

THE UNITED REPUBLIC OF TANZANIA



VICE PRESIDENT'S OFFICE

NATIONAL CARBON TRADING GUIDELINES

OCTOBER, 2022

FOREWORD

The United Republic of Tanzania is among the countries affected by climate change impacts and variability, with extreme weather conditions and climate events manifested through increase seasonal variation in rainfall and temperature, drought and floods. Climate change impact affecting socio-economic and development sectors such as agriculture, tourism, energy, water, marine and coastal, public health and livestock-keeping thus, affect the country's growth domestic product. Drought and floods have already caused major economic costs, reduced long-term growth, and disrupted livelihoods of both rural and urban communities in both Mainland Tanzania and Zanzibar.

In response to the situation, the Government need to put in place adaptation and mitigation mechanism to safeguard attained development and achieve sustainable development. The Government has been undertaking various efforts towards addressing climate change, such efforts include; revision of policies, formulation of regulations, strategies and guidelines to address climate change challenges.

Mitigation measures related to emission reduction and removal are undertaken in the sectors of energy, transport, waste management, forestry, agriculture, industrial processes and product use and other land uses. It is expected that, carbon trading projects implemented in the United Republic of Tanzania in such sectors will contribute towards minimizing emissions and vulnerability to climate change while ensuring environmental integrity and sustainable socio-economic development. Therefore, these Guidelines intend to provide national procedures and requirements for undertaking carbon trading projects in the country.

The United Republic of Tanzania is committed to effectively address the objectives of these Guidelines and provide an enabling environment to international, regional and national stakeholders engaging in the carbon trading projects. In this regard, I call upon all stakeholders to adhere to these Guidelines in the implementation of carbon trading projects.



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ACKNOWLEDGEMENTS

The National Carbon Trading Guidelines have been prepared to address the demands of carbon trading in the United Republic of Tanzania. These guidelines cover sectors of energy, transport, waste management, forestry, agriculture, industrial processes and product use and other land uses. These Guidelines focus on tapping opportunities associated with carbon trading in line with United Nations Framework Convention on Climate Change, Kyoto Protocol, the Paris Agreement and voluntary carbon crediting mechanisms.

The preparation of these Guidelines have been made possible by the cooperation and commitment of stakeholders including experts from public and private sector, academic institutions as well as civil society organizations through their technical support. I take this opportunity to acknowledge their valuable contributions towards the preparation of these Guidelines.

I would like to extend my heartfelt gratitude to the Norwegian Government through their Royal Norwegian Embassy in Dar es Salaam for their financial support in the preparation of these Guidelines under the REDD+ readiness process in the United Republic of Tanzania. It is my expectations that, these Guidelines provide an enabling environment for stakeholders to engage in carbon trading projects in the United Republic of Tanzania.



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GLOSSARY

Act means the Environmental Management Act, Cap191

Afforestation and Reforestation (AR) means planting trees or otherwise converting non-forested to forested land. Afforestation refers to establishing forests on land that has historically not had forest cover, while reforestation refers to lands that had been deforested, generally prior to a specific cut-off date.

Appropriate Authority means the Designated National Authority and or National Focal Point; and Responsible Authority for coordinating environmental management and climate change in Zanzibar

Avoided deforestation and forest degradation (REDD) means to avoid the conversion of forests to non-forested areas (deforestation), or to avoid activities that reduce carbon stocks without leading to outright conversion (degradation).

Carbon Credit means tradable permit or certificate that gives the right to emit one tonne of carbon dioxide or an equivalent of another greenhouse gas. Examples of the credits include Certified Emission Reductions (CERs), Verified Emission Reductions (VERs), Verified Carbon Units (VCUs), Internationally Transferred Mitigation Outcomes (ITMOs).

Carbon project means any project that uses a recognised carbon standard such as Clean Development Mechanism (CDM), Verra Standards, Climate Community, Biodiversity (CCB) Standard to generate carbon credit, Gold Standard and Plan vivo.

Cost and benefit sharing means the transferring monetary/or non-monetary benefits (goods, services, or other services) to stakeholders for the generation of carbon credits under emission reduction payment agreement.

Carbon Trading means buying and selling of carbon credits under a recognized international carbon standard.

Climate change means a long-term change of weather patterns attributed directly or indirectly to human activity.

Council means the National Environment Management Council established under the Act;

Director means the Director of Environment appointed under the Act.

Emissions means the release of greenhouse gases into the atmosphere in a specified area and period of time.

Greenhouse gases (GHGs) means those gases in the atmosphere that cause climate change.

Managing Authority means the owner of the property involved in the carbon trading.

Project Document means a document with detailed description of the carbon trading project.

Proponent means an individual or legal person engaging in the implementation of carbon trading project.

REDD+ means reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

Registrar means the Appropriate Authority responsible for registering Carbon trading projects in Mainland Tanzania and in Zanzibar.

Regulations means the Environmental Management (Control and Management of Carbon Trading) Regulations, 2022

Regulatory Authorities means government institutions responsible for investment promotion, business registration and licensing, banking, revenue collection, environmental management, standards, stock exchange, regional administration, relevant sector ministries, departments and agencies.

Relevant Authority means government institution responsible for registering entities involving in the carbon trading project in Mainland Tanzania and in Zanzibar.

Responsible Authority means institution for overseeing Environment and Climate Change in Zanzibar

Voluntary Carbon Market means a carbon trading regime that transacts all carbon credit outside the official United Nations Framework Convention on Climate Change mechanism.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

The United Republic of Tanzania is a party to the United Nations Framework Convention on Climate Change of 1992; Kyoto Protocol of 1997; and Paris Agreement of 2015. These treaties among other things provide mechanism for parties to meet their emission reduction commitments but also benefit from carbon credits trading. The first National Carbon Trading Guide was prepared in 2016 to provide guidance on carbon trading projects to all sectors based on Clean Development Mechanism under the Kyoto protocol. However, the Paris Agreement of 2015 introduces new carbon trading mechanisms which encourage parties to take action to address climate change both mitigation and adaptation. These actions include reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks as well as voluntary cooperation, cooperate approaches and Non market approaches.

Furthermore, the Paris Agreement commits each party to prepare, communicate and implement successive Nationally Determined Contributions that should be pursued using domestic mitigation measures that promote sustainable development and environmental integrity. In this context, Tanzania prepared and submitted the first Nationally Determined Contributions in 2021.

In order to align with the existing and new international carbon credit frameworks, the United Republic of Tanzania revised and developed its National Environmental Policies, climate change strategies and plans including National Environmental Master Plan for Strategic Intervention (2022-2032). These policy instruments support implementation of carbon trading and emerging credit mechanisms under United Nations Framework Convention on Climate Change, Kyoto protocol and Paris Agreement legal frameworks. Therefore, these National Carbon Trading Guidelines (2022) are developed to incorporate key issues regarding carbon trading and other emerging carbon credit mechanisms.

1.2 Goal and Principles of carbon trading

1.2.1 Goal

The goal of these Guidelines is to enhance the country's contribution toward greenhouse gases emission reduction efforts thereby minimizing climate vulnerability while ensuring environmental conservation and sustainable socio-economic development.

1.2.2 Principles

The Guidelines are based on a set of key principles focusing on ensuring; sustainable development, environmental integrity and sustainability, local participation, transparency, efficiency, inclusion of socio-economic and environmental co-benefits, and abide to international standards.

1.3 Objectives

The overall objective of these Guidelines is to provide national procedures and requirements for undertaking carbon trading projects in Mainland Tanzania and Zanzibar.

Specific objectives: -

- a) To provide and highlights transparent procedures and requirements for undertaking carbon trading projects;
- b) To provide guidance on costs and benefits sharing scheme in undertaking carbon trading projects;
- c) To provide institutional and administrative arrangements for undertaking carbon trading projects; and
- d) To raise awareness to investors, decision makers and other stakeholders on carbon trading opportunities in the different sectors.

1.4 Scope of the Guidelines

These Guidelines provide for the procedures and requirements that stakeholders and carbon trading entrepreneurs should follow in the course of undertaking new and on-going carbon trading projects in United Republic of Tanzania. They are in line with relevant policies and legal frameworks that should be adhered to and underlines potential sectors for carbon trading in the country.

1.5 Rationale of the carbon trading Guidelines

The United Republic of Tanzania is among the developing countries with enormous opportunities for potential sectors to engage in carbon trading projects in a view to contribute to the global efforts in reduction of greenhouses gasses emission while enhancing environmental conservation and socio-economic development in the country. Before the development of these Guidelines and Regulations, carbon trading projects were operational in the country without being regulated. Effective and efficient management of carbon trading requires policy and legal framework to guide and facilitate practitioners and other relevant stakeholders to harmoniously engage in this trade. Cognizant of this fact and the opportunity at hand, the Government has put in place regulations and guidelines to provide for legal, institutional and administrative framework for control and management of carbon trading projects operation in the country. These policy instruments support the implementation of carbon trading and emerging credit mechanisms under United Nations Framework Convention on Climate Change and voluntary carbon market to all potential sectors.

Further to that, these Guidelines are in line with the National Environmental Policy (2021), the National Climate Change Response Strategy (2021-2026), the Environmental Management Act Cap.191, the Environmental Management (Control and Management of Carbon Trading) Regulations 2022, National Environmental Master plan for Strategic interventions (2022-2032), Zanzibar Environmental Policy (2013), Zanzibar Climate Change Strategy (2014-2030) and Zanzibar Environmental Management Act 2015.

Thus, these Guidelines aim to enable stakeholders to smoothly undertake carbon trading in a more informed, transparent and coordinated manner. They are also envisaged to create awareness on available opportunities regarding carbon trading.

CHAPTER TWO

2.0 POTENTIAL SECTORS FOR CARBON TRADING

The policy and legal frameworks particularly Nationally Determined Contributions, outline priority sectors for climate change mitigation and adaptation actions in the country. The priority sectors identified in order to meet national mitigation targets are energy, transport, forestry and waste management. Others potential sectors include industrial processes and products use, agriculture and other land use.

2.1 Energy sector

The United Republic of Tanzania has various sources of energy. However, most of these sources are still unexploited thus the sector predominantly relies on un-environmentally friendly sources. The use of alternative sources of energy presents a huge opportunity for carbon trading.

Potential investment areas for carbon trading in this sector include:

- a) The use of clean energy sources for power generation such as geothermal, wind, tidal, solar, use of natural gas, hydroelectric power and renewable biomass;
- b) Expanding the use of natural gas for cooking and other domestic use;
- c) Promotion of accessible and affordable energy efficient technologies;
- d) Promotion of co-generation activities such as combined generation of heat and power; and
- e) Other investments geared to reduce generation of greenhouse gases in the energy sector.

2.2 Transport sector

The country's high economic growth over the last decades has prompted increased usage of motorized transport facilities which rely on fossil fuels. Consequently, the sector contributes to total national greenhouse gases emissions and thus creating an opportunity to minimize these through carbon trading projects.

Potential investment areas for carbon trading in this sector include:

- a) Use of clean energy in transport facilities;
- b) Mass Rapid Transport Systems;
- c) Non-motorized transport; and
- d) Other investments geared to reduce generation of greenhouse gases in the transport sector.

2.3 Waste Management

The solid wastes, waste water and faecal sludge management involve different actors ranging from technological investments and technical management of facilities. The collection, containment, transportation, treatment as well as disposal/reuse provide an opportunity for carbon trading in the country.

The high levels of methane gas among other greenhouse gases are generated by waste as a result of decomposition processes thereby increasing the levels of greenhouse gases emission. On the other hand, the gas can also be extracted and

be used as a source of energy and therefore offers potentials for carbon trading projects.

Potential investment areas for carbon trading in this sector include:

- a) Application of modern ways of managing waste including the enhanced use of engineered/sanitary landfill methane recovery;
- b) Promotion of waste-to-energy technologies;
- c) Methane recovery in waste water treatment; and
- d) Other investments geared to reduce generation of greenhouse gases in the waste management sector.

2.4 Forestry Sector

The United Republic of Tanzania is rich in forest resources. However, a large part of the country is experiencing or threatened by forest and marine (blue) ecosystem degradation. In that regard, the United Republic of Tanzania stands a better chance to participate in the forestry carbon trading projects. Carbon trading projects under forestry sector can be undertaken through forests under central government, local government authorities, villages, communities and private sector.

Potential investment areas for carbon trading projects in this sector include:

- a) Reducing emissions from deforestation and forest degradation (REDD);
- b) Improved forest management;
- c) Forest conservation;
- d) Afforestation/Reforestation;
- e) Restoration of degraded ecosystems;
- f) Blue carbon opportunities such as conservation of mangroves, sea grasses, salt marshes, as well as other blue economy activities that sequester carbon from the atmosphere; and
- g) Other investments geared to reduce generation of greenhouse gases in the forestry sector.

2.5 Industrial Processes and Product Use Sector

The United Republic of Tanzania is embarking on industrialization process towards middle income economy which greatly depends on the use of raw materials and energy resources among others. There is an opportunity to undertake carbon trading projects in this sector with the view to enhance low carbon footprints in the process through deployment of best available production practices and technologies.

Potential investment areas for carbon trading in this sector include:

- a) Use of cleaner production practices and technologies;
- b) Diversification of energy sources and fuel switching technologies;
- c) Industrial waste management practices; and
- d) Other investments geared to reduce generation of greenhouse gasses in the industrial process and product use sector.

2.6 Agriculture sector

The agricultural sector is an important catalyst for economic growth, poverty alleviation, and food security in the United Republic of Tanzania. However, the sector is severely affected by climate change and therefore requires appropriate measures.

Potential investment areas for carbon trading projects in this sector include the application of Climate Smart Agriculture practices such as improved tillage, soil erosion control, mulching, use of manure, improved fodder production, grazing management, water harvesting, agroforestry, conservation agriculture, cover cropping, integrated agro-aquaculture and integration of biogas energy into farms and other investments geared to reduce generation of greenhouse gases in the agricultural sector.

2.7 Other Land Uses

There are other land uses which could qualify for carbon trading projects including improved grassland management, improved wildfire management, restoration of rangelands and other degraded lands.

CHAPTER THREE

3.0 REQUIREMENTS AND PROCEDURES FOR CARBON TRADING

This chapter provides for requirements and procedures to undertake carbon trading projects in Mainland Tanzania and Zanzibar. These requirements and procedures are mainly based on Regulations on carbon trading projects.

3.1 Requirements for Carbon Trading Projects

3.1.1 Project Proponent requirements

A Project Proponent and associated partners to operate in carbon trading projects should be an individual and or legal person registered as firm, company, civil society organization or public institution under laws of Mainland Tanzania or Zanzibar.

The Project Proponent should comply with the following requirements:

- a) Possess relevant expertise on carbon trading;
- b) Registered by relevant authorities;
- c) Demonstrate financial capacity to invest in carbon trading projects; and
- d) Adhere to all applicable legal requirements.

3.1.2 Project requirements

It is a requirement that any person wishing to operate carbon trading project(s) in the United Republic of Tanzania needs to be registered by Appropriate Authority prior to commencement of the project.

The project to be registered as a carbon trading project must meet the following requirements: -

- a) Be in line with national policies, laws and strategies;
- b) Indicate how the project contributes to the Nationally Determined Contributions;
- c) Comply to national priorities sectors regarding carbon trading;
- d) Get consent of partners to engage in the project;
- e) Get clearance of ownership of the property involving in a project;
- f) Involvement of local communities in the project implementation;
- g) Adhere to transparency and fairness in business;
- h) Adhere to ecological, social, cultural and economic safeguards;
- i) Disclose relevant project information include but not limited to costs incurred, verified emission reductions and estimated revenues;
- j) Indicate expected employment creation to the national experts and local communities; and
- k) Indicate commitment to corporate social responsibility.

3.1.3 Environmental and social impacts assessments

Carbon trading projects shall be required to undergo environmental and social impacts assessment as per Environmental Impacts Assessment Regulations and any other relevant legislation. In addition, reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries projects are also required to undergo REDD+ safeguard standards assessment.

3.2 Procedures for Operating Carbon Trading Projects

3.2.1 Application procedures

A person who intends to operate carbon trading projects should follow the underlined steps:

1. Submit application for approval of project idea to Appropriate Authority by filling the application form accompanied by payment of non-refundable application fees as prescribed in the regulations.

What to do?

- a) Complete the Application form provided in the regulations;
- b) Submit the completed application form accompanied by proof of payment of application fees as per regulations; and
- c) Wait for response of Registration of project idea within 30 days

2. (a) Develop and submit Project Concept Note accompanied by consent in a form of extract minutes from the Managing Authority within 90 days from the date of registration of project idea.

- (b) Pay project registration fees as per regulations.

What to do?

- a) Collaborate with Managing Authority to develop Project Concept Note
- b) Obtain Consent of Managing Authority to implement the project
- c) Submit Project Concept Note accompanied by proof of payment of project Registration fees as per Regulations.
- d) Wait for response on the Project Concept note within 30 days.

3. Project Document in accordance to the selected international standards within 12 months up on receipt a Letter of no Objection.

What to do?

- a) Collaborate with Managing Authority to develop Project Document; and
- b) Submit Project Document to the selected international standards.

4. Submit the developed project document to the Appropriate Authority for approval.

What to be done?

- a) Appropriate Authority shall review and scrutinize the Project Document within 30 days from the date of receipt of project document; and
- b) Issue Letter of Endorsement for approved project.

5. Commence project activities within two years after receiving Letter of Endorsement.

What to do?

- a) Notify Appropriate Authority to commence the project
- b) Submit Annually progress project implementation report to the Appropriate Authority
- c) Submit five years external audited report

3.3 Elements of Project Concept Note and Project Document

Where the Project Proponent is required to develop Project Concept Note and Project Document, such documents shall contain elements as shown in the below sections.

3.3.1 Project Concept Note

The contents of Project Concept Note should include but not limited to the following:

- a) Title of the project;
- b) Name and contacts of the Proponent(s);
- c) Brief Project description;
- d) Proposed activities;
- e) Stakeholders to be involved;
- f) Proposed project location, site and size;
- g) Potential project benefits (economic, social and environmental);
- h) Sources of finance and estimated investment cost;
- i) Mode of financing and or crediting mechanism; and
- j) Adherence to environmental and Socio-economic safeguards

3.3.2 Project Document

In addition to the contents of the Project Concept Note, the Project Document should include but not limited to the following:

- a) General description of the project activity;
- b) Detailed description of the baseline and monitoring methodology;
- c) Duration of the project activity; and
- d) Crediting period.

3.4 Contractual Requirements

It is also a requirement that, partners intending to collaborate on carbon trading projects shall enter into contractual agreements. Any contract entered between partners should contain the following elements but not limited to:

- a) Name of the partners;
- b) Legal capacity of the partners;
- c) Name, brief description and scope of the project;
- d) Scope of the agreement;
- e) Terms and obligations of partners;
- f) Project costs and benefits sharing arrangements;
- g) Mode of payment of revenues and or benefits accrued;
- h) Operation and duration of the project;
- i) Non-compliance;
- j) Dispute settlement;
- k) Modification and amendments;
- l) Suspension and termination of the project; and
- m) Signature and legal capacity of signatories and their witness.

3.5 Revocation of the Project

The circumstances under which the project may be revoked: -

- a) Failure to submit the Project Concept Note within the prescribed time;
- b) Failure to commence the project activities within the prescribed time;
- c) Non-compliance of the project requirements prescribed in the regulations;
- d) Project Proponent voluntarily cancel the project through official notification;

- e) Where the approval was obtained through forgery;
- f) The continued operation of the activity is or is likely to be detrimental to the environment and human health;
- g) The project activities are overridden by other public interest; and
- h) Concealing of information in the application process.

CHAPTER FOUR

4.0 COSTS AND BENEFITS SHARING IN CARBON TRADING

4.1 Streams of costs and benefit in carbon trading

Carbon trading projects are intended to not only promote environmental integrity and sustainability but also enhance technology transfer and socio-economic development. Carbon credits are used to offset carbon footprints and/or enable entities or countries to meet their commitments on emission reduction under United Nations Framework Convention on Climate Change, Kyoto protocol, the Paris Agreement and or the voluntary market schemes.

Economic benefits involve generation of revenue as accrued from the sale of Carbon Credits by the parties intending to offset their carbon footprints. Carbon trading projects generate carbon finance that can be used to provide: the public with clean, health and sustainable environment; and improved social services. Stakeholders that can benefit from carbon trading are described below.

4.1.1 Managing Authority

In general terms, carbon trading projects can be either land-based or other projects . The implementation of land-based carbon trading projects will require the Managing Authority to incur opportunity cost of the land resources by foregoing other uses which were primarily relevant to the resource. In this type of projects, the Managing Authority owns the land and other resources associated with the land forming a stepping stone for benefit sharing mechanisms. Further, where Managing Authority partners with Project Proponent, the Managing Authority will contribute shares that include the value of land while the Proponent will invest on developing the project. In this situation, the Managing Authority stands to have majority shares of the sold Verified Emission Reductions, Verified Carbon Units or Internationally Transferred Mitigation Outcomes. Apart from other developmental uses, certain amounts of funds from the shares of Managing Authority should be used to ensure sustainable management of the resource.

In respect to non-land-based Projects such as projects in waste management, energy and transport, their initial investment cost is likely to be high. In this regard, the costs and benefits sharing arrangement will be determined and negotiated between Managing Authority and Project Proponent based on the guidance from specific sector in consultation with Appropriate Authority.

4.1.2 Project Proponent

Project Proponent will incur the cost of developing the project and may also facilitate project implementation. Project Proponent is also expected to benefit from the sale of the carbon credit as per the regulations.

4.1.3 Regulatory Authorities

Key institutions responsible for overseeing carbon trading projects include institutions mandated for: environmental management; regional administration and local governance; and relevant sector ministries. When determining costs and benefits sharing arrangement consideration should be made in such a way that these institutions collect fees and charges associated with administering carbon trading projects in accordance with the national laws.

4.1.4 Local Communities

Carbon trading projects that are not managed by communities are required to show explicitly on how the local communities are going to be taken on board to participate and benefit from the project. Apart from community direct participation, the project should also clearly clarify on how social corporate responsibilities consideration will be made to support the local community's development activities and welfare.

4.2 Costs and benefits sharing among stakeholders in the carbon trading

The costs and benefits sharing scheme shall take into account capital invested, roles and responsibilities of project stakeholders.

4.2.1 Costs and benefits sharing scheme in Mainland Tanzania

The aspect of costs and benefits sharing scheme under the carbon trading projects are among stakeholders are provided in the regulations.

4.2.1.1 Land based projects

For projects that are land-based:

- a) Managing Authority shall be entitled to 61% of the gross revenues accrued from the sale of Certified Emission Reduction.
- b) In case Managing Authority is under the district council, 10% out of the 61% shall be given to the district council for conservation activities including carbon trading.
- c) The remaining 51% shall be used by village government for community development and conservation activities at village levels.
- d) In case Managing Authority is not under the local government authorities, 10% out of 61% shall be used for community activities at the village level (6% shall be entitled to adjacent villages whereas 4% shall be entitled to local government council for conservation activities), and the remaining 51% shall be duly entitled to the respective Managing Authority.
- e) Out of the remaining 39%, the proponent shall pay 9% to the central government (whereas 1% for registration fee, 3% for annual administration fee and 5% for annual project charges). 2% of the 9% shall be paid to the National Environmental Trust Fund, 1% out of the remaining 7% shall be paid to Designated Agency to subsidise energy for domestic use.

4.2.1.2 Non-land-based project

In respect to non-land- based project such as project in waste management, energy and transport sectors, their level of initial investment cost is expected to be high. In this regard, the costs and benefits sharing arrangement will be determined and negotiated between Managing Authority and Project Proponent based on the guidance from Appropriate Authority.

4.2.2 Costs and benefits sharing schemes in Zanzibar

In case the carbon trading project is implemented in Zanzibar, costs and benefits sharing arrangements shall be determined by the Regulations enacted by the Responsible Authority.

CHAPTER FIVE

5.0 INSTITUTIONAL ARRANGEMENT

Implementation of carbon trading projects involves participation and cooperation of various stakeholders at local, national and international levels, ranging from government, private sector and non-state actors.

At international level, the Conference of Parties (CoP) is the supreme body of the UNFCCC. The Kyoto Protocol established the CDM under the supervision and guidance of the Conference of Parties serving as a Meeting of Parties (CMP) which established the CDM Board to provide guidance to CDM carbon projects.

On the other hand, Paris Agreement established a voluntary mechanism to contribute to the mitigation of greenhouse gases emission and support sustainable development which is under guidance of the Conference of Parties serving as a Meeting of Parties to the Agreement (CMA). CMA has established a supervisory body to oversee implementation of aforementioned mechanism which will be guided by developed rules, modalities and procedures.

At national level, the administration of environment and climate change matters in Mainland Tanzania and Zanzibar are under the Vice President's Office of the United Republic of Tanzania and the First Vice President's Office of the Revolutionary Government of Zanzibar.

In relation to carbon trading projects in the United Republic of Tanzania, the responsibilities of key stakeholders are provided in the Appendix 1.

APPENDICES

Appendix 1: Responsibilities of key stakeholders in relation to carbon trading business in Tanzania

The responsibility of Designated National Authority and or National Focal point include: -

- a) Country's liaison Office with international processes for climate change;
- b) Coordination of environmental management and climate change related activities in the United Republic of Tanzania;
- c) Provision of policy guidance on Carbon trading and other credit mechanisms that promote cultural, socio-economic and environmental integrity;
- d) Issuing letter of no objection for the project qualifying for registration;
- e) Keep a register of all carbon trading projects;
- f) Issuing Letter of Endorsement for the qualified Project Document;
- g) Provide key information to proponent wishing to undertake Carbon trading;
- h) Coordinate Monitoring and Evaluation of registered carbon trading projects;
- i) Regulate the projects/programmes registered for carbon trading;
- j) Capacity building and awareness raising on carbon trading;
- k) Oversee the implementation of Costs and benefits sharing scheme;
- l) Formulate National Carbon Trading Technical Committee (NCTTC);
- m) Collaborate with Responsible Authority for issues concerning carbon trading in Zanzibar; and
- n) Carry out all necessary matters in accordance with the Regulations and international norms and treaties.

In relation to carbon trading projects in Zanzibar, the Responsible Authority shall have the following responsibilities:

- a) Coordination of environmental management and climate change related activities in Zanzibar;
- b) Collaborating and liaise with Designated National Authority and or National Focal point on carbon trading matters;
- c) Provision of policy guidance on Carbon trading and other credit mechanisms that promote cultural, socio-economic and environmental integrity
- d) Issuing of acceptance letters for projects to be implemented in Zanzibar;
- e) Keep a register of all carbon trading projects in Zanzibar;
- f) Issuing Letter of Endorsement for the qualified Project Document
- g) Coordinate Monitoring and Evaluation of registered carbon trading projects;
- h) Regulate the projects/programmes registered for carbon trading;
- i) Capacity building and awareness raising on carbon trading;
- j) Oversee the implementation of costs and benefits sharing scheme;
- k) Formulate Zanzibar Carbon Trading Technical Committee;
- l) Provide key information to proponent wishing to undertake carbon trading in Zanzibar;
- m) Capacity building and awareness raising on carbon trading; and
- n) Carry out all necessary matters in accordance with the Regulations and international norms and treaties.

Ministry responsible for Regional Administration and Local Governments responsibilities include:

- a) Oversee and coordinate implementation of policies and guidelines related to carbon trading projects;

- b) Issue directives on the revenues accrued and expenditures related to carbon trading projects;
- c) Facilitate capacity building on carbon trading;
- d) Review agreements and or memorandum of understanding related to carbon trading; and
- e) Ensure revenue accrued from carbon trading projects prioritize to conservation and development activities.

Sector Ministries (Mainland Tanzania and Zanzibar) responsibilities include:

- a) Provide sectoral technical, administrative and legal support on carbon trading;
- b) Provision of clearance letter for sector specific proposed carbon trading project; and
- c) Recognize Certified Emission Reduction units from sector specific carbon trading projects in national greenhouse gases inventory.

Managing Authorities responsibilities include:

- a) Prepare and implement Project as proponent or partner of the proponent;
- b) Provide evidence of ownership of the property involved in the carbon trading project;
- c) preparing, signing and implementing agreements related to carbon trading projects; and
- d) Issue consent letter through respective Government Authority confirming engagement in the carbon trading project.

Proponent's responsibilities include:

- a) Development and implementation of project;
- b) Consult with the respective Managing Authority and any other relevant stakeholders in the course of preparation and implementation of the project;
- c) Prepare and enter into agreements with stakeholders on the implementation of the project;
- d) Sale the carbon credits generated by the project;
- e) Distribute the revenues from the sale of carbon credits to stakeholders as per costs and benefits sharing scheme;
- f) In collaboration with relevant government authority, Managing Authority and or partner, prepare and submit Progress Report on the implementation of the carbon trading project to the Appropriate Authority; and
- g) Capacity building on carbon trading to stakeholders.

Regional Secretariat responsibilities include:

- a) Oversee and coordinate carbon trading projects in the area of its jurisdiction; and
- b) Facilitate capacity building on carbon trading at regional and local level.
- c) Provide technical, administrative and legal support to Managing Authorities, local community and proponent

Local Governments Authority (Councils) at their area of jurisdiction responsibilities include:

- a) Manage and oversee carbon trading project at District level, in consultation with regional secretariat;
- b) Screening and scrutinize carbon trading projects at the council level;
- c) Ensure safeguard of local community interest in the carbon trading projects/programmes;

- d) Coordinate, supervise and monitor the implementation of the carbon trading projects in their area of jurisdiction;
- e) Prepare and implement Project/programmes as potential proponent;
- f) Collect statutory royalties accrued from carbon trading projects/programmes;
- g) Facilitate capacity building on carbon trade to local communities and village leaders;
- h) Provide appropriate guidance on planning, budgeting and expenditure of carbon trading finance; and
- i) Provide technical and administrative supervision and legal support for carbon trading activities in the area of jurisdiction.

Village/ Mtaa/Community responsibilities include:

- a) Prepare, sign and implement contracts related to carbon trade project in consultation with councils;
- b) Safeguard local community interest in carbon trading projects;
- c) Ensure engagement of local community in carbon trading projects;
- d) Supervise, and monitor the implementation of the carbon trade in the village/Mtaa/Community;
- e) Prepare and implement project as a potential proponent;
- f) Ensure participation in capacity building on carbon trading; and
- g) Undertake planning, budgeting, expenditure and reporting of carbon trading finance in villages, Mtaa and or Community.

Private sectors, development partners and Civil Society Organisations responsibilities include:

- a) Participate in planning and implementation of carbon trading projects or programs;
- b) Conduct research on carbon trading;
- c) Build capacity on carbon trading; and
- d) Mobilise carbon finance for carbon trading projects/programmes.

National Environment Management Council responsibilities include:

- a) Compliance and enforcement of the carbon trading project; and
- b) Awareness raising on carbon trading compliance;

Zanzibar Environment Management Authority (ZEMA) responsibilities include:

- a) Compliance and enforcement of the carbon trading project; and
- b) Awareness raising on Environmental conservation and carbon trading projects;

National/ Zanzibar Carbon Trading Assessment Team responsibilities include:

- a) Scrutinize the Project Concept Note referred to it and provide recommendations to the Appropriate Authority;
- b) Scrutinize the Project Document referred to it and provide recommendations to Appropriate Authority; and
- c) Perform any other function as they may be referred to it by the Appropriate Authority.