The year 2016 marked a turning point for the UAE in many ways. In February, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, announced a major restructuring of the federal government. The move included the transformation of the former Ministry of Environment and Water into the Ministry of Climate Change and Environment (MOCCAE). The formation of the new Ministry was aimed at tackling climate change issues in a way that makes economic sense while protecting our natural heritage.

To meet this goal, we are working to strengthen synergies and advance partnerships with other ministries and local authorities as well as with the private sector and academia. As part of these priorities, we established the UAE Council on Climate Change and Environment in September 2016 to consolidate the existing committees and streamline high-level decision-making.

In addition, we launched the Emirates Committee for Sustainable Environment Research in May 2016, which brings together the country’s leading experts to design a comprehensive research strategy on climate change and the environment to support evidence-based policy-making. We also started regular engagements with the business community on specific environmental topics, enabling the Ministry to better respond to the needs of businesses and help unlock capital to drive sustainable actions.

Furthermore, over the last few years, the UAE has been working hard to lay the groundwork for the most comprehensive and ambitious action plan on climate change and the environment this region has ever witnessed. Building on the UAE Green Agenda 2030, approved by the UAE Cabinet in January 2015, the Ministry developed the National Climate Change Plan 2017-2050. The plan outlines concrete steps to mainstream climate change mitigation and adaptation actions based on robust scientific evidence and predictions of long-term impact.

2016 also marked the first year of implementation of the Green Agenda. This third edition of the UAE State of Green Economy Report provides an overview of the country’s progress toward a green economy made at the national and local levels last year. For the first time, the report reviews the progress in accordance with the 96 initiatives defined in the Green Agenda, in addition to the results of the 41 UAE Green Key Performance Indicators (Green KPIs).

Following on the Ministry’s hosting of the Global Roundtable of the United Nations Environment Programme Finance Initiative (UNEP FI) in October 2016, this edition of the State of Green Economy Report highlights the endeavors of the UAE financial sector in enabling a green economy with the introduction of 10 unique sustainability initiatives. We are highly encouraged by the sector’s strong commitment to supporting the government’s vision. More than 30 UAE-based financial institutions have already signed the Dubai Declaration on Sustainable Finance, first launched at the Global Roundtable.

We are less than five years away from the date when we will mark the first major milestone for our green economy transformation and climate change actions, which coincides with the 50th anniversary of the UAE’s formation in 1971. I look forward to stepping up our sustainability efforts and achieving the objectives of the UAE Vision 2021 and hope to update you on our advancements along the way. I am confident this report will also inspire your own journey toward a sustainable way of life.
Sustainable Finance for Greening the UAE Economy

National engagement of financial institutions 2016

The National Steering Group on Sustainable Finance was established in June 2016 as a public-private partnership.

A group exercise identified what UAE financial institutions should aspire to advance sustainable practices ahead of the country’s 50th anniversary in 2021.

UNEP FI Dubai Global Roundtable: 25-26 October

Organized for the first time in the Middle East, under the patronage of H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai. The two-day event attracted 400 participants from over 40 countries and discussed the most pressing sustainable development issues for the finance sector.

Dubai Declaration on Sustainable Finance

At the UNEP FI Global Roundtable, 11 UAE financial institutions declared their aims to contribute to the country’s green economy transformation by signing the Dubai Declaration on Sustainable Finance. 31 institutions have joined by March 2017.
UAE’s 10 Sustainable Finance Practices

1. ‘USD 10 billion in 10 years’ for sustainable finance
2. Establishing a research center on ecosystems
3. Integrating sustainability into core operations
4. Going digital and paperless
5. Incentives for customers to go green
UAE’s 10 Sustainable Finance Practices

6. Promoting financial literacy

7. Giving youth real-world experiences

8. Scholarships for future leaders

9. Lending a hand to people in need

10. Offering platforms for fundraising
Progress on the UAE Green Agenda

In January, the UAE Cabinet approved the UAE Green Agenda 2030 as an overarching framework of green economy actions. The Green Agenda consists of 5 strategic objectives, 12 main programs, 96 implementation initiatives. 2016 was the first year of the implementation.

**Objective 1: Competitive Knowledge Economy**
- USD 27 billion Dubai Green Fund
- A merger of universities for global excellence

**Objective 2: Social Development & Quality of Life**
- “Autonomous house” in Dubai
- Educating youth for tackling climate challenges

**Objective 3: Sustainable Environment & Valued Natural Resources**
- Eco-labels and sustainable procurement
- Wetland center for conservation and eco-tourism

**Objective 4: Clean Energy & Climate Change Adaptation**
- National energy plan for 2050
- Carbon capture, utilization and storage project

**Objective 5: Green Life & Sustainable Use of Resources**
- Campaigns to reduce food waste
- Next-generation transportation
Green Economy Initiatives in the Emirates

- Studying heavy metals in fish
- Introducing LED streetlights
- Integrated coastal zone management
- Protecting endangered sea turtles
- Advancing material recovery
Cooperation for Green Economy Transformation

The UAE aims to catalyze regional and global cooperation for a green economy transformation. Over the course of 2016 the UAE government actively hosted or participated in a number of high-level global conferences and arranged capacity-building opportunities to promote the green economy and sustainable development.
Highlights of UAE Green KPIs

41 Green Key Performance Indicators help monitor and review the UAE’s overall progress of the green economy transformation.

Those KPIs were selected according to the three dimensions of sustainable development and allocated to one of the five strategic objectives of the UAE Green Agenda.

### Competitive Knowledge Economy
- Global Competitiveness Index: 16th
- Share of non-oil GDP: 68.8%

### Social Development & Quality of Life
- Steel consumption per GDP: 11.25 g/$
- Human Development Index: 41st

### Sustainable Environment & Valued Natural Resources
- Ecological Footprint: per capita: 7.93 global ha
- Environmental Performance Index: 92nd

### Clean Energy & Climate Change Adaptation
- Carbon intensity of electricity production: 643 gCO₂/kWh*
- GHG emissions per GDP: 315 gCO₂e/$

### Green Life & Sustainable Use of Resources
- Municipal water consumption per GDP: 2.94 l/$
- Electricity consumption per GDP: 0.20 kWh/$

* including water desalination