



- National Carbon Registry
- Enhancement of Capacity Building, Awareness Raising, and Public Participation
- Strengthening of Compliance and Enforcement Measures
- Review and Appeals Process
- Clarification and Expansion of Definitions (REDD+, Mechanisms, Committee, etc.)
- Update on Fee Structures and Financial Obligations
- Expansion of the National Carbon Registry's Mandate
- Introduction of Transitional Provisions for Existing Projects
- Structured Approach for Benefit Sharing in Carbon Trading Projects
- Formalization of Partnerships and Agreements in Carbon Trading
- Incorporation of International Standards and Commitments
- Refinement of Project Requirements and Approval Processes
- Specification of Revenue Distribution Models for REDD+ and non-REDD+ Projects

2. INTRODUCTION OF CARBON TRADING MECHANISMS REGULATIONS:

 Government Notice No. 721 published on 6/10/2023 amended the Environmental Management (Control and Management of Carbon Trading Mechanisms) Regulations, 2022.



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- The introduced amendments have updated several definitions and provisions that have enhanced the clarity, scope, and operational framework of the carbon trading system in Tanzania.
- The amendments have notably adjusted the title of the regulations to include the word "mechanisms," now referred to as The Environmental Management (Control and Management of Carbon Trading Mechanisms) Regulations (the "Regulations"). This change is not merely cosmetic; it signifies a broader scope for the regulations, distinguishing between various projects and the broader mechanisms recognized within the amendments.

3. AMENDMENT TO REGULATION 3:

The Regulations have amended some of the existing definitions and also introduced some new definitions as follows:

- (a) Carbon Credit: this definition has been amended by broadening its scope and aligning it with international standards. The previous definition only focused on greenhouse gas reductions intended for immediate sale. The revised definition now includes any reduced or removed greenhouse gases that have been verified in compliance with an International Carbon Trading Standard, recognizing both certified and verified emission reductions. This change not only widens the array of eligible carbon mitigation activities but also enhances the credibility and marketability of carbon credits by ensuring they meet global benchmarks for quality and verification.
- (b) Carbon trading: this definition has been amended subtly but significantly as it now extends the scope of activities encompassed by Tanzania's carbon trading framework. Previously defined as the buying and selling of verified or certified carbon emissions, reductions, and removals according to recognized international carbon standards. The addition of or "transfer" after "selling" introduces a broader understanding of how carbon credits can be exchanged within the market. This expanded definition recognizes that carbon trading not only involves direct sales but also the transfer of carbon credits between parties, which might not always involve a traditional buying or selling transaction.
- (c) Committee: defining the "Committee" as the National Carbon Project Assessment Technical Committee established under Regulation 11(1) formalizes the role of this body in assessing and overseeing carbon trading projects. This establishment ensures that carbon trading projects



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are rigorously evaluated, promoting transparency and accountability within the carbon market.

- (d) Convention: reference to "Convention" as the United Nations Framework Convention on Climate Change situates Tanzania's carbon trading regulations within the global context of climate action. This definition acknowledges the overarching framework that guides international efforts to combat climate change, underlining Tanzania's commitment to these global goals.
- (e) Gross Revenue: this has been defined as revenue generated from the sale of carbon credits without deducting any expenses or losses, the regulations provide a clear basis for financial transactions within the carbon trading market. Such clarity is essential for calculating benefits and sharing schemes among stakeholders in carbon trading projects.
- (f) Mechanisms: this has been defined as encompassing both market and non-market approaches to implementing climate actions. This broader definition allows for a variety of strategies to achieve mitigation and adaptation goals, promoting sustainable development and environmental integrity in line with international agreements like the Kyoto Protocol and the Paris Agreement.
- (g) Property: has been defined as an object owned by a person and aimed to be used in carbon trading projects to generate carbon credit highlighting the tangible assets that can be leveraged within the carbon market. This definition clarifies the types of resources that can be included in carbon trading schemes.
- (h) REDD+ Project: the "REDD+ project" definition focuses on initiatives aimed at reducing emissions from deforestation and forest degradation, alongside conservation and sustainable management of forests. This aligns with international efforts to value and incentivize forest conservation as a critical component of climate action.
- (i) National Carbon Registry: has been defined as a repository containing data related to the acquisition or transfer of carbon trading mechanisms. The registry will be crucial for ensuring transparency, verifying transactions, and maintaining integrity within the carbon market.
- (j) Registrar: By establishing the role of the "Registrar" as the individual responsible for maintaining the National Carbon Registry, the Regulations ensure that there is a clear authority overseeing the accuracy and security of carbon trading markets and data.



