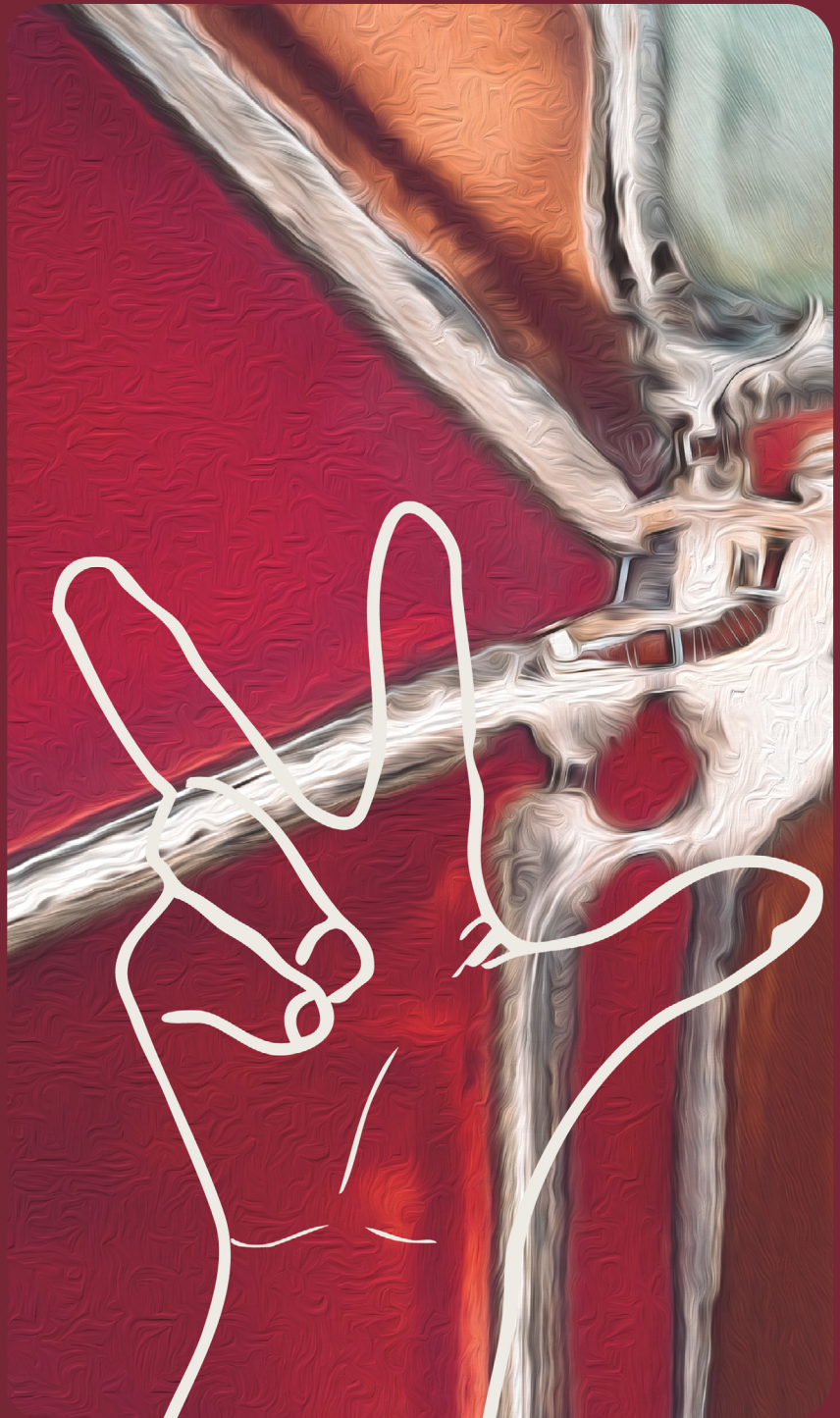


Issue Brief

Climate Policy | Federal Decree No. 11
Reduction of Climate Change Effects





Overview

United Arab Emirates, one of the largest economies of the Gulf Cooperation Council (GCC), a regional leader in addressing climate change is furthering its commitment towards the global agenda. Despite contributing to less than one (1) percent of global greenhouse gas (GHG) emissions, the Emirates face heightened climate risks due to rising temperatures, desertification, and the vulnerability of coastal infrastructure. As 85% of the population and over 90% of critical facilities, such as desalination plants, power stations, and key sectors like tourism and transport, are located along the coast, the country's vulnerability to climate change is further amplified.

To mitigate these risks, the Emirates have embraced a forward-looking climate policy framework, becoming the first country in the region to commit to a net-zero pathway under its **Net Zero by 2050 Strategic Initiative**². As summarised in our Issue Brief - Climate Change Recommendations for the United Arab Emirates published in 2023 the Emirate's broader sustainability policy revolves around four (4) key pillars:

(I) Net-Zero 2050 Strategic Initiative

Aiming to boost national GDP by 3.2% (AED 1,080 billion) and create 200,000 jobs annually while transitioning to clean energy².

¹ National Climate Change Adaptation Program Adaptation of the UAE's Environment to Climate Change Risk Assessment & Options for Action. (2019). In MOCCAE.

² UAE Unveils National Net Zero by 2050 Pathway at COP27 in Sharm El Sheikh. (2022, November 11). MOCCAE.

³ Accelerating Action Towards Mission 1.5°C The United Arab Emirates' Third Nationally Determined Contribution (NDC 3.0) (November, 2024). In UNFCCC.

⁴ United Arab Emirates (n.d.). UAE Net Zero 2050. UAE.

⁵ United Arab Emirates (July, 2023). UAE Energy Strategy 2050. UAE.

⁶ United Arab Emirates (August 2024) UAE Federal Decree-Law No. (11) of 2024 On the Reduction of Climate Change Effects.

(II) Nationally Determined Contributions (NDCs)

The latest update to NDCs in 2024 targets a 47% reduction in business as usual (BaU) emissions equivalent 103.5 million tCO₂e by 2035³.

(III) National Climate Change Plan

The Climate Plan acts as a comprehensive framework for managing GHG emissions, adapting to climate-change and diversifying the economy through innovation⁴.

(IV) UAE Energy Strategy 2050

Targeting 44% renewable energy, 42-45% increase in energy efficiency, 70% reduction in power sector emissions, and AED 966 billion saving target from energy efficiency and lower consumption by 2050⁵.

These pillars are collectively driving sustainable economic growth and environmental resilience.

National Determined Contribution (NDC) targets by 2035³

47% reduction in BaU emissions

On 28th of August 2024, HRH Sheikh Mohammed bin Zayed Al-Nahyan issued **Federal Decree-Law No. 11 of 2024 on the Reduction of Climate Change Effects**⁶ (hereinafter "**Emirates Climate Law 2024**") marking a *landmark advancement* in the nation's climate governance. The UAE's Climate Law provides a robust legal mechanism designed to achieve the UAE's Net Zero by 2050 target, bolstering its commitment to climate-action while integrating sustainability as a core national priority. Set to take effect on 30th May 2025, the decree mandates stringent measures for emission reduction, innovation in green



Targeting renewable energy generation across Emirates by 2040⁵

44%

technologies, and collective accountability from the public and private sectors. Ahya commends the UAE's leadership through Federal Decree-Law of 2024, reflecting the nation's clear policy framework for achieving net-zero emissions. In this Issue Brief we take a deep look into the Emirates Climate Law 2024, it's implications for private sector enterprise and Ahya can help.

Federal Decree-Law No. 11 of 2024⁶ is a reflection of the UAE's progressive vision for sustainability, encapsulated in its long-term strategies such as the Energy Strategy 2050 and the Dubai Clean Energy Strategy 2050. It aligns with the UAE's international commitments, including its updated Nationally Determined Contributions (NDCs), which aim to reduce greenhouse gas (GHG) emissions by 47% by 2035 compared to 2019 levels of 196.3 million tCO₂e³.

National Net Zero by 2050 Pathway is projected to boost the national GDP (from 2019 levels) by²

3.2% (AED 1,080 billion)

The law outlines five core objectives, as detailed in Article 2

(I) **Emissions Management**

Ensure a significant reduction in emissions across all sectors to achieve climate neutrality.

(II) **Resilience and Adaptation**

Strengthen ecosystems, economic sectors, and society against the adverse effects of climate change.

(III) **Innovation and R&D**

Promote cutting-edge research, innovation, and the use of advanced technologies to address climate challenges.

(IV) **Data Transparency**

Facilitate national and international collaboration by sharing climate-related data.

(V) **Sustainable Development**

Align climate goals with economic diversification plans, green economy initiatives, and global competitiveness.





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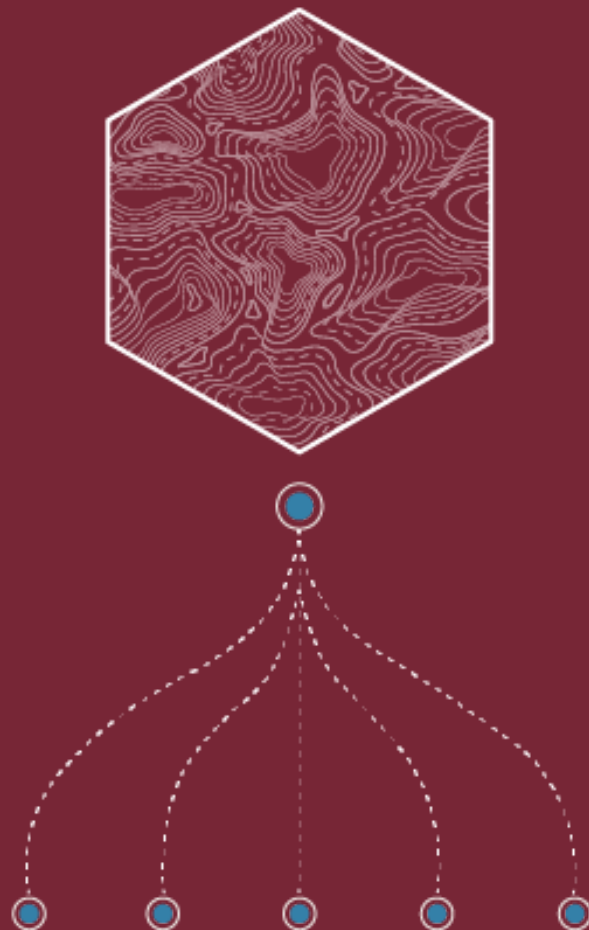
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1.0 | Decode

The UAE Federal Decree-Law No. 11 of 2024 provides a comprehensive framework for achieving carbon neutrality through its 21 articles, addressing national strategies, legal applicability, implementation timelines, and penalties for non-compliance.





Articles of the Emirates Climate Law 2024⁶

As adapted from the Federal Decree-Law No. 11 of 2024 on the Reduction of Climate Change Effects

Article 1: Definitions & Scope

This article provides the foundational definitions and scope of the law, clarifying key terminologies related to climate action, GHG emissions, sustainability, and economic diversification. It establishes the legal framework's boundaries, ensuring consistency and alignment with national and international climate commitments.

Article 2: Objectives

Article 2 of the Emirates Climate Law 2024 outlines the core goals of the decree, focusing on five key objectives: managing emissions to achieve climate neutrality, building resilience against climate change impacts, promoting innovation and research for advanced climate solutions, ensuring data transparency to enhance collaboration, and aligning climate action with sustainable economic development and global competitiveness.

Article 3: Applicability

Emirates Climate Law 2024⁶ applies to all **companies** including **free-zone companies**. By encompassing all jurisdictions, the law ensures that no area or sector is exempt from its provisions. This inclusivity enhances the law's potential impact by holding all entities accountable for emissions reduction, avoiding jurisdictional disparities.

Climate Law - Type of Companies ⁷
Limited Liability Company
General Partnership Company (UAE nationals only)

Limited Partnership Company (UAE nationals only)
Joint Venture
Sole Proprietorship
Branch of a Foreign Company
Representative Office of a Foreign Company
Public Shareholding Company
Private Shareholding Company
Partnership Limited by Shares
Partnership-en-Commandite

Emirates Climate Law is applicable on

All Companies
incl. Free-zones

Article 4: Climate Mitigation Pathways

Entities are mandated to adopt measures for reducing emissions such as:

- (I) Improving energy efficiency
- (II) Transitioning to clean and renewable energy sources.
- (III) Protecting and enhancing natural carbon sinks, such as mangroves and forests.
- (IV) Utilizing carbon capture, usage, and storage (CCUS) technologies.
- (V) Implementing integrated waste management systems.
- (VI) Encouraging carbon offsetting through trading mechanisms.

By mandating these measures, the law empowers businesses to integrate science-based approaches for decarbonization into their operations, supported by The Ministry of Climate Change and Environment (MOCCAEE).

⁶ United Arab Emirates (August 2024) UAE Federal Decree-Law No. (11) of 2024 On the Reduction of Climate Change Effects.

⁷ Types of companies in UAE. (2013, February 18). MEED.



Article 5: National Pathways to Climate Neutrality

The Cabinet, in coordination with local authorities, is tasked with setting annual emission reduction targets. These targets are cascaded across sectors, ensuring alignment with the UAE's national climate strategies.

Article 6: Measurement, Reporting, & Verification

A robust framework for measuring, reporting, and verifying emissions is central to the Emirates Climate Law. It mandates that emission sources:

- (I) Regularly measure their emissions.
- (II) Maintain detailed inventories of emissions data.
- (III) Submit verified reports to a centralized electronic system established by MOCCA.

UAE Climate framework ensures transparency, facilitates regulatory oversight and fosters accountability.

Article 7: Adaptation & Risk Mitigation

Emirates Climate Law 2024⁶ prioritizes climate resilience by mandating the development of adaptation plans tailored to critical sectors, such as infrastructure, energy, environment, insurance and health. Local authorities must

- (I) Assess sector-specific climate risks.
- (II) Establish early warning systems.
- (III) Implement comprehensive adaptation measure.

By ensuring sectoral adaptation, the UAE aims to safeguard its economy and infrastructure against climate impacts.

Article 8: Climate Data and Research

UAE Climate Law 2024 promotes the regular collection, analysis, and sharing of climate data among authorities. It also emphasizes regional and international cooperation to enhance research capacities in climate science. By fostering knowledge exchange and innovation, the Emirates aims to remain at the forefront

of climate solutions while contributing to the global understanding of climate dynamics.

Article 9: Climate Action Committees

UAE Cabinet may establish specialized climate action boards or committees, comprising of representatives from federal, local, and private sectors. These bodies are responsible for

- (I) Evaluating climate policies.
- (II) Proposing actionable solutions.
- (III) Monitoring the effectiveness of implemented measures.

These committees serve as platforms for multi-stakeholder collaboration, ensuring that diverse perspectives are integrated into climate policy.

Article 10: Carbon Offsetting Mechanisms

The Emirate Climate Law 2024 incentivizes application of mechanisms for reducing emissions

- (I) Carbon offsetting and emission trading.
- (II) Utilizing shadow carbon pricing.
- (III) Establishing a National Carbon Credit Registry.

Article 11: International Cooperation Mechanisms

The UAE Climate Law emphasizes collaboration through international mechanisms to bolster the UAE's profile in mitigation and adaptation.

- Strengthening relationships with global climate organizations and frameworks.
- Facilitating cross-border partnerships to accelerate knowledge sharing and access to advanced climate technologies.
- Aligning national climate strategies with international best practices to ensure consistency and effectiveness in climate action.

Article 12: Nationally Determined Contributions (NDCs)

The UAE commits to regularly reviewing and updating its NDCs to maintain alignment with the Paris Agreement. This article mandates:



- Approval of the NDCs by the MOCCAE, in coordination with competent authorities.
- Periodic evaluation to ensure compliance with pledges, including long-term emission reduction strategies.
- Alignment of NDCs with the national adaptation plan, ensuring a holistic approach to both mitigation and resilience-building.

Article 13: International Reporting Obligations

To maintain transparency and accountability, Article 13 requires the MOCCAE to prepare and submit reports aligned with the UAE's international obligations.

- (I) Coordinating with competent authorities to collect necessary data and ensure timely submission of reports to entities like the United Nations Framework Convention on Climate Change (UNFCCC).
- (II) Defining the types and data requirements for these reports through resolutions issued by the MOCCAE.

Article 14: Judicial Oversight and Enforcement

Emirates Climate Law grants designated judicial officers authority to enforce its provisions, ensuring legal and procedural integrity. Officers, appointed by resolutions from the Minister of Justice or local judicial authorities, are empowered to investigate violations and oversee compliance. The integration of judicial oversight demonstrates the UAE's proactive stance in ensuring the law's objectives are met through accountability and due process.

Article 15: Penalties for Violations

Article 15 outlines the financial consequences for businesses failing to comply with the provisions of Emirates Climate Law, particularly those related to Measurement, Reporting, and

Verification (MRV) under Article 6.

- (I) **Penalty Range:** Non-compliance incurs fines ranging from AED 50,000 to AED 2 million, based on the severity and nature of the violation⁶.
- (II) **Scope:** Penalties are applicable to all businesses, including those operating in Free Zones, and ensure adherence to MRV obligations and other critical mandates.

Non-compliance penalty ranges from

AED 50,000 - 2,000,000

Article 16: Penalties for Repeat Violations

Article 16 addresses penalties for businesses that repeatedly fail to comply with the law, emphasizing the importance of sustained adherence.

Fines are doubled for repeat violations occurring within a two-year period from the date of a final judgment of conviction. This provision specifically targets businesses that fail to take corrective action following an initial penalty.

Article 17: Administrative Oversight and Flexibility

Beyond legal penalties, the Cabinet has the authority to impose administrative sanctions, providing a complementary layer of enforcement.

Resolutions will define the scope of administrative penalties and establish mechanisms for businesses to file complaints. Coordination with the Ministry of Finance ensures that the financial aspects of enforcement are transparent and equitable.



Article 18: Timelines for Operational Alignment

Emirates Climate Law acknowledges the complexities of compliance by providing a clear timeline for businesses to align with its provisions.
Companies have one year from the law’s effective date (30th May 2025) to comply, with extensions subject to Cabinet approval.

Emirates Climate Law mandatory compliance date

30th May 2026
for all companies

Article 19: Dynamic Implementation Mechanisms

Emirates Climate Law’s adaptability is ensured through the authority granted to the Minister to issue implementing resolutions.

These resolutions shall be develop in coordination with relevant entities and competent authorities for the refinement and expansion of the law’s provisions as needed.

This ensures the law remains responsive to emerging technologies, challenges, and opportunities.

Article 20: Legal Coherence and Applicability

To avoid legal ambiguity, the law repeals any provisions in existing legislation that conflict with its mandates.
This ensures the Federal Decree-Law No. 11 of 2024 operates as the definitive authority on climate governance in the UAE.

Article 21: Effective Date

The law becomes enforceable nine (9) months after its publication (28th August 2024) in the Official Gazette, providing businesses with a preparatory period.

Emirates Climate Law enforcement date

30th May 2025



2.0 | Transform

Challenges and opportunities for businesses, underscoring the need for adapting to evolving regulations while advancing sustainability objectives.





Implications for enterprises

UAE Climate Law of 2024 represents a watershed moment in the nation's climate policy, mandating decisive action across all sectors. With its emphasis on emissions reduction, innovation, and accountability, the Emirates Climate Law establishes a rigorous framework that impacts companies operating both within the mainland and Free Zones. Businesses must align with its provisions to remain compliant, mitigate risks, and contribute to the UAE's Net Zero by 2050 vision.

Measurement, Reporting, and Verification (MRV)

Emirates Climate Law emphasizes stringent MRV protocols under its Article 6.

- Tracking GHG emissions across all scopes (1, 2, and 3) in line with globally recognized frameworks, such as the GHG Protocol and PCAF.
- Providing detailed emissions data to the MOCCAEC through a centralized digital reporting system.
- Retaining emissions records for at least five years, subject to audits by regulatory authorities.

Adopting Decarbonization Strategies

Businesses must proactively develop and implement comprehensive decarbonization plans tailored to the economic and operational priorities of various sectors.

- Enterprises must transition to renewable energy sources to meet reduction benchmarks.
- Companies must optimize energy consumption across facilities and operations.

- Larger organizations, especially in emission-intensive sectors, are encouraged to deploy Carbon Capture, Utilization, and Storage (CCUS) systems.

Carbon Offset Mechanisms

Emirates Climate Law of 2024 emphasizes carbon offsetting, facilitated through the establishment of the National Carbon Credit Registry under Article 10. Businesses are encouraged to invest in local Verified Emission Reductions (VERs).

Building on these provisions, the UAE's Cabinet Resolution No. 67 of 2024⁸ operationalizes the country's carbon management framework through a structured system for carbon offset registration, verification, and trading. The Resolution aims to reduce GHG emissions to achieve climate neutrality by 2050 and regulate carbon credit registration, aligning with the Emirates Climate Law of 2024.

Mandatory for entities emitting (Scope 1 & 2)

>500,000 tCO₂e

The Resolution applies to all entities, including those in free zones, and is mandatory for emitters of 0.5 million tCO₂e or more (only scope 1 & 2) and voluntary for smaller emitters. MOCCAEC and the SCA are responsible for compliance, requiring full alignment by 10 June 2025.

Entities failing to comply with the provisions of this Resolution are subject to financial and administrative penalties, as detailed below;

⁸ United Arab Emirates (June 2024) UAE Cabinet Resolution No. (67) of 2024 Concerning the National Register For Carbon Credits.



Implications for enterprises

Violations	Penalty of the first violation (AED)	Penalty of the second violation (AED)	Penalty of the third violation (AED)
Non-compliance with GHG emissions measurement requirements	500,000	1,000,000	2,000,000
Non-compliance with reporting obligations to the ministry	500,000	1,000,000	2,000,000
Non-compliance in following reporting requirements under the Paris Agreement & IPCC guidelines	500,000	1,000,000	2,000,000
Non-compliance with any other provisions set out by NRCC	500,000	1,000,000	2,000,000

- **Risk Assessment & Monitoring:** Evaluate climate-related hazards on assets, operations, and supply chains; conduct scenario modeling or vulnerability assessments; and establish early-warning systems for timely response.
- **Resilience & Implementation:** Implement measures to mitigate identified risks, including strengthening infrastructure, diversifying energy sources, executing contingency plans, and implementing adaptive measures to safeguard operations and ensure business continuity.
- **Data Reporting & Coordination:** Submit required data on climate impacts, losses, and adaptation measures to the Ministry; coordinate with authorities and sector partners to align with national and international reporting obligations (e.g., UNFCCC).
- **Continuous Review:** Update adaptation plans periodically to reflect evolving climate risks, emerging technologies, and regulatory guidance.

Adaptation and Risk Mitigation

The Emirates Climate Law requires enterprises to develop climate adaptation plans that address sector-specific risks, with a focus on infrastructure, energy, environment, health, insurance and transportation. These plans aims to strengthen national resilience and aligns with UAE's long term climate objectives under the Net Zero 2050 strategy.



3.0 | Strengthen

Ahya's unified AI - powered platform strengthens sustainable innovation by simplifying emissions measurement, reporting and reduction.





Introducing: Ahya

Ahya Technologies LLC-FZ (**Ahya**) is a climate software business, with a unified AI-powered platform for climate action. Ahya's mission is to enable the greater Middle East's transition to net-zero emissions with accuracy, transparency, and equitable economic growth. Ahya has two core products.



AI-powered carbon management and accounting platform (CMAP).

AhyaOS enables enterprises to measure, analyze, reduce, and report emissions in-line with global standards and expert climate and data scientist for hands-on guidance.

 [Watch our teaser: AhyaOS](#)

Measure: Comprehensive greenhouse gas (GHG) accounting across Scopes 1, 2, and 3 based on GHG Protocol & Partnership for Carbon Accounting Financials (PCAF) guidelines. Leveraging advanced digital data collection from internal sources and external entities (suppliers and portfolio companies). AhyaOS utilizes a hybrid spend and activity based approach with 10+ emission factor (EF) databases, 50,000+ EFs, and multiple footprint sources.

Analyze: Offers granular emissions analysis to inform strategic decision-making. Key metrics includes, emissions intensity, energy intensity, historic trends, financed emissions, facility, and value chain analyses et al.

Reduce: Supports emissions reduction aligned with the Science-Based Targets initiative (SBTi). Clients can model reductions, select energy transition strategies, and craft decarbonization roadmaps.

Report: Ensures compliance with multiple sustainability reporting standards, including GHG Protocol, IFRS S-2, and GRI with a third-party audit feature.



A digital voluntary carbon marketplace (VCM) - Tawazun facilitates the buying, selling, and trading of verified emission reductions (VERs) or *carbon offsets*.

 [Watch our teaser: Tawazun](#)

Tawazun - Buyers: Tawazun enables enterprises to purchase carbon offsets to achieve their net-zero targets. Providing access to a trusted global inventory of projects across all technology types (CDR, DAC, TCCUS, and NbS) from credible registries (Puro Earth, Gold Standard, Verra).

Tawazun - Sellers: Tawazun provides project developers access to climate finance with streamlined onboarding, precise inventory management, real-time pricing, payment tracking, project ratings, and risk metrics.



How Ahya helps enterprises

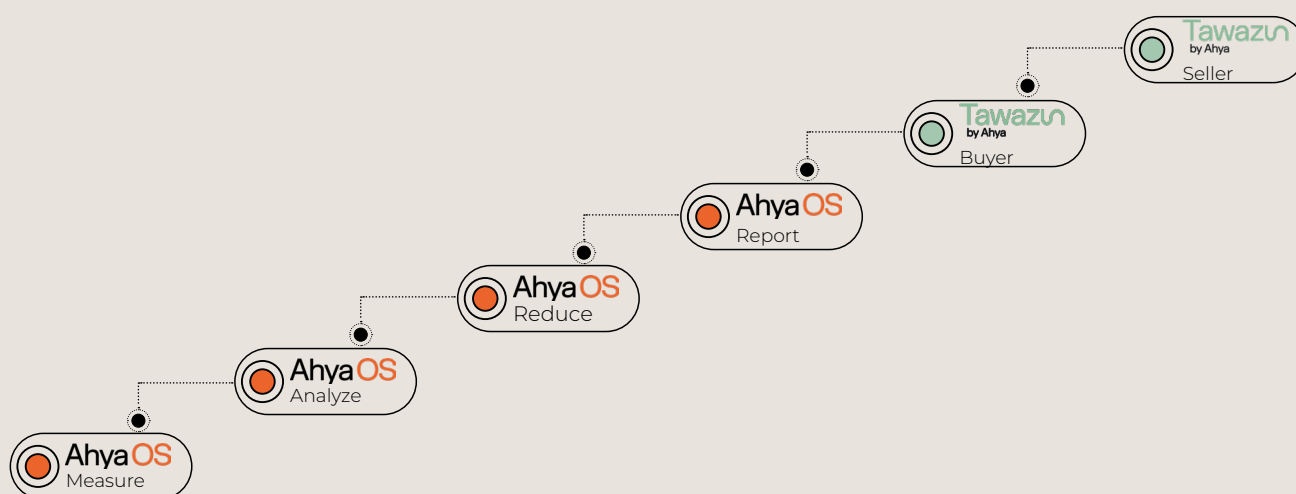
Emirates Climate Law sets an ambitious framework for climate action, requiring enterprises to align with stringent measures for emissions reduction, adaptation, and compliance. As businesses face the challenge of meeting these regulatory mandates, AhyaOS and Tawazun, Ahya's flagship products, provide a comprehensive, AI-powered platform to simplify compliance and accelerate net-zero transition. By addressing the requirements of the Emirates Climate Law through data-driven insights, transparent reporting, and carbon offsetting mechanisms, Ahya equips enterprises to seamlessly integrate sustainability into their operations.

AhyaOS an enterprise-grade platform designed to simplify and optimize sustainability data

management, making it as accessible and actionable as financial data. Built with a focus on the greater Middle East region, it offers localized operational models, including SaaS and Fully Managed Experience (FME), complemented by expert support from climate and data scientists.

Tawazun stands out as a regionally-focused VCM platform that prioritizes verified offsets and supports greater Middle East's climate goals. Its comprehensive approach connects buyers with high-quality offsets while empowering sellers to monetize and scale impactful climate projects.

 **Ahya** ecosystem helping enterprises achieving net-zero





Article 2 - Fostering Innovation and Transparency

Ahya

Innovation, research & development, and data transparency are central to the Emirates Climate law's objectives. Ahya's platforms support cross-sectoral collaboration through transparent data sharing and leverage AI to drive innovation in emissions management and reduction.

Articles 6 - Emissions Measurement

AhyaOS - Measure

AhyaOS provides enterprises with tools to measure emissions across Scopes 1, 2, and 3, adhering to globally recognized frameworks, such as the GHG Protocol and PCAF standards. This ensures data consistency and accuracy, enabling businesses to create detailed emissions inventory.

Articles 4 - Emission Reduction and Decarbonization

AhyaOS - Analyze

Enterprises can analyze emissions by facility and value chain. The engine provides insights into metrics such as energy and emissions intensity, helping organizations identify high-impact reduction opportunities.

AhyaOS - Reduce

The platform guides enterprises in setting near-term and long-term emission reduction targets and tracks progress against these goals. It offers tailored reduction modeling and recommendations for energy transition and decarbonization roadmap.

Articles 13 - Reporting

AhyaOS - Report

The platform supports compliance-ready reporting aligned with standards such as GHG Protocol, GRI, and IFRS-2, facilitating submission of data to the MOCCA and other authorities.

By automating MRV processes, AhyaOS reduces administrative burden, mitigates errors, and ensures that enterprises remain compliant with regulatory requirements.

Articles 10 - Digital access to global carbon markets

Tawazun by Ahya - Buyer & Seller

Tawazun provides a seamless interface for buying, selling, and retiring carbon offsets, ensuring transparency and accountability in offset transactions. It operates as a cross-regional platform, providing access to global inventories.



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