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COMMUNICATION
from Participants of the International Industrial Conference
“Biofuels. Ukraine – 2009”
to the Ukrainian State Authorities

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One of the significant factors of raising the level of energy security and reduction of anthropogenic impact on the environment is the proper governing non-conventional and renewable sources of energy. Currently, Ukraine has a solid background for rapid development of the biofuels market that can provide agricultural and transport sectors with biofuels of own production and decrease the dependence of national economy on import of oil products.

Ukraine has real possibilities for development of its own biofuels market. Favorable climate conditions, huge potential in the agricultural sector and highly qualified human resources make it exceptionally attractive for potential investors provided that the relevant legal frameworks are in place.

Since the previous conference “Biofuels. Ukraine – 2008”, the Law of Ukraine "On amendments to several legal acts of Ukraine on promotion of production and usage of biofuels" was adopted establishing the legal frameworks for creation of the biofuels market. However, the developments in this sphere require further joint efforts to be undertaken by the State and the business for creating modern and developed biofuels market in Ukraine.

Having discussed the complex of issues related to the development of production and usage of liquid biofuels, and the status of elaboration of by-laws, standards and technical regulations, the participants of the Conference address the following recommendations related to further development of the biofuels market in Ukraine to the following State Authorities:

The Parliament of Ukraine:

1. Aimed at attracting investments to production of biofuels and mitigating the investment risks, a number of additional amendments to the Ukrainian legislation should be elaborated, taking into account the harmonization with the EU requirements, in particular:
 - to establish a mandatory share of biofuels in general consumption; to define the minimal required volumes of annual production and usage of biofuels (2%, 3%, 4%, 5%);
 - to establish the limitation on MTBE (methyl tertiary butyl ether) usage in petroleum production and prohibit its usage in future.
2. Aimed at providing chemical enterprises of Ukraine of all types of ownership with the renewable raw material of domestic production, to expand a sphere of bioethanol usage as a raw material for organic synthesis. For this purpose to create a balanced system of legal, regulatory and other market instruments.

The Cabinet of Ministers of Ukraine:

Aimed at implementing provisions of the Law of Ukraine №1391-VI from May 21, 2009, the participants of the Conference apply to the Cabinet of Ministers of Ukraine with recommendations to undertake the following actions:

1. To speed up elaboration and adoption of by-laws envisaged by the mentioned Law regarding the

defining of the license conditions of business activity related to production, storage and distribution of liquid biofuels, as well as the procedures for:

- import of equipment for production and usage of biofuels to the customs territory of Ukraine;
 - issue, circulation and payment of bills (tax receipts) for bioethanol procurement;
 - establishment of public register of the biofuels producers;
 - accounting biomass for production of biofuels and bio-components.
2. To define the organizational and qualifying requirements to economic entities producing, storing and distributing liquid biofuels, in particular to speed up elaboration of:
 - standards, regulations, technological instructions;
 - regulating documents for raw materials and biomass products (State Standards of Ukraine, Sector Standards of Ukraine, technical requirements);
 - standards for new fuels E85 and B5;
 - to introduce the customs points on sites of producers of biofuels containing bioethanol in order to effectively control spirit turnover.
 3. To improve the system of state management of production and usage of biofuels, to coordinate the activity of ministries, agencies, scientific and research institutions and commercial entities in the sphere of liquid biofuels by creating a specific executive body in charge of development of biofuels production and consumption.
 4. To speed up elaboration of "Biomass Actions Plan" for Ukraine, envisaging the following actions:
 - creating a targeted program of production and usage of liquid motor biofuels;
 - introducing mandatory usage of liquid biofuels in cities with population of over 500 000 inhabitants since 2010 (first of all for the public transport);
 - ensuring governmental control over quality of liquid biofuels;
 - creating a research centre for supporting elaboration and production of new liquid biofuels, technologies and equipment and regulating documents on the basis of the National Academy of Sciences of Ukraine.
 5. To regulate the issues of simplified procedures of the land rent for locating filling fuel stations that will distribute liquid biofuels and/or biogas and blends containing more than 80% of biofuels.
 6. To promote usage of bioethanol for the organic synthesis products by harmonizing the Ukrainian and European legislations, to elaborate relevant amendments to the current Ukrainian legislation.

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