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(k) Sale: has been defined as the exchange or transfer of carbon credits or units for money terms and provides the foundational understanding of how transactions are conducted within the carbon trading market.



4. AMENDMENT TO REGULATION 5:

- The recent amendment to Regulation 5 of Tanzania's carbon trading regulations marks a pivotal shift in the regulatory focus from specific projects to broader mechanisms, signifying a comprehensive approach to managing carbon trading activities.
- with "mechanisms," the amendment strengthens the regulatory language, moving from a statement of intention to a more binding commitment. This linguistic refinement underscores the seriousness of the regulatory objectives, emphasizing a proactive and obligatory stance towards achieving sustainable environmental development and contributing to global greenhouse gas emission reduction efforts. The emphasis on mechanisms over projects reflects an understanding that effective carbon trading involves a variety of strategies and activities beyond individual projects.
- The amendment also expands the original objectives of the Regulations by incorporating additional objectives such as mobilizing climate financing from both local and international sources and facilitating capacity building for climate change mitigation and adaptation.
- This broader scope recognizes the multifaceted nature of addressing climate change, where financial resources, education, and community involvement are crucial for meaningful environmental conservation efforts. By explicitly including these objectives, the regulation acknowledges the need for a holistic approach that not only manages carbon trading activities but also supports the broader agenda of sustainable development and climate resilience.

5. AMENDMENT TO REGULATION 6:

The amendment to Regulation 6 signifies a nuanced yet impactful shift in Tanzania's approach to managing and regulating carbon trading under its climate change policy framework. Initially, the regulation outlined the Minister's overall responsibility for climate change matters, including the articulation of policy guidelines and the issuance of general guidelines to various stakeholders for implementing carbon trading projects.

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- A key function was the Minister's authority to approve and issue letters of endorsement for carbon trading projects that met the necessary requirements, emphasizing a project-centric approach to regulation and oversight. With the recent amendments, two significant changes have been introduced:
 - Firstly, the insertion of the term "mechanisms" immediately after "trading" in sub-regulation (1) broadens the scope of the Minister's responsibilities to encompass not just carbon trading projects but also the broader mechanisms through which carbon trading occurs. This includes both market-based and non-market-based approaches, reflecting a more holistic view of the carbon market's infrastructure and its operational dynamics.
 - Secondly, the replacement of sub-regulation (3) transforms the Minister's authority from issuing letters of endorsement for individual projects to issuing Letters of Authorization for the implementation of carbon trading mechanisms. This shift from project-specific endorsements to mechanism-wide authorizations marks a strategic pivot towards a more comprehensive regulatory approach, focusing on the systemic aspects of carbon trading rather than solely on individual projects.

6. AMENDMENT TO REGULATION 9:

- The amendment in Regulation 9 introduces strategic modifications to the functions of the Designated National Authority or National Focal Point in overseeing carbon trading in Tanzania, aiming to streamline operations and expand public engagement.
- Initially, the regulation outlined a comprehensive set of responsibilities, including registering carbon trading projects, coordinating climate change matters, and establishing a National Carbon Assessment Technical Committee. Notably, it emphasized the role of this authority in integrating Tanzania into international climate change processes and ensuring compliance with both domestic and international standards.
- The amendment sees the deletion of the specific mandate to constitute the National Carbon Assessment Technical Committee, reflecting perhaps a reallocation of this function or a reorganization of how project assessments are conducted to streamline the review process. Additionally, the correction of a typographical error in paragraph (i) by removing an extraneous "e" from the word "report" clarifies the responsibility for measuring, reporting, and verifying greenhouse gas emissions, enhancing the precision of the regulation.



