

New Green Hydrogen Sector Fund to finance production, research and innovation projects

The Ministry of Industry, Energy and Mining (MIEM), the Technological Laboratory of Uruguay (LATU) and the National Agency for Research and Innovation (ANII) launched the ***Green Hydrogen Sectorial Fund***, aimed at finance research, innovation and training projects in this area. The objective of the fund is to develop production in order to supply local and exporting demands and to place Uruguay on the Green Hydrogen world map.

The first step for this fund launched on March 30th will be a call for proposals to promote the first concrete and sustainable projects, through a competitive bidding process. The plan will include a non-refundable monetary support of 10 million dollars from the government, which will be awarded and distributed within a period of no more than 10 years from the start of operations.

The production of green hydrogen will benefit Uruguay's energy matrix, yet will also allow the country to "take part in this global development that we see is accelerating," said Omar Paganini, Minister of Industry, Energy and Mining, adding that investment proposals have already been received from European energy companies.

Globally, several countries have already set ambitious goals to achieve decarbonisation by 2050. Uruguay has initiated its second stage in its energy transition, through actions that allow the advancement in decarbonisation of sectors of the economy that are still heavily dependent on fossil fuels (mainly transport and industry).

Within the set of measures being promoted for this purpose (**there are currently numerous actions to promote electric mobility**), is the **development of green hydrogen production and its derivatives, for the purpose of supplying local demand and export.**

The Executive Branch, through the MIEM, the Ministry of Environment, the Ministry of Economy and Finance and the Ministry of Transport and Public Works, in alliance with the public companies Ancap and UTE and several state agencies, are working in an inter-institutional group to advance in different measures the promotion of the green hydrogen chain in Uruguay, in order to contribute to the economic and sustainable development of the country. This initiative is also supported by the Inter-American Development Bank (IDB).

Among Uruguay's priority initiatives to develop, its path towards green hydrogen is the new sectoral fund, which will allow the promotion of the first concrete productive experiences, through value and knowledge-generating pilots that are sustainable over time.

Scope

This first call to be opened through the ANII will be administered as a two-stage competition: the presentation of profiles and the presentation of projects. It will be aimed at the financing and supporting of construction, production and use of green hydrogen and its derivatives. Possible uses include heavy-duty or bus transport, e-methanol, e-kerosene, green fertilizers and blending with natural gas.

The call will be open to different possibilities in terms of renewable energy sources and locations. The minimum scale of the project will be 1.5 MW nominal electrolyzed power.

Beneficiaries and support

National legal entities, whatever their type and consortiums of national and foreign legal entities from the private sector based in the country, with a proven track record and experience in the installation and operation of electrolyzers of at least 1.5 MW of power, may be beneficiaries of the fund. Proven experience will also be required from project suppliers.

The plan will include a non-refundable monetary support of 10 million dollars, granted by the government, which will be awarded and distributed within a period of no longer than 10 years from the start of operations. The aim is for projects to be operational by 2025.

A technical and economic monitoring committee will be set up. In addition, the articulation with the benefits of the Investment Promotion Law regime will be enabled.

Evaluations will take into account the following criteria: use, experience, project maturity, associated industrial development, financing scheme, early entry and type of market.

More Information

The Hydrogen Sectoral Fund is one of the tools that the MIEM is promoting to lead the decarbonisation of energy and industry, in the framework of the construction of a **roadmap for green hydrogen, to be presented in May.**

LATU and Latitud - its R&D&I foundation, aimed at favouring national industry - will participate by researching, developing and adapting new technologies that promote sustainable production.

In that sense, ANII will be in charge of receiving applications through its website, thanks to its experience in the design and management of instruments to support research, innovation and the training of highly qualified human capital.



The rules and application conditions will be published within the first days of April through the ANII website.

Further questions or information: anii@anii.org.uy

More information on green hydrogen in Uruguay