



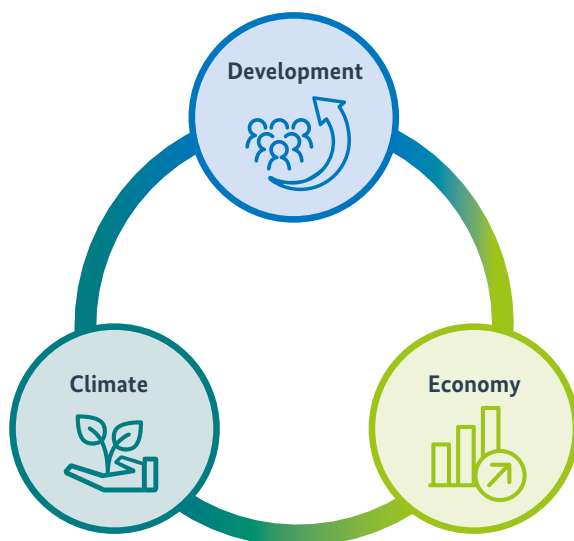
Business Alliance on Green Hydrogen

Development › Economy › Climate

GREEN HYDROGEN AND PTX FOR A JUST TRANSITION

Alternatives to fossil fuels are essential for the long-term success of the **energy transition** and for the **socially just and environmentally responsible transformation of our economy**. Green hydrogen and its derivatives (Power-to-X/PtX) play a key role in these efforts as versatile energy sources and basic materials for the chemical industry. At the same time, they create opportunities for sustainable development in our partner countries.

Green hydrogen and PtX can help to reduce CO₂ emissions, especially in areas where it is not possible to increase energy efficiency or to use electricity generated directly from renewables. Examples include the **fertiliser and steel industries, aviation and heavy goods transport**. Hydrogen demand in Germany alone will increase from the present level of around 60 TWh to as much as 110 TWh annually by 2030. Significant imports from partner countries will also be needed to meet the growing demand.



The triple dividend of the Business Alliance on Green Hydrogen



The Business Alliance on Green Hydrogen supports projects along the entire value chain for green hydrogen and its derivatives.

However, the **cost of producing** green hydrogen is currently too high and the **production capacities** are too limited. Moreover, there is still no reliable framework in place for the profitable sale of green hydrogen.

The German Federal Ministry for Economic Cooperation and Development (BMZ) supports the market ramp-up of green hydrogen and the establishment of industrial value chains in partner countries of German development cooperation. **Cooperation with the private sector** is particularly important in establishing a functioning market and industrial production capacities for green hydrogen and its derivatives.

In addition to diversifying German energy imports, the positive effect is threefold: while green hydrogen contributes to the **decarbonisation** of global industrial value chains, the simultaneous development of industrial production facilities will give **local economies** a powerful boost and stimulate employment. This way, green hydrogen and PtX will contribute to a country's **climate-friendly and socially equitable development** as part of a **just transition**. Strengthening **local value creation** and **energy supply** is essential to achieving a just transition in our partner countries.

A GLOBAL NETWORK FOR THE FUTURE

The **Business Alliance on Green Hydrogen**, founded in 2019, involves the private sector in the BMZ's green hydrogen and PtX strategy. Its goal is to provide insights into current business challenges and approaches, and to include companies in development cooperation.

Many German and European companies are already leading the way in the development of hydrogen technologies: For example, the EU currently accounts for 60 per cent of the world's electrolyser production capacity. The Business Alliance on Green Hydrogen consists of approximately **100 German and European companies**, associations and institutions in the hydrogen and PtX sector, from plant manufacturers to product offtakers.

The Business Alliance on Green Hydrogen supports the market ramp-up of green hydrogen in the interest of **development cooperation**. The activities of the Business Alliance focus on countries with considerable **potential for the production** of green hydrogen. Key criteria in this context include the potential for expanding **renewables**, the **willingness of policy-makers** to develop a green hydrogen sector and already existing **industrial infrastructure**.

In cooperation with private companies, the Business Alliance on Green Hydrogen is active in focus countries, including Brazil, South Africa, Namibia, Morocco, Algeria, and Tunisia.

CONTACT US!

If you want to join our network or would like to exchange ideas with us, please get in touch:
wasserstoff@giz.de

→ H2 NETWORK – THE HYDROGEN SECTOR'S NETWORK

The Business Alliance on Green Hydrogen serves as a cross-point between the private sector and the BMZ. It connects stakeholders along the entire value chain. The Business Alliance promotes continuous dialogue and exchange of knowledge with the BMZ, for example through network and dialogue events. It also creates incentives for private German and European enterprises to enable a sustainable market ramp-up of green hydrogen and PtX.

→ H2 PROJECTS – SUPPORT FOR INDUSTRIAL PROJECTS

To get the market up and running and reduce the cost of green hydrogen, it is essential to expand production through large-scale projects. This involves identifying and supporting the business network's sustainable project ideas along the value chain. In Morocco, the Business Alliance is working with KfW to support the development of a reference plant with an electrolysis capacity of 100 MW.

→ H2 MARKET – SUPPORT FOR LOCAL MARKET DEVELOPMENT

The Business Alliance on Green Hydrogen supports local market development of green hydrogen and PtX in defined partner countries. It identifies business scenarios and potential for value creation from an economic and technical perspective and makes them available for project and investment decisions.

→ H2 FINANCE – STRENGTHENING COMPETITIVENESS

Tailor-made financing is essential for strengthening the competitiveness of the partner countries in the global market ramp-up. Therefore, the Business Alliance reviews existing mechanisms for their applicability and initiates new funding mechanisms, such as H2Global or KfW's PtX-development fund, which are geared to the needs of the private sector.

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