# Call for public-private-cooperation projects (PPPs) to promote the market ramp-up of green hydrogen and its derivatives

Information on Calls for PPP Ideas

# 1. What are public-private-cooperation projects (PPPs) in the context of H2Uppp?

The International Hydrogen Ramp-up Program (H2Uppp) of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) promotes projects and market development for green hydrogen in selected developing and emerging countries as part of the National Hydrogen Strategy of Germany. H2Uppp supports the market ramp-up for green H2/PtX technologies and products through public-private-cooperation projects (PPPs).

In PPPs, the public partner and companies from the private sector use their strengths in a formalized partnership to develop the market for green H2/PtX technologies and products. Thereby, they contribute to a sustainable development in the H2Uppp partner countries.

On behalf of BMWK, GIZ acts as the public partner in these PPPs<sup>1</sup>. GIZ provides technical expertise, its structures and networks in the partner countries for PPP projects. GIZ may also cover a share of the costs of the PPP with corresponding own contributions from the German/European and local partner companies.

# 2. What types of PPPs are supported?

PPPs are promoted along the complete value chain (production, conversion, storage, transport and use) of green H2 and downstream products (so-called derivatives, or PtX), which support the hydrogen market development in partner countries. In this context, PPPs can, for example, be designed as training or capacity-building measures. PPPs can also focus on the further development of specific project approaches and their (pre-)feasibility. For further information, please check out the H2Uppp factsheets on PPPs that are already in implementation (link here).

It is important that PPPs pursue a public benefit, i.e. the measures must go beyond the company's own interests and have a strong benefit for the partner country. A (potential) distortion of competition must be avoided. For example, the project content developed with public support should be accessible to the public. No subsidies are granted for investments that remain in the ownership of the company.

<sup>&</sup>lt;sup>1</sup> In addition, the GIZ and the German Chambers of Commerce Abroad (AHK) organize various formats in the project countries and in Germany, which serve to develop project ideas. At Business Roundtables and technical conferences, private sector actors and experts in the field of H2/PtX are linked and project ideas are identified.

## 3. What is the application process for PPPs?

#### a. Application

Companies are invited to apply for support and cooperation with GIZ via an open call for PPP project ideas.

The deadlines for the submission of project ideas are:

Call #1: 1 September 2023, 11:59pm CEST

Call #2: 1 November 2023, 11:59pm CET

Call #3: 1 January 2024, 11:59pm CET

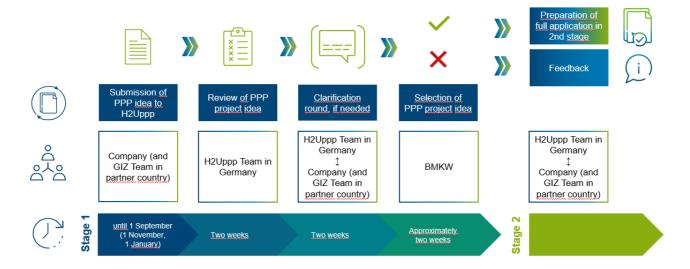
The application form is published on leverest (link <u>here</u>). Applicants should submit their application (application form) to <u>H2uppp@giz.de</u>.

Applicants are invited to discuss their ideas with H2Uppp teams in the partner countries or in Germany before officially submitting the idea in the Call. This is an offer to companies but not mandatory.

Additional calls might be issued in 2024 depending on available funding and the PPP project pipeline. Information on this will be provided in due time.

#### b. Review and selection

In the first stage of the process, all PPP applications received within the deadline (deadlines see above) are reviewed from a technical, commercial, and legal side. They are assessed according to the eligibility and selection criteria (see below). After this, companies might be contacted for clarifications, if necessary. All applications are then submitted to BMWK for a decision on which PPPs should enter the second stage.



