

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE EUROPEAN UNION AND THE ORIENTAL REPUBLIC OF URUGUAY ON COOPERATION RELATED TO RENEWABLE ENERGIES, ENERGY EFFICIENCY AND RENEWABLE HYDROGEN

The European Union (hereinafter “the Union”), and the Oriental Republic of Uruguay (hereinafter “Uruguay”), hereafter named as “the Sides”;

Background section

Considering the importance of cooperation between the two Sides producing and consuming renewable hydrogen to support the sustainable energy transition and to reduce fossil fuel dependency;

Recognising the key role of energy efficiency and renewable energy for achieving the objectives set out under the Paris Agreement and the commitment to reduce greenhouse gas emissions, including the shared goal of reaching climate neutrality by 2050;

Agreeing that renewable hydrogen will play for both Sides a key role in storing renewable energy and in the deep decarbonisation of hard-to-abate sectors such as the steel and chemical industries and the transport sector;

Taking into account the Framework Agreement for Cooperation between the Union and Uruguay signed in Brussels on 4 November 1991;

Recognising that both Sides aim to ensure that projects regarding renewable energies, energy efficiency and renewable hydrogen and its derivatives are aligned with the United Nations Sustainable Development Goals and contribute to in-country value creation, economic growth and sustainable local development;

The Sides confirm their intention to enhance their cooperation on renewable energies, energy efficiency and renewable hydrogen (including green hydrogen and its derivatives) and agree on the following Memorandum of Understanding (‘Memorandum’).

Section 1

Scope of cooperation under this Memorandum

1. The Sides intend to promote the potential of energy efficiency to contribute effectively to meeting their respective greenhouse gas emission reduction targets, as described in their updated Nationally Determined Contributions (NDCs) and their Long-Term Climate Strategy (LTS) under the Paris Agreement.
2. The Sides envisage to work together in the development and use of renewable energy sources, in accordance with their respective long-term decarbonization objectives. In addition, the Sides intend to cooperate and promote the development of rules-based, transparent and undistorted global hydrogen markets based on reliable international standards and certification schemes.
3. The Sides intend to use their best efforts to develop reliable and sustainable supply chains for global renewable hydrogen and its derivatives markets, in particular avoiding export

restrictions such as export licensing, export monopolies, dual pricing regimes, anti-competitive practices as well as non-tariff barriers.

4. The Sides envisage cooperation on research and regulatory issues, which may include definitions, methodologies, sustainability rules, certification systems as well as measures to stimulate the improvement of energy efficiency and the uptake of renewable hydrogen.
5. The Sides also have the intention to cooperate on development and deployment of innovative energy technologies and identifying innovative solutions for promoting energy efficiency and the use of renewable energy and its integration into the energy grid and transport systems.
6. The Sides intend to facilitate communication and cooperation between the industry of both Sides in the areas of energy efficiency and renewable energy to discuss their needs and potential contribution to the objectives set out in this Memorandum.

Section 2

Activities

1. The Sides intend to work collaboratively to identify the appropriate ways and means for implementing Section 1 of this Memorandum. It may include a road map setting out specific cooperation activities for advancing the objectives of this Memorandum. Such collaboration may include, but not be limited to, the following activities:
 - a) Review and deepening of actions and policies for the promotion of energy efficiency by both Sides;
 - b) Exchanges regarding policies on renewable energies, energy efficiency and renewable hydrogen and its derivatives, and in particular on the investment framework with a view to providing potential investors with a maximum of clarity in both Sides;
 - c) Support the development of a regulatory and policy framework favourable for the development of renewable hydrogen and its derivatives industry in both Sides;
 - d) Encouragement of industry cooperation and investments in renewable energies, energy efficiency and production of renewable hydrogen and its derivatives in the Union and in Uruguay, including information exchange on the infrastructure development, investment framework, sustainability requirements and participation of the European companies in competitive tenders of Uruguay for renewable energies, renewable hydrogen and its derivatives and energy efficiency technologies. The Sides endeavour to cooperate to identify and respond to barriers to investment in these areas should they emerge;
 - e) Exploration of ways to develop technologies, and provide best-practice standards, knowledge and technologies regarding renewable energies, renewable hydrogen and energy efficiency.
2. The Sides may jointly decide on further areas of cooperation or activities within the scope of this Memorandum.

