
Joint Declaration of Intent
on the implementation of a joint tender under the H2Global
instrument
between
The Government of the Federal Republic of Germany
and
The Government of the Netherlands

The Government of the Federal Republic of Germany and the Government of the Netherlands (jointly hereinafter referred to as “the Participants” and in the singular as “the Participant”) recognise the importance of the realisation of global import chains and the need for imports of renewable hydrogen and its derivatives in order to shift away from the Participants' dependence on fossil fuels and to achieve the decarbonisation goals of the Federal Republic of Germany (hereinafter referred to as Germany) and the Netherlands (hereinafter referred to as the Netherlands). They recognise that there remains a green premium in terms of higher costs for those off-takers willing to choose renewable hydrogen over fossil fuels and that the H2Global mechanism is an effective instrument to cover the necessary green premium. They acknowledge the Joint Declaration of the Dutch-German Government Consultations on 27 March 2023 in which the Participants decided to further explore the Dutch participation in the H2Global mechanism. They recall the letter, signed by the European Commissioner Kadri

Simson and Minister Habeck, inviting EU Member States to explore individual, synchronised or pooled European auctions under the H2Global instrument.

Having regard to the Joint Declaration of Intent (JDI) between the Participants in relation to further energy cooperation regarding hydrogen infrastructure signed on 14 November 2023, Germany and the Netherlands

- reiterate the importance of regional cooperation on the development of import infrastructure and dedicated cross border hydrogen infrastructure that connect Germany and the Netherlands,
- reaffirm the importance of the Dutch and German harbours within the forthcoming European hydrogen infrastructure and (inter)continental import corridors,
- recognise that the different parts of the hydrogen value chain might develop at different speeds requiring a flexible approach in the final design of the tender to be developed.

THEREFORE, THE PARTICIPANTS HAVE REACHED THE FOLLOWING UNDERSTANDING

I. Objective

Germany and the Netherlands intend to implement a joint tender for the purchase of renewable hydrogen or, initially, its derivatives based on the H2Global instrument. This joint tender is subject to approval by the Directorate-General for Competition of the European Commission under State aid law.

II. Tender design

The Participants intend to support the purchase of renewable hydrogen by pursuing the following tender specifications

1. Funding: The Participants aim to provide EUR 300 Million each to implement the joint auction. The funding will be used with the aim to tender one contract for a renewable hydrogen purchase agreement with producers for a ten-year duration.

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2. **Product:** The procurement under the joint auction that the Participants aim to implement will be vector-open. This means that winning contract partners under the joint tender of the Participants will be free to choose their preferred medium to transport renewable hydrogen up to the delivery point agreed upon, but that contract partners would be required to provide renewable hydrogen at the point of delivery. Since the (import) infrastructure for the transport, storage and transformation of renewable hydrogen (vectors) is currently being developed, contractual fall-back options can be defined by the Participants in cooperation with the implementing entity if the required import and transport infrastructure does not (yet) exist at the time the contract is concluded.
 3. **Geography:** The Participants intend to carry out a global tender for a renewable hydrogen purchase agreement, without excluding a specific region from such a tender. Accordingly, participation in the renewable hydrogen purchase agreement bidding procedures is in principle open to all interested market participants to export to Germany and the Netherlands, except for countries that are not allowed to participate due to economic sanctions imposed by the Participants.
 4. **Product specifications:** The product requirements regarding renewability and the greenhouse gas emission reduction/accounting will be based on the European Commission Delegated Regulation setting out detailed rules for renewable liquid and gaseous transport fuels of non-biological origin and the European Commission Delegated Regulation providing for a methodology for calculating life cycle greenhouse gas emissions for renewable liquid and gaseous transport fuels of non-biological origin.
 5. **Additional Sustainability Criteria:** Common additional sustainability criteria, such as for resource use (water), labour standards, environmental and social impact are to be decided upon. These should be based on the criteria developed within the first H2Global window and aiming to be in line with OECD guidelines and the standards referred to therein.
 6. **Point of delivery:** The Participants will examine possibilities to ensure the onwards distribution of the product from suitable points of delivery within Germany and the Netherlands to point of sales in Germany and the Netherlands, in proportion to the share of the funds allocated by the Participants for the purchase of the products under the joint auction.
 7. **Time frame:** The Participants aim to launch the tender in the first part of 2024. The funds will be used with the aim of ensuring the delivery of renewable hydrogen in the period 2027-2036.

III. Implementing entity

The funds will be managed, and the joint tender will be implemented by a Special Purpose Vehicle to be established by Hint.co under German law.

IV. Costs and budget implementation

The costs for the preparation and implementation of the joint tender will be borne equally by the Participants. The Participants will develop a final annual funding plan to detail how the payments in the funding period and the budget implementation by the implementing entity will be organised.

V. Management and cooperative mechanism

A dedicated and regular exchange among representatives of the Participants and the implementing entity, will take place in order to monitor the planning, execution and evaluation of the activities carried out to implement the joint tender.

VI. Disputes

Any dispute about the interpretation or implementation of this Joint Declaration of Intent will be resolved through consultations between the Participants.

VII. Nonbinding Declaration

This Joint Declaration of Intent is not meant to constitute a treaty or to create any legal rights or obligations under international or any national law.

VIII. Terms

This Joint Declaration of Intent will come into effect upon signature by both Participants. It will be jointly reviewed upon written request of one of the Participants. It may be amended at any time by mutual consent in writing. Either Participant may end its cooperation under this Joint Declaration of Intent at any time but should strive to provide written notice to the other Participant of its intent to do so three months in advance.

For the Federal Ministry for Economic Affairs
and Climate Action of the Federal Republic of
Germany

For the Ministry of Economic Affairs and
Climate Policy of the Netherlands

(Signature)

(Signature)

Dr. Philipp Steinberg, Director General for
Economic Stabilization and Energy Security

Mr. Hans Vijlbrief, State Secretary of
Economic Affairs and Climate Policy