TRANSCRIPT

Progress on Circular Economy in the United Arab Emirates

Rohan Hazell:

Facilitating sustainable transformation isn't easy. It involves diverse stakeholders across a range of sectors and industries.

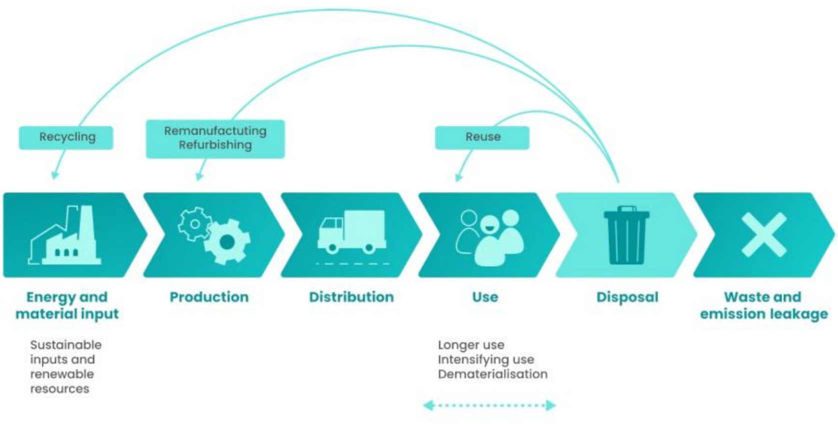
So how do decision-makers move forward when faced with such complexity and high stakes? What are the key factors for successful cross-sector collaboration and multi-stakeholder engagement?

To provide insight on these questions, you'll hear from His Excellency Abdulla bin Touq Al Marri, Minister of Economy for the United Arab Emirates and former Secretary General of the UAE Cabinet.

His Excellency will speak about the UAE's ambitions for moving from a linear economy to a circular economy.

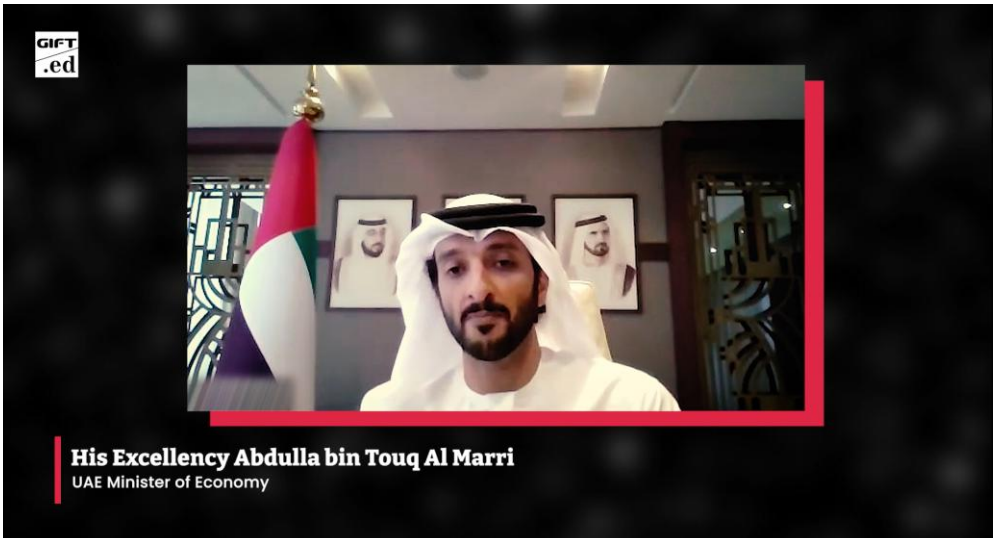
Source: Martin Geissdoerfer et al (2020). Circular business models: A review. Journal of Cleaner Production.

A linear economy is defined by resource extraction, production, distribution, use, and disposal. Meanwhile a circular economy attempts to decouple from the consumption of finite resources – this means it uses sustainable inputs and renewable resources; it also recycles resources and products instead of disposing them; and lastly, it minimises waste and negative externalities.



Source: Martin Geissdoerfer et al (2020). Circular business models: A review. Journal of Cleaner Production.

H.E. Abdulla bin Touq Al Marri:



What factors influenced the UAE's focus on circular economy?

If we go back moreover, specifically in the circular economic policies, one of my roles back in 2012 and 2011, supported the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, the Vice President and Prime Minister of the UAE and the Ruler of Dubai back then to start developing and launching the UAE Green Growth Strategy in 2012.

This is a major focus on how the UAE really thought about and the thinking behind green growth and circularity in this economy.

The "Scale 360" Initiative

A move towards a more circular economy while using fewer natural resources and reducing pollution to tackle climate change

When the *Scale 360* was signed, we did a quick analysis to understand why should we sign a circular economy initiative globally. And with that research then we understood that actually the UAE has a huge private sector that's really involved in circularity. That actually can push forward a lot of what we do. And when we started looking at incorporating the circular initiatives in urban areas, and we could understand that there is huge research that we can result in 138 billion dollar savings in the GCC by 2030, which is equivalent to 1% of the region's cumulative GDP. And this is according to a recent study by PWC.

The Gulf Cooperation Council (GCC)

A regional, intergovernmental, political, and economic union comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates

So the policy aims to minimize natural resources consumption and reduce waste and ensure quality of life for current and future generations. With COVID-19 impact in 2020, we saw from day one, oil and gas went down. We saw tourism go down. We saw the Aviation industry going down, and these are the key pillars of the UAE's economy.

And our task was as well to look at how we can come out of the COVID-19 and to look at how we can initiate new economic growth and new economic sectors. Circular economy is a huge aspect where we can really provide for that. So the policy is where we aim to minimize the natural resource consumption, and we have key objectives, including promoting environmental health, supporting the private sector, and adopting clean production methods and reducing natural environmental stress and raising awareness within the society.

We looked at the aspect of creating some governance to things. One of the most important parts of this governance aspect is we managed to create the UAE Circular Economy Council then from that as well, which I'm a vice chair and the chairman is the Minister of Climate Change and Environment. From that council we derived as well, the Circular Economy Policy Committee, which I chair. The members of this policy committee is the private sector. Because we believed in the UAE as well, that if we want this to be successful, the policy should be derived from the bottom up approach through the policy sector.

With that said as well, we managed to develop about 22 policies over the last nine months through the council. We have a circular economy council meeting happening this week to approve the way forward. We had a very strong roadmap. And all the private sector really says as well to us that, “we are very happy to see that the UAE is pushing forward heavily on the aspects of circular economy, driving through the leadership and actually seeing impact on the ground.”

Transitioning to a More Circular Economy

We're investing heavily in the green transition here at home, 40 billion dollars. And then in 70 other countries around the globe, 17 billion dollars to help them in their transition through innovative partnership and projects. We plan to invest another 50 billion dollars in the next decade. I should point out as well that the big part of this amount is private financing.

Several UAE organizations such as Masdar and AMEA Power are investing in renewable projects at large scale all over the world, particularly in developing countries. The UAE committed 400 million dollars to enable the transition to pay energy for developing countries that will positively impact a hundred million African citizens by 2035.

Energy Transition Accelerator Financing Platform (ETAF)

An inclusive multistakeholder climate finance platform to advance the global energy transition

This amount served to establish the Energy Transition Accelerator Financing, the ETAF platform, a new global climate finance facility to accelerate the transition to renewable energy in developing countries. The UAE also committed the 400 million dollars in funding provided by the Abu Dhabi Fund for development toward the platform goal of securing a minimum of 1 billion dollars in total funding.

We also pledge to raise 4 billion dollars to invest in technology that will transform agriculture, food production to limit climate change. Moreover, we have recently joined a multi-country alliance, spearheaded by the International Renewable Energy Agency (IRENA) and the India headquartered International Solar Alliance (ICA) to deliver and diversify global solar manufacturing supply chains.

And at the same time, investment in renewables can be as beneficial to us here in the UAE as it's for other countries that we're investing in. The dividends of such project are significant. And I'm talking financially. Despite the relatively high risk, beyond the contribution, these projects are made to climate change mitigation, a public good, which benefits virtually everyone on the planet.

And the component systems required for solar and wind projects could also be sourced locally and hence support our manufacturing factories. This includes production line, tower manufacturing, processes, cables, connection boxes, transformers, and the need to implement for building foundations.

How does a circular economy approach reduce the negative externalities of a liner economy?

The principle and the discipline that is used is to use resources efficiently and without waste while limiting negative externalities. So you can see the circle economy approach fits very well under the principle. The circle economy is a key to reduce greenhouse gas emission, optimize the use of raw and waste material, which will enhance agriculture productivity, conceptually decrease negative externality associated with the linear economy model.

And the UAE has focused on the use of renewable energy and diversification away from fossil fuels. Now we are moving into the kind of the energy transition period. Second, through defining the processes and regulatory framework for reusing and dematerialising materials and goods. And three, the reuse of waste and recycling processes.

In order to maximize the positive effects on the UAE economy, we have identified four priority sector circular economy policy approaches, like mentioned before: sustainable green manufacturing, sustainable food production consumption, sustainable infrastructure, and sustainable transportation.

The four sectors combined represent the largest share of the economy and therefore could have the most significant potential to trial the circularity in the country. Opportunities related to circularity are analysed within each sector to understand the negative externalities such as the land use, soil, water, and air pollution in order to be better managed, along with the emission of toxic substances and GHGs that are scoped in the net zero strategy.

Rohan Hazell:

His Excellency has shared the UAE's approach to redesigning its economy and encouraging transformation beyond its borders in the Middle East and North Africa.

In doing so he emphasised the importance of thorough research and robust governance structures for effective stakeholder engagement and collaboration with the private sector.