Section 3

Environmental Protection and Sustainability

The Sides aim to ensure that renewable energies, energy efficiency and renewable hydrogen and its derivatives investments comply with the current relevant environmental legislation related to marine and land sectors, and that concerns on protecting, conserving and restoring water systems and water-related ecosystems are respected and properly integrated in the design and implementation of policies promoting energy efficiency, renewable energies and renewable hydrogen and its derivatives. The Sides aim to ensure that the production of renewable hydrogen and its derivatives does not compete with the take-up of renewable energies in the local energy sector. Furthermore, the Sides emphasise the importance of a Just Energy Transition which takes, among others, the interests of local communities into account.

Section 4

Safety

The Sides may consult one another with a view to preventing, where applicable, safety hazards for infrastructure used for the transport and supply of renewable hydrogen and its derivatives between the Sides, as well as potential safety hazards for workers and surrounding environment and communities.

Section 5

Meetings of the Sides

The Sides intend to monitor the implementation of the provisions of this Memorandum, and to meet at least once a year at a place and time mutually agreed by the Sides, or upon the request of either Side. The Sides may, by mutual agreement, propose a Ministerial level meeting for strategic matters consistent with the objectives of this Memorandum.

Section 6

General terms

1. Nothing in this Memorandum creates any legally binding obligations or commitments, or any financial obligations or commitments, on either Side or in relation to any third party, under domestic or international law.
2. Nothing in this Memorandum should be construed as representing a commitment to financing from either Side.
3. Each Side is expected to bear its own expenses related to its cooperation in support of achieving the objectives of this Memorandum, consistent with applicable law and regulation and subject to the availability of appropriations.

4. Furthermore, this Memorandum of Understanding should not represent any commitment from either Side to give preferred treatment to the other in any matter contemplated herein or otherwise.
5. The implementation of this Memorandum and any other activity hereunder is to be in accordance with each Side's domestic laws, regulations, policies and procedures, as well as each Side's international obligations.

Section 7

Resolution of differences

Any dispute that may arise between the Sides regarding the application or interpretation of this Memorandum is to be settled amicably through mutual consultation between the Sides, in good faith and through diplomatic channels, and will not be referred to any national or international tribunal or third party for settlement.

Section 8

Confidentiality

1. It is the intention of the Sides to exchange information generated in the course of the implementation of this Memorandum.
2. The Sides should endeavour to ensure that any information exchanged under this Memorandum and all activities undertaken pursuant to this Memorandum are consistent with their policies and procedures on the disclosure of information. Neither Side should disclose confidential information, documents or data provided by the other Side in writing or orally to third parties in the course of implementation of this Memorandum, except with a prior written consent. This clause does not apply to information which was in the public domain before being disclosed or information which was already known by the receiving participant before its dissemination.
3. Should the implementation of this Memorandum exceptionally require the exchange of personal data in any given project, the Sides will ensure compliance with the relevant data protection rules.

Section 9

Start of cooperation

1. The activities under this Memorandum are to start on the date of its signature by the Sides.
2. The collaboration may continue until the Sides agree that the objectives of this Memorandum have been achieved or until one Side discontinues its participation, by written notice, through diplomatic channels, not less than ninety (90) days in advance.

Section 10

Communication

The Sides intend to, by written notice to the other Side, designate its representatives or substitute representatives for communication on implementation of this Memorandum.

Signed in Brussels on the 18 July 2023, in two original copies in the English and Spanish language, both texts being equally valid. In case of any divergence of interpretation, the English text should prevail.

For the European Union

For the Oriental Republic of Uruguay

Kadri Simson
European Commissioner for Energy

Francisco Bustillo Bonasso
Minister of Foreign Affairs