Belgian-German Joint Declaration

on Bilateral Cooperation

on the Transition to Sustainable Carbon Neutral Economies

Belgium and Germany are neighbors, allies and partners within the European Union, the North Atlantic Treaty Organization, and the United Nations. We are close economic partners, with a strong industrial base and interconnected value chains. Many Belgian and German companies are active in our countries, creating about 125,000 jobs. As neighbors, our relations are characterized by close contacts between our citizens. We strongly value cross-border cooperation, and we work, in close cooperation with our regions, towards ever closer and deeper collaboration.

Transition to Sustainable Carbon Neutral Economies

Belgium and Germany are strongly committed to the European Union's aim to reach carbon neutrality by 2050. We both have ambitious renewable and sustainability targets, pursuing the objective of carbon neutral economies and mainstreaming circularity in support of industrial leadership and innovation. This requires new ways of producing and consuming energy, adjusting the industrial production processes, rethinking mobility and housing. It has an impact in every aspect of our life.

The war of aggression against Ukraine has strengthened our commitment to these ambitions. Energy security is once again at the heart of our agenda, focusing on short term actions as well as accelerating our structural efforts to decarbonize our energy system and reduce our dependency on fossil fuel imports. We agree that the ambitious expansion of renewable energies is an important cornerstone of European sovereignty and the long-term strengthening of our economy. Energy cooperation between Belgium and Germany has become ever more important.

We have adopted ambitious hydrogen strategies. We will use climate neutral gases – including hydrogen and liquid derivatives – to accomplish the energy transition in the most cost-effective way. We want to deepen our dialogue on the production of hydrogen, inside and outside Europe, for trilateral cooperation, and on regulatory work within the European Union. We need a performant hydrogen transport network to connect supply and demand. Belgium supports the further development of such an infrastructure and wants to accelerate its hydrogen interconnection with Germany to be operational by 2028. In this context, we welcome the close cooperation between the competent gas Transmission System Operators for the development of a hydrogen transmission interconnection between our two countries and invite our Transmission

System Operators to concretize the plans for the connection between our hydrogen networks.

Over the past year, major efforts have been undertaken by our gas network operators to facilitate a major increase in the flow of natural gas from Belgium to Germany to guarantee our energy security in the coming winters. We will continue to coordinate closely to allow our operators, on a timely base, to plan their processes and contribute structurally to our security of supplies. This cooperation will also enable us to change our systems towards hydrogen.

We will continue our joint cooperation in the framework of the Pentalateral Energy Forum. The possibilities offered by CO2 carbon capture and storage will be examined.

Offshore renewables will play a significant role in fulfilling our collective energy ambitions. Following the Esbjerg Declaration of May 2022 and the North Sea Energy Cooperation Dublin Statement of September 2022, we are strongly committed to accelerating the deployment of offshore renewables and offshore renewable energy systems. We will intensify cooperation on offshore energy in the North Sea, bilaterally and regionally, including by jointly examining the most (cost) efficient way to access offshore wind across borders. In this context we will put a particular focus on joint hybrid and cross-border offshore projects. Together with our North Sea partners, we will work to make the North Sea Summit in April 2023 in Ostend a success.

Our electricity networks are connected through a high-voltage electricity grid, the "Aachen Liège Electricity Grid Overlay" (Alegro), which provides grid capacities for cross-border electricity flows. In view of the rising electrification, however, there is a need to reevaluate the situation whether and how to continue and speed up work on a second connection. We welcome the intention of the respective competent transmission system operators to start the necessary analyses regarding the feasibility of a second connector.

Germany and Belgium will also work together to promote the introduction of market coupling between the European continent and the United Kingdom and Ireland. Market coupling is an essential market mechanism to facilitate the development and integration of offshore energy in the North Sea.

Electrification not only contributes to the transition of a carbon neutral society, but also provides unseen flexibility to the electricity system. To exploit this flexibility for a sustainable and cost-efficient system, we will work together to integrate this flexibility, to strengthen short term products, variable tariffs and to remove barriers for flexibility to maximize the benefit of the end consumer.

Structuring our Bilateral Cooperation

Belgium and Germany recognize the need for a close and ongoing dialogue between both countries in energy matters, taking into account the fruitful exchange at the German Belgian Conference in October 2022. To ensure the implementation and follow-up of this declaration, an energy contact group will be set up at senior officials' level. This contact group will meet at the level of the administrations (head of department). The contact group will meet at least once a year, chaired by each party in turn. It will evaluate the progress made on the above-mentioned issues and identify potential new cooperation fields. We will follow the work closely and meet at leaders' and ministerial level periodically, also identifying new cooperation fields, coordinated with the activities of the Pentalateral Energy Forum and the North Sea Energy Cooperation as our transition to carbon neutral economies progresses and discussions on energy policy cooperation at the biennial German Belgian conference.

Zeebrugge, 14th of February 2023,

For the Federal Government of the Federal Republic of Germany.

Olaf SCHOLZ, Chancellor.

Robert HABECK, Federal Minister for Economic Affairs and Climate Action.

For the Federal Government of the Kingdom of Belgium.

Alexander DE CROO, Prime Minister.

Tinne VAN DER STRAETEN, Federal Minister for Energy.