

Why Is the UAE Launching a Carbon Registry?

The UAE is currently developing a carbon registry system to document and verify the efforts being made by individual companies and corporations across a wide variety of sectors to cut their emissions. Although the details of the scheme are still being finalised, it's thought that it may be formally announced during the COP28 climate conference which is taking place in Dubai this year.

As well as allowing the Emirati authorities to get a better handle on the steps being taken by business entities to curb their carbon footprint, the registry could also be an important step towards creating a carbon credits trading program. Such a program is seen as a key method of meeting the national objective of carbon neutrality by 2050.

Keeping tabs

The carbon registry is expected to encompass a wide range of different industries, including agriculture, construction, energy and transportation. Although it is, as yet, unclear how the system will function in practice, it's believed that it will help the Emirati government keep tabs on how companies are progressing towards their own stated environmental ambitions and whether or not they are making efforts to curb their emissions.

It's also being viewed as an integral facet of establishing a carbon credits trading program in the country. This would allow Emirati businesses to purchase "credits" which would give them permission to emit a certain amount of carbon in the course of their operations. The funds raised by the program would then be diverted towards green projects that would not otherwise be able to get off the ground.

Wheels in motion

Last year, the Abu Dhabi Global Market (ADGM), which serves as the global financial centre in the Emirati capital, announced that the city would soon become home to the world's first fully regulated carbon clearing house and trading market. This would enable carbon to be bought and traded as any other commodity.

In June of this year, a coalition of industry operatives formed the UAE Carbon Alliance as a precursor to developing the carbon market. Then in August, the Ministry of Climate Change and the Environment (MOCCAEE) signed an accord with the Industrial Innovation Group (IIG) and the Venom Foundation (both of which are based in the UAE) to introduce a national carbon credits system underpinned by blockchain technology.

A greener tomorrow

Both the carbon registry and the carbon credits trading program are important parts of the UAE's overarching strategy to curb its emissions and become carbon neutral by 2050. Indeed, Mariam Almheiri, the MOCCA minister, has indicated that the country will aim to reduce its emissions by 40% by the end of this decade compared to the beginning of it.

With that in mind, the Emirates have poured significant resources into greener forms of energy generation. The nation already boasts the world's largest single-site solar farm in Al Dhafra, which is capable of generating 2GW of power, as well as the Barakah Nuclear Plant and the Mohamed bin Rashid al Maktoum Solar Plant elsewhere in the country.