Selected project ideas are invited to proceed to the second stage, i.e. the PPP project preparation and preparation of the contracting. A contract is concluded between GIZ and the applicant companies and the PPP implementation phase starts.

H2Uppp aims to finalize the first stage of the process within 6 weeks. The second stage is estimated to last 6-7 weeks, the actual duration might differ and will be agreed with the applicant to reflect availabilities to elaborate and process the documents.



In case the application has not been selected in stage 1, the applicant will be provided feedback and has the opportunity to revise the application and submit it in a subsequent call.

The implementation of PPP projects depends on a commissioning by BMWK. BMWK's decision on commissioning is scheduled for end of 2023/ beginning of 2024. Cooperation within PPP projects depends on the selection of the idea in the call for PPP ideas, preparation of a project proposal and the conclusion of a cooperation agreement between GIZ and the applicant companies. The terms and conditions of the cooperation agreement will be negotiated separately after conclusion of the call for ideas. GIZ does not recognize any legal claims, including subsequent cooperation agreements, from applicants.

The implementation of PPP projects depends on the funding provided by BMWK, a respective funding commission is pending and expected in late 2023/beginning of 2024.

Depending on available funding and PPP project pipeline, additional calls might be issued in 2024. Information on this will be provided in due time.

# 4. Who can participate?

The call for project ideas invites companies from Germany and Europe, as well as companies from the partner countries as consortium partners, which offer technologies or invest in technologies or applications along the H2 value chain. The involvement of local companies is desired. Applications as consortiums are possible. German or European companies should provide the majority contribution of at least 50% to the private sector contribution in the PPP project. For eligibility criteria and project selection criteria please see point 5 and 6.

# 5. What are the eligibility criteria?

#### a. Eligibility criteria for companies:

The lead applicant should

- Exist for at least 3 years,
- Have an average annual turnover of EUR 800,000 (2020-2022)
- Have at least 8 employees.
- Be based in Germany or the EU

All companies should

- Have sufficient economic creditworthiness and liquidity to provide the necessary own contribution.
- Have sufficient staff employee resources and professional qualifications to implement the PPP project.
- Be basically privately owned and profit-oriented.



#### b. Eligibility criteria for PPP projects:

- Duration of up to 2 years and no longer then 12/2025 (tied to the expected program duration of H2Uppp)
- The minimum volume of public support is EUR 50,000.
- The companies must contribute at least 50% of the project costs to the PPP projects.
- It is a project to produce green H<sub>2</sub> / derivatives and/or for its storage / transport / applications in compliance with Sustainability Standards, in particular respective EU RED II Delegated Acts2.
- The project promotes cooperation between German / European companies and companies in the respective partner country to realize projects with green H<sub>2</sub> / derivatives in order to gain experience and to transfer European and German know-how.
- The project generates long-term synergies with the energy transition in the partner country and contributes to climate protection (e.g. CO<sub>2</sub> reduction, grid stability, access to capacities etc.).
- The project or technology should be adapted to the specific conditions of the partner country. Successful project approaches can be replicated in several countries and / or extended to other components in the same country.
- It is ensured that the project continues to have an impact after the PPP project period (e.g. Cash flow, integration into local education programs, scalability in the future etc.).
- Additionality must be given (without the public support, the company would not be able to implement the project).

#### 6. What are the selection criteria?

The information on selection criteria (see Annex 1) is provided for the purpose of transparency and guidance. The selection criteria have been developed based on experience and lessons learned from previous calls for PPP ideas. These selection criteria solely serve the purpose to provide guidance and add objectivity in the selection of PPP projects; under no circumstances should they be understood as an assessment of the merits of an individual project. H2Uppp is aware that in this early market development stage, projects can have very different focuses and support requirements and might not have all information available at this stage.

# 7. How are PPPs supported and implemented?

PPP projects are supported with a minimum volume of public contribution of EUR 50,000, whereby a participation of the company of at least the same amount is required.

As a rule, support is provided through a **cooperation agreement** between GIZ and the company. GIZ and partner companies agree on quantifiable measures, which they finance and implement themselves, thus contributing proportionally (e.g. 50/50%) to the overall project. There is no financial flow between GIZ and the private company(s). The public contribution can include in-kind services, e.g. for (pre-)feasibility, project identification, technical consulting or training **worth up to** EUR **2,000,000** per project.



<sup>&</sup>lt;sup>2</sup> For information see <u>Delegated Acts on Art. 27 and 28 explained</u>: How they will shape the PtX market ramp up - PtX <u>Hub (ptx-hub.org)</u>

Another support option is a **service agreement**, which is concluded between the company and GIZ. In this case, the company(s) receives financial compensation of **up to EUR 200,000** for services agreed in advance with GIZ.

Further information on the implementation of a service agreement, e.g a guide on costs eligible for reimbursement, can be found on the GIZ homepage at DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR

(https://www.giz.de/en/workingwithgiz/important\_documents.html; https://www.giz.de/en/workingwithgiz/4184.html)

## 8. In which countries are PPPs being promoted?

The target countries where PPP projects are currently being promoted are Algeria, Argentina, Brazil, Chile, Colombia, Egypt, India, Morocco, Mexico, Namibia, Nigeria, Thailand, Tunisia, Turkey, South Africa, Ukraine, and Uruguay.<sup>3</sup>

Companies interested in PPP activities in other countries are requested to contact the H2Uppp team (H2uppp@giz.de) for further clarification before submitting an application.



5

<sup>&</sup>lt;sup>3</sup> Final confirmation from BMWK pending

#### **Annex 1**

#### General selection criteria for all projects

- Requested amount of public contribution and private contribution for financial leverage
- Diversity in Portfolio regarding target countries and participating companies
- Knowledge transfer and capacity development

For projects targeting primarily a domestic use of H<sub>2</sub>/PtX:

- Potential sites/locations for replication of the project
- Information on potential investor(s) as indication for the likelihood of the project(s) realization
- CO<sub>2</sub> reduction potential in processes and products targeted by the domestic use of H<sub>2</sub>/PtX
- Number of companies targeted by information events in PPP

For projects targeting primarily for export of H<sub>2</sub>/PtX and related infrastructure:

- Potential sites/locations for replication of the project
- Information on potential offtaker(s) as an indication for the likelihood of the project(s) realization
- Estimated H<sub>2</sub>/PtX production volumes
- Estimated H<sub>2</sub>/PtX handling/transporting volumes in infrastructure project(s) (pipelines, ports)
- Number of additional H<sub>2</sub>/PtX-projects to benefit from infrastructure project(s)
- Number of companies targeted by information events in PPP

For PPP projects focusing on development of expertise and training in partner country:

 Number of people/companies targeted by training/capacity development activities during the PPP and efficiency

The International Hydrogen Ramp-up Programme (H2Uppp) of the German Federal Ministry for EconomicAffairs and Climate Action (BMWK) promotes projects and market development for green hydrogen in selected developing and emerging countries as part of the National Hydrogen Strategy.

#### Published by:

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Address
Postcode and town, country
T +49 61 96 79-0
F +49 61 96 79-11 15
E info@giz.de
I www.giz.de

Eschborn, 1 August 2023

# Author/Responsible/Editor, etc.: GIZ/Regine Dietz and Janka Clauder

Design/layout, etc.: Peppermint

#### **URL links:**

Responsibility for the content of external websites linked in this publication always lies with their respective publishers. GIZ expressly dissociates itself from such content.

GIZ is responsible for the content of this publication.

# Contact:

N Regine Dietz

E regine.dietz@giz.de h2upp@giz.de

I www.giz.de https://www.leverist.de/en/app/opportunities/call-for-proposals-h2uppp-promotion-of-greenhydrogen-and-its-derivativesin-emerging-and-developingcountries

