PLENARY IV: REGIONAL AND INTERNATIONAL TRENDS- INDUSTRIAL PERSPECTIVES (9:00-10:25) Croatia country-wide feasibility study; lessons learned Specific Biofuels issues in a number of selected/TBD CEE countries International Industrial Perspective Discussions and Concluding remarks</p>		
	<p>KEYNOTE ADDRESS Production and use of biofuels- drivers, concerns and sustainability issues <i>UNIDO</i></p>			
	<p>PLENARY I: POLICY AND MECHANISMS PROMOTING SUSTAINABLE BIOFUELS PRODUCTION (10:40-12:30) EU policies and strategy on biofuels The EU-PREMIA project on effective measures to accelerate market introduction of Biofuels and Hydrogen Comparisons between different financial mechanisms Discussions and Concluding remarks</p>	<p>PARALLEL SESSIONS: ISSUES AFFECTING BIOFUELS PERSPECTIVES IN CENTRAL AND EASTERN EUROPEAN COUNTRIES (10:40-12:30) Issues influencing the feasibility of Biofuels in CEE countries (in terms of land availability and use, energy dependency, ratio of diesel and benzene consumption, the economic performance of the agricultural sector, etc.) and possible Biofuels pathways appropriate to CEE countries (in terms of feedstock availability, strategies/drivers, etc.)</p>	<p>Conversion technologies, a road to sustainable biofuels</p>	<p>Barriers to sustainable national Biofuels development and possible ways to remove them- in terms of lack of appropriate policies mechanisms to promote investment, sustainability standards to facilitate trade, etc.</p>
Lunch				
Afternoon Sessions	<p>PLENARY II: FEEDSTOCK AVAILABILITY, SUSTAINABILITY CRITERIA AND TRADE (14:00-15:30) Potential and outlook scenarios Economic evaluation of biodiesel produced from oilseed growing in North and East, Methodology and lessons learned Biofuels pathways and sustainability issues Sustainability indicators Discussions and Concluding remarks</p>	<p>CONCLUDING PLENARY: SUMMARY, RECOMMENDATIONS AND WAY FORWARD (14:00-17:00) Report on outcomes of parallel sessions <i>by the chairs of discussion groups</i> Summary of Seminar <i>UNIDO</i> Way forward / A framework for regional cooperation</p>		
	<p>PLENARY III: PROCESS TECHNOLOGY AND FUELS QUALITY (15:50-17:20) An overview 1st and 2nd Generations EU Biofuels Technology platform Air Quality Through Cleaner Fuels and Vehicles, including Biofuels (PCFV) From air quality to Climate change Discussions and Concluding remarks</p>			



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

**Regional Workshop on Promoting Sustainable Biofuels Production and Use
in Central and Eastern Europe**

**Cavtat, Croatia
12-13 November 2007**

Workshop Registration Form

Please return this form by e-mail or fax to the addresses given below by **1 October 2007**:

ENERGY INSTITUTE (attn Ms Biljana Kulisic)
PP 141, HR-10001 Zagreb, Croatia
Phone: +385 1 6326 169, Fax: +385 1 6040 599
E-mail: bkulisic@eihp.hr

and UNIDO (attn Ms. Aloma Macho)
Phone: +43-1-26026-3399, Fax: +43-1-26026-6822
E-mail: a.macho@unido.org

Name:
Country:
Institution: Position:.....
Work Address:
Telephone: Fax: E-Mail:.....

- I attend the workshop sessions on Monday, 12 and Tuesday, 13 November
- ARRIVAL: _____ (Date) _____ (Time) _____ (Flight)
- DEPARTURE: _____ (Date) _____ (Time) _____ (Flight)
- Other comments/requests: _____

Do you need visa support? Yes No

If yes, please provide your passport details:

Passport №:	Passport Type:	Passport Issued by:
Nationality:	Place of Birth:	Date of Birth:
Address:	Date of Issue:	Date of Expiry: