

**United Nations Development Programme**

**Country: United Arab Emirates**

**Memorandum of Amendment II**

**Project Document “Promoting Low Carbon Development in Dubai”**

Since the Project Document to the project ‘Promoting Low-Carbon Development in Dubai’ was signed on January 17th 2011, and the Memorandum of Amendment I, signed in September 2011, new areas of collaboration have been identified, necessitating amendments to the Project Document again. This Memorandum of Amendment II outlines these changes and serves as official acknowledgement of the changes by the Supreme Energy Council of Dubai, the Dubai Carbon Centre of Excellence and UNDP UAE.

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| **Project Title:** | **Promoting Low-Carbon Development in Dubai** |
| **UNDP Strategic Plan (SP) Outcomes:** | **SP Outcome 61:** National and sub-national capacities are strengthened to assess, access, combine, and sequence financial instruments and/or market mechanisms with policy instruments to support environmental management.  **SP Outcome 62:** National and sub-national capacities are strengthened to mainstream climate change policies into national development plans. |
| **Expected CP outcome:** | **CP Outcome 7:**Enhanced capacity of federal and sub-national governments in implementing the National Environmental Action Plan and enforcement of environmental regulations (related to Goal 3 of the Country Programme Document: environment for sustainable development). |
| **Expected Project Outputs:** | The project objective is to strengthen the capacity of the Dubai Carbon Centre of Excellence (DCCE) to fulfill its potential in the area of carbon finance, and to ensure sustainable development in Dubai is improved through integrating climate change into development planning and implementation processes, assisting Dubai to become the lowest-carbon economy in the region.  Output 1: Enhanced ability of DCCE and DCCE stakeholders to access global carbon markets.  Output 2: Development of CDM project pipeline.  Output 3: Development of Integrated Territorial Climate Plan for Dubai supported by the Territorial Approach to Climate Change Facility. |
| **Executing Entity:** | UNDP Country Office United Arab Emirates |
| **Implementing Agencies:** | Dubai Supreme Council of Energy / Dubai Carbon Centre of Excellence (DCCE) |

**Introduction**

1. Acting on a decision of the Dubai Supreme Council of Energy (DSCE) of Dubai on 26 October 2009, three mainly Dubai Government-owned / majority-owned entities – the Dubai Electricity & Water Authority (DEWA), Dubai Aluminium Company (DUBAL) and the Emirates National Oil Company (ENOC), as well as a private environmental consultancy company, ISTIDAMA, jointly founded the Dubai Carbon Centre of Excellence (DCCE) in April 2011. DCCE is a Private Joint Stock Company (PJSC), with an issued capital of approximately US$2.2 million and with each of the Founding Shareholders holding an equal share of the Company.
2. The role of DCCE is to facilitate Dubai’s transition to a low-carbon economy, promote Dubai’s efforts to sustainable development and share national and regional best practices with the international community. It also symbolises Dubai’s capacity to contribute to the global response to the climate change challenge.
3. UNDP’s climate change strategy aims to assist countries to scale up mitigation and adaptation action to successfully meet the climate change challenge and to achieve the MDGs in the context of a changing climate. Through the development of new partnerships, planning tools, public policies and financial instruments, markets will be transformed and investment catalysed in lower-carbon and climate-resilient initiatives.
4. Through the ‘Promoting Low-Carbon Development in Dubai’ project, UNDP is assisting the DCCE fulfill its role to achieve Dubai’s goal of becoming the lowest-carbon economy in the region.
5. Building on the successful partnership between UNDP, the Dubai Supreme Council of Energy (DSCE)and Dubai Carbon Centre of Excellence (DCCE) in the implementation of the project “Promoting Low-Carbon Development in Dubai” and UNDP’s support of DCCE’s mission to become a recognized world-class centre of excellence for emissions reductions, the parties have shown the have shown the willingness to continue and extend the collaborative efforts.
6. The project will be implemented according to UNDP’s National Implementation Modality (NIM). UNDP will contribute through providing assistance in the country office in Egypt.

**Continued Collaboration**

1. The Dubai Supreme Council of Energy identified the need to actively promote the efforts of the Emirate towards low-carbon development on a national and international level.
2. The DCCE, in its role as driver for suitable development of the emirate, has access to all relevant stakeholders, knowledge of initiatives and the internal capability. Due to limited financial resources, DSCE is willing to financially contribute to the activities as set-out herein.
3. The UNDP identified areas of collaboration to advocate Dubai’s transition to a low carbon economy and share existing success stories in the region and with the rest of the international community.

**Amendments to Project Document**

1. Output 3, Development of Integrated Territorial Climate Plan for Dubai supported by the Territorial Approach to Climate Change Facility, canceled and replaced by Output 3, **“Advocacy, Knowledge Sharing and Exchange of Experience”** Effective from this amendment (Memorandum of Amendment II) full signature date and onward, UNDP to charge a General Management Fee of 5% instead of 12%.

Two activities are added to output 3: Advocacy, Knowledge Sharing and Experience Exchange, one at the sub-regional level (GCC level) and one at the sub-national level:

* 1. ***Activity 1: Roundtable Discussion,*** *the "Potential Role of GCC Countries in the Mediterranean Initiatives on Renewable Energy“* on May 27th2013, Dubai, UAE: Enhancement of engagement of GCC countries in the North-South Mediterranean discussions on the trade of renewable energy.
  2. ***Activity 2: State of the Energy Report*:** Development of a Knowledge Product on Energy to be published on October 22nd 2013.

Activity 1: *Roundtable, titled the "Potential Role of GCC Countries in the Mediterranean Initiatives on Renewable Energy“:* Enhancing the Engagement of GCC Countries in the North-South Mediterranean Discussions on the Trade of Renewable Energy:

The EU (European Union) Directive 2009/28/EC established a common framework for the production and promotion of energy from renewable sources. Under this directive, Article 9 emphasizes the possibilities of establishing the cooperation with third countries (non-EU states). This directive and its article 9 present a key reference for the collaboration between the EU and countries in North Africa in the area of renewable energy. The existing investments in renewable energy, particularly in Morocco and Tunisia, and the current initiatives and on-going discussions between countries in the European Union and countries in North Africa to produce and export renewable energy go beyond the framework of climate change mitigation. Renewable energy is becoming an important commodity for trade in North Africa where the development of markets will play a decisive role in its promotion and expansion. An indicative example is the involvement of multinational renewable energy corporations such as Enel Green Power in the Mediterranean Solar Plan and DESERTEC. MEDREG, the Institution of Mediterranean Energy Regulators, is a key player for the promotion of a regulatory framework in the Mediterranean region aiming at fostering market integration and infrastructure investments. From the Arab region, Algeria, Egypt, Jordan, Morocco, the Palestinian Authority and Tunisia are members of MEDREG. MED-TSO, a cooperation platform of Mediterranean transmission system operators launched in 2012 by the European Commission, aims at the integration of a regional electricity market in the long term by coordinating the development plans and the operation of the grids in MED-TSO countries. From the Arab region, Algeria, Egypt, Jordan, Libya, Morocco and Tunisia are members of MED-TSO. It is worth-noting the membership of Jordan, which is not a Mediterranean country, in both MEDREG and MED-TSO.

The natural endowments of GCC countries (e.g. solar energy), their financial capacities, their enabling business environment for the engagement of the private sector and for public-private partnerships, and their established cooperation mechanism (the GCC) are all assets which make GCC countries well positioned to explore the potential of their engagement in the on-going North-South Mediterranean discussions on the trade of renewable energy. UNDP, through its convening power, can facilitate the initiation of these discussions in a potential partnership with DCCE.

The roundtable discussion will take place on May 27th 2013 in Dubai.

Activity 2: Development of a Knowledge Product on Energy, the Dubai State of the Energy Report

An advanced discussion is taking place on a partnership between UNDP and DCCE to develop a knowledge product on Dubai Energy 2013. This product is envisaged to be a yearly publication focusing on low-carbon investments in Dubai. Strategic guidance and technical backstopping will be provided by UNDP to a team of consultants who will be recruited to assist the Dubai Supreme council of Energy and the Dubai Carbon Centre of Excellence develop the report, the DSCE will provide financial contribution and DCCE will project manage the development.

The publication with the working title “Report on the State of the Energy” will contain an overview and outlook on the Dubai energy sector and with the focus on sustainability and green technologies.

The publication will be launched on October 22nd 2013 by HH Sheikh Ahmed Bin Saeed Al Maktoum in the presence of UNDP and international media and be distributed worldwide at exhibitions and conferences to Dubai governmental entities and relevant stakeholders in a first edition of 10,000-20,000 bilingual copies (Arabic and English).

For the activities proposed above – the parties agree on the following roles and responsibilities:

Activity 1 (Roundtable Discussion MEDREC – GCC):

The Dubai Supreme Energy Council will be responsible to:

* + Cover the event costs for venue, catering, branding and additionally the hotel accommodation for non-GCC delegates and speakers up to an upper ceiling of AED 100,000.
  + Directly manage invoices with suppliers (event venue, hotel, branding & signage)
  + Attempt to secure the participation and keynote speech of HE Saeed Al Tayer, Vice-Chairman of the DSCE on the day of the event on May 27th 2013 if available.
  + Circulate a press release on the day of the event
  + DSCE shall assume no other liability over and above the agreed amount of AED100,000.00

UNDP will be responsible to:

* + Manage the relationship and participation with the European Union (MERDEC)
  + Co-sign and send invitations for the event
  + Compile a final list of delegates and share with DSCE and DCCE no later than May21st2013.
  + Prepare the agenda on the day and liaise with speakers prior to their presentation
  + Moderate the roundtable discussion on the day of the event
  + Manage flight logistics for delegates from non-GCC countries (namely the MEDREC delegation)
  + Distribute the press release and relevant media communication through it’s international press office.
  + UNDP provides all above services free of charge and is reimbursed for additional 3rd party costs only (e.g. travel costs and per diem) after approval of request for funds by DCCE.

DCCE will be responsible to:

* + Overall assistance in the preparation of the event and the event management on the day of the event
  + Co-sign the invitation letter to all invitees.
  + Manage the hotel booking for all non GCC delegates and speakers.
  + Provide a list of suitable delegates and speakers, provide contact details and assist in the invitation process

Activity 2(State of the Energy Report):

The Dubai Supreme Energy Council will be responsible to:

* + Secure the patronage by HH Sheikh Ahmed Bin Saeed Al Maktoum and his foreword in publication
  + Credit the project budget with the amount of AED 300,000 to be spend for direct costs, including staff. This is payable to DCCE as project manager in the following milestones: 50% upon signature of this addendum, 30% upon delivery of the complete English draft of the Energy Report for the final review and approval of DSCE prior to the publication, 20% upon delivery of printed magazines
  + Provide content to the state of the energy report where applicable upon request and facilitate DSCE staff as editors according to availability
  + Provide Quality Control/review of relevant chapters if required
  + Organize 1 press conference (approx. June 2013) and launch event (October 22nd2013) for media and stakeholders
  + Secure the presence of HH Sheikh Ahmed Bin Saeed Al Maktoum or representative at press conference in June 2013, Dubai UAE
  + Secure the presence of HH Sheikh Ahmed Bin Saeed Al Maktoum or representative at launch event on October 22nd 2013, Dubai UAE
  + Provide DSCE branding and logo in the publication (cover) as publisher. E.g. "Published by the DSCE
  + Nominate keynote speakers from the UAE for the launch event on October 22nd 2013.
  + DSCE shall assume no other liability over and above the agreed amount of AED 300,000.00

UNDP will be responsible to:

* + Leading the contribution and definition of the content to the publication, editing and quality review for the English and Arabic versions through its UNDP Regional Centre for Arab States, in Egypt.
  + Allocate the overall involvement of UNDP representative Marwan Owaygen and other UNDP staff and/or UN consultants in the editing process, author meetings and quality assurance of the report, when and if needed.
  + Secure the foreword in publication of :
    - The Assistant Secretary General and the Director of the Regional Bureau of Arab States (RBAS) and the UNDP UAE Resident Representative and UN Resident Coordinator.
    - Try to secure the foreword of the Administrator of the United Nations Development Programme
  + Jointly with DCCE attempt to secure a foreword to the publication by the Secretary-General of the United Nations (UNSG).
  + Secure the presence of senior UNDP representative (same political level as HH Sheikh Ahmed Bin Saeed Al Maktoum) at press conference in June 2013, Dubai UAE
  + Try to secure the presence of SG Ban Ki-moon or senior United Nations representative of the same political level as HH Sheikh Ahmed Bin Saeed Al Maktoum) at launch event on October 22nd 2013, Dubai UAE
  + UNDP branding and logo in the publication cover page, relevant chapters and amongst the list of supporters. E.g. "supported by the UNDP"
  + Recruitment and employment of staff (configuration librarian) based on Dubai Supreme Council of Energy and DCCE prepared Terms of Reference. All details and costs for this recruitment will be included in the Annual Work Plan and budget revision2013.
  + UNDP provides all above services free of charge and is reimbursed for additional 3rd party costs(e.g. travel costs and per diem) and a General Management Service Fee of 5% of the total expenditures occurred on the project related to this amendment, which will be included in the AWP and Budget Revision approved and signed by DSCE and DCCE..

DCCE will be responsible of:

* + Overall project management of the publication, for a project management fee of 7% and direct costs for project staff and DCCE mandays.
  + To invoice sponsorship fees and manage the sponsorship fund for the following years
  + Mange the creation of the publication with external and internal authors, experts and organisations
  + Approach and sign sponsors for the publication to cover the development and productions costs and manage any potential excess funds to be put aside for future editions.
  + Promote the publication with organisations, the media and the community.
  + To the payment a delivery management with suppliers (e.g. Authors, Designers, Printers, project staff located within DCCE)
  + Secure the presence of Waleed Salman, Chairman of DCCE or representative at press conference in June 2013, Dubai UAE
  + Secure the presence of Waleed Salman, Chairman of DCCE or representative at launch event on October 22nd 2013, Dubai UAE
  + DCCE branding and logo in the publication (cover) and contribution. E.g. "created in collaboration with DCCE”

1. With regard to project duration, the Project Document stipulates a start date to the ‘Promoting Low Carbon Development in Dubai’ project of October 1st 2010 and an end-date of September 30th 2012. The Project Document was actually signed on January 17th 2011 and DCCE subsequently requested a project start-date of April 1st 2011. Given that advocacy and experience sharing activities will take place throughout 2013, UNDP and DCCE propose that the end-date of the project be extended until December 31st 2013. This end-date can later be extended on the mutual agreement of DSCE, DCCE and UNDP, depending on project and budget circumstances.
2. The operationally finalized outputs of the project will not be affected by this Amendment..

**Conclusions**

1. The revised approach outlined above is intended to extend the collaboration for the ‘Promoting Low-Carbon Development in Dubai’ project by advocacy, knowledge sharing and experience exchange. This approach is in line with the discussions held between UNDP, DCCE and DSCE in January 2013 and endorsed by the memo DSCE 011/2013 (Annex).
2. The original Project Document dated 17 January, 2011 and its addendums shall be governed and construed in accordance with the laws of Dubai and the UAE.

Agreed and Signed by the Parties on this 13thMay 2013 in Dubai

Agreed by Supreme Energy Council of Dubai:

Agreed by Dubai Carbon Centre of Excellence (DCCE):

Agreed by UNDP UAE Country Office: