Declaration on Sustainability Criteria for Green Hydrogen

The German G7 Presidency has declared its ambitions to accelerate the implementation of the Paris Climate Agreement. To this end, among other efforts, it plans to agree on common standards in the development of a hydrogen economy. A market for hydrogen is currently rapidly developing. Extensive intergovernmental hydrogen cooperation and funding programs are being launched. **To ensure that these make a real contribution to climate protection right from the start, we believe that ambitious, binding sustainability criteria for the production and trade of green hydrogen are indispensable.** At the same time, industrialized countries must make an effort to establish their own domestic and regional hydrogen supply.

Currently, much of the political and industrial sectors as well as the media exclusively present hydrogen exports as an opportunity for producing countries. The risks, such as a negative impact on the climate, destroyed ecosystems, and illegal land grabs and displacement, are almost completely ignored. These risks are exacerbated when industrialized countries rely too heavily on imports, neglect self-sufficiency, and projects in other nations come under pressure in order to quickly compensate for supply shortages. As in other supply chains, importing companies have a particular duty of care to avoid any negative impact on human rights, the environment, and the climate. In this regard, we expressly welcome the statement presented by the German Hydrogen Council on sustainability criteria for projects importing renewable hydrogen and PtX products.

As development, climate, and environmental organizations, we call on the German G7 Presidency to use the upcoming G7 Summit to establish a Task Force on Sustainable Trade in Green Hydrogen (for example, within the framework of OECD or IRENA) to enumerate, standardize, and advance the implementation of the following criteria:

- **Certification**: In order to comply with common standards, a certification system exclusive to green hydrogen must be established, which can be applied in all potential export countries.

This also includes verifying the greenhouse gas footprint along the entire supply chain and, if necessary, reducing it in line with the goal of climate neutrality. Producer countries must be involved on an equal footing in the certification process.

- **Prioritization of local supply:** Cooperation with producer countries must be concluded to the benefit of both parties. This means that overcoming local energy poverty and ensuring local energy transitions must take precedence over hydrogen exports. Otherwise, hydrogen will not make a positive contribution to global climate protection. Overcoming energy poverty is a key objective of the Sustainable Development Goals. As such, hydrogen production in countries affected by energy poverty must contribute to improving the local population's access to renewable energy. One example of this would include making some of the additional capacities used for renewable energy generation accessible to the local population.
- **Additionality:** Ramping up the local hydrogen economy must be coordinated with national climate protection strategies. Renewable energy power plants used to produce hydrogen for export must be built in addition to facilities already included in the respective country's binding target planning (according to the NDC or Integrated Resources Plans). Such a systemic approach is the only way to ensure that the export of renewable hydrogen does not prolong the domestic energy supply's use of fossil fuels, causing the exporting country to miss its own energy and climate policy targets. Ideally, the hydrogen economy's development will strengthen the producing countries' climate ambitions.
- **Water supply:** Export projects must not jeopardize local water supplies. If new water sources, e.g., desalination plants, are developed for hydrogen production or its further processing, these should also contribute to reducing any overall water stress in the production region.
- Nature conservation and land ownership: As a matter of principle, competition for land is to be avoided. Forced resettlement and illegal land grabs must be completely ruled out. Green electricity and green hydrogen plants must be built to be compatible with nature. Minimum standards on carbon storage and the preservation of biodiversity are necessary to avoid ecological damage. Where land competition arises, it will be necessary to seek out coexisting and synergetic approaches. These are well within the realm of possibility in the case of energy production and agriculture, e.g., agrivoltaics.
- **Development:** Job creation and the development of local added value potential in production countries should be promoted in a targeted, long-term way. Any newly emerging structures should explicitly support local communities. This support includes capacity

building and knowledge transfers, as well as formats for participatory involvement. It should also include processing some of the hydrogen locally, into derivatives and higher-value downstream products like green ammonia, which in many cases is locally needed. “Do no harm” standards must be met to enable sustainable, long-term development.

- **Free Prior and Informed Consent (FPIC):** Local and indigenous communities’ traditional land, grazing, and water use rights are to be uplifted and respected. Projects on such lands may only be carried out with the free, prior, and informed consent (FPIC) of these communities (Art. 19 UNDRIP and ILO 169, Art. 6 and 7).
- **Participation and good governance:** Respect for human rights and the fight against corruption should be prerequisites for energy partnerships and investment decisions. Genuine participation will require investing in appropriate capacity building for local actors, establishing transparent grievance mechanisms, and establishing formats through which local citizens can participate in decision-making. Local residents and civil society actors should be involved in the planning, implementation, and monitoring of projects. If possible, the beneficial financial participation of municipalities and local residents should also be enabled.

The German government has already announced that it intends to develop the newly established H2Global Foundation into a European trading company for hydrogen. In this regard, we criticize H2Global’s conception as a purely commercial foundation. H2Global must be aligned with ambitious sustainability criteria, placed under sovereign public control, and its project development and awarding of contracts must be transparent.

We expect the G7 Summit in Germany to make significant progress in shaping the developing market for hydrogen-based products in a sustainable manner. Industrialized countries, in particular, must live up to their responsibility for globally equitable economic development. To closely interconnect multilateral declarations of intent, certification procedures, funding programs, and economic projects, what is needed now is dedicated, concerted political action.