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- A significant addition through these amendments is the introduction of a new responsibility under paragraph (n), emphasizing the coordination and conduction of public awareness of carbon trading mechanisms. This acknowledges the critical role of public engagement and education in the successful implementation of carbon trading strategies, aiming to foster a broader understanding and participation in carbon reduction efforts across the country.
- Furthermore, the establishment of a National Carbon Registry as outlined in the newly added subregulation (3) marks a pivotal advancement. This registry is set to serve as a comprehensive database for all carbon trading projects, enhancing transparency, accountability, and the efficiency of managing carbon credits. By providing a centralized platform for information on carbon trading activities, Tanzania is aligning with best practices in carbon market operations, facilitating easier access to data for both domestic and international stakeholders.

7. AMENDMENT TO REGULATION 11:

- The recent amendments to Regulation 11, focusing on the National Carbon Project Assessment Technical Committee, introduce transformative changes that underscore Tanzania's commitment to reinforcing its carbon trading infrastructure. These changes refine the Committee's framework, from membership criteria to operational guidelines, aligning it more closely with global best practices and ensuring a more robust governance structure for carbon trading projects.
- A key advancement introduced by the amendment is the establishment of a more structured and predetermined framework for member selection, as detailed in the First Schedule. This structured approach is a departure from the previously broad criteria, moving towards a selection process that mandates specific qualifications or affiliations. This strategic shift not only enriches the Committee's multidisciplinary expertise but also ensures a well-rounded representation from various sectors pivotal to the carbon trading ecosystem, including government, civil society, academia, and the private sector.
- Addressing a gap in the original regulation, the amendment institutes a three-year term for Committee members, with the possibility of reappointment. This significant modification introduces stability and continuity, essential for the Committee's long-term strategic planning and evaluation activities. Moreover, the capability to co-opt external experts enhances the Committee's agility and depth, allowing it to navigate and



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address the complexities inherent in carbon trading projects with greater efficacy.

- The reaffirmation of the Director of Environment as the chairperson maintains experienced leadership at the helm, ensuring consistency in the Committee's strategic direction. Simultaneously, the explicit empowerment of the Committee to regulate its own procedures marks a pivotal enhancement, granting it the autonomy to tailor its operational processes in response to evolving challenges within the carbon trading sector. This autonomy is crucial for maintaining the Committee's relevance and effectiveness amidst the dynamic landscape of global carbon markets.
- Furthermore, the amendments underscore the Committee's pivotal advisory role to the Designated National Authority or National Focal Point, reinforcing its centrality in the regulatory and decision-making framework for carbon trading in Tanzania. This ensures that the Committee's insights and evaluations are integral to shaping the trajectory of carbon trading initiatives, aligning them with Tanzania's environmental sustainability goals and compliance with international standards.

8. AMENDMENT TO REGULATION 14:

- The amendment to Regulation 14 introduces critical enhancements that expand the responsibilities of sector ministries in the realm of carbon trading, broadening their scope from advisory and approval roles to proactive involvement in the identification, monitoring, and evaluation of carbon trading mechanisms. This development marks a significant evolution in the approach to carbon trading in Tanzania, aligning with a more active and strategic framework aimed at enhancing the effectiveness and reach of carbon trading initiatives.
- Before the amendment, the focus of sector ministries was primarily on providing technical, administrative, and legal advice on carbon trading projects within their respective sectors. They were also responsible for issuing clearance letters for proposed carbon trading projects and recognizing Certified Carbon Emission Reduction Units for inclusion in the national greenhouse gases inventory. This role, while crucial, was relatively confined to advisory and certification functions, limiting the ministries' potential to contribute more dynamically to the carbon trading ecosystem.
- The recent amendments, however, signify a shift towards a more expansive and proactive role for sector ministries in the carbon trading framework. By introducing new responsibilities for identifying and mapping



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potential areas for carbon trading mechanisms, the amendments entrust sector ministries with a key role in the strategic development of the carbon trading sector. This involves not only the identification of geographical areas that could be viable for carbon trading projects but also sectors and industries where carbon trading mechanisms could be effectively implemented. This forward-looking approach is expected to facilitate the strategic expansion of carbon trading activities, ensuring they are aligned with national development goals and environmental priorities.

- The addition of a mandate to monitor and evaluate carbon trading mechanisms and submit reports to the Designated National Authority or National Focal Point introduces a crucial layer of oversight and assessment. This responsibility ensures that carbon trading mechanisms are not only implemented in line with regulatory and environmental standards but are also subject to continuous review and improvement.
- By monitoring the performance and impact of carbon trading mechanisms, sector ministries can provide valuable insights that contribute to the refinement and enhancement of these mechanisms over time. This ongoing evaluation process is vital for ensuring that carbon trading initiatives effectively contribute to Tanzania's greenhouse gas reduction goals, while also supporting sustainable development and environmental conservation.

9. AMENDMENT TO REGULATION 15:

- The amendment to Regulation 15 introduces a subtle yet impactful change by incorporating "Regional Administration" into the description of the Ministry responsible for overseeing carbon trading projects at the local government level. This adjustment underscores a strategic broadening of the oversight and coordination responsibilities, extending the Ministry's reach from merely local government authorities to encompass regional administrative domains as well. Such a modification signifies a deliberate move to enhance the governance, coordination, and implementation of carbon trading policies and guidelines across a wider geographical and administrative scope within Tanzania.
- Before this amendment, Regulation 15 delineated the functions of the Ministry responsible for local government authorities in the context of carbon trading projects. These functions included overseeing and coordinating the implementation of policies and guidelines, issuing directives on revenues and expenditures, facilitating capacity building, reviewing agreements or memorandums of understanding, and ensuring the prioritization of environmental conservation activities in the expenditure of revenue accrued from carbon trading projects. The focus



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was primarily at the local government level, aiming to foster a supportive and regulated environment for carbon trading initiatives within local jurisdictions.

- The inclusion of "Regional Administration" in the regulation is a strategic enhancement that recognizes the importance of integrating regional perspectives and capacities in the carbon trading framework. This amendment is not merely administrative but reflects a deeper understanding of the complexities involved in managing and promoting carbon trading projects across diverse and varied regional contexts. By explicitly involving regional administrations, the amendment aims to leverage regional insights, resources, and capacities to bolster the effectiveness and reach of carbon trading initiatives.
- This broader scope of responsibility envisages a more cohesive and unified approach to carbon trading across Tanzania, facilitating better alignment of regional and local strategies with national objectives. It acknowledges the critical role that regional administrations play in understanding local contexts, engaging communities, and mobilizing local resources, all of which are essential for the successful implementation and scaling of carbon trading projects. Moreover, it emphasizes the need for an integrated governance structure that can effectively manage the multifaceted aspects of carbon trading, from policy implementation to revenue management and environmental conservation.

10. AMENDMENT TO REGULATION 17:

- The amendment to Regulation 17 concerning the roles of local government authorities in the oversight and management of carbon trading projects introduces nuanced but significant modifications aimed at streamlining and clarifying the text for better readability and understanding. These adjustments reflect a focused attempt to refine the regulatory framework governing the implementation of carbon trading initiatives at the local level, ensuring that the provisions are both clear and effectively targeted.
- Previously Regulation 17 outlined an extensive list of responsibilities for local government authorities, encompassing oversight, screening, safeguarding community interests, coordination, project implementation, revenue collection, capacity building, and providing guidance and support for carbon trading projects within their jurisdiction. This comprehensive framework was designed to ensure that local governments play a pivotal role in facilitating and regulating carbon trading activities, ensuring they align with both local and national objectives for environmental conservation and sustainable development.



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- The amendment, however, seeks to refine the language used in detailing these responsibilities, thereby enhancing the regulation's clarity and execution. By adding the phrase "in their areas of jurisdiction" immediately after the word "functions," the amendment emphasizes the geographical scope and authority of local government bodies, making it clear that their responsibilities are confined to their respective jurisdictions. This addition underscores the principle of localized governance and accountability, reinforcing the role of local governments as the primary overseers of carbon trading projects within their territories.
- Simultaneously, the deletion of repetitive phrases such as "at their areas of jurisdiction," "in their areas of jurisdiction," and "at the council level" from various paragraphs seeks to eliminate redundancy and streamline the regulation's language. These deletions serve to simplify the text, making it more accessible and easier to interpret without altering the substantive responsibilities of local authorities. This careful editing ensures that the regulation remains comprehensive and specific, while also being more concise and straightforward in its directives.

11. AMENDMENT TO REGULATION 18:

- Regulation 18 has been amended to enhance the procedural framework for Managing Authorities involved in carbon trading projects by introducing a new provision that allows for the formalization of partnerships through Memorandums of Understanding (MoUs) or other suitable arrangements. This adjustment, delineated as a new sub-regulation (2), specifically targets the facilitation and clarity of engagement in carbon trading initiatives, providing a structured pathway for securing collaborative intentions.
- This addition is a strategic move to underscore the importance of clear, formal agreements in carbon trading projects, offering Managing Authorities the flexibility to establish and clarify partnerships and roles. It not only supports the efficient and transparent execution of carbon trading projects but also fosters a more collaborative and accountable environment for all stakeholders involved.

12. AMENDMENT TO REGULATION 24:

The amendment to Regulation 24 introduces several significant updates aimed at refining and expanding the requirements for carbon trading project registration in Tanzania. A notable addition is a new requirement for projects to include a description of benefit-sharing distribution by percentage, which is now specified in paragraph (g). This requirement emphasizes the importance of clear, equitable distribution of benefits



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derived from carbon trading projects, ensuring transparency and fairness for all stakeholders involved, especially local communities.

- Following this addition, the original paragraphs (g) to (k) are renumbered as (h) to (l), maintaining the continuity and coherence of the regulation structure. This renumbering reflects the introduction of the new requirement while preserving the integrity of the existing criteria, which encompass alignment with national policies, contribution to Nationally Determined Contributions (NDCs), and engagement with local communities, among others.
- Moreover, the amendment significantly elaborates on the process for projects intending to use carbon credits to contribute to the NDCs of another country. It introduces a sequence of new sub-regulations from (3) to (6), detailing the procedural steps for obtaining authorization for the transfer of credits or units. This process mandates that project proponents request authorization from the Designated National Authority or National Focal Point, adhering to guidelines or frameworks developed in line with Article 6 of the Paris Agreement. This inclusion is particularly crucial, as it aligns Tanzania's carbon trading activities with international standards and agreements, ensuring that the transfer of credits is conducted transparently and contributes effectively to global emission reduction goals.

13. THE AMENDMENT TO REGULATION 26:

- The amendment to Regulation 26 of the Environmental Management (Control and Management of Carbon Trading) Regulations marks a pivotal shift in the procedural requirements for establishing and operating carbon trading projects in Tanzania. Through this amendment, the regulation transitions from a registration-centric to an approval-centric process, reflecting a more rigorous and structured approach to carbon trading project initiation. Key changes introduced by the amendment include the replacement of references to the "First Schedule" with the "Third Schedule" for the application form and changing the "Second Schedule" to the "Fifth Schedule" for the application fees.
- This adjustment not only updates the procedural references in accordance with the reorganization of the Schedules but also aligns the application process with the latest regulatory framework and fee structures. The shift from "registration" to "approval" terminology throughout the regulation underscores a deeper level of scrutiny and formalization in the project initiation phase, indicating a move towards enhancing the robustness and accountability of carbon trading projects.
- Moreover, the amendment specifies that the completed application form must now be accompanied by proof of payment of a non-refundable



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application fee as prescribed in the newly designated Fifth Schedule. This change is significant, as it reflects an update in the fee structure and application process, ensuring that project proponents are aware of the financial requirements under the new regulatory framework. The introduction of a requirement for the Designated National Authority or National Focal Point to issue a letter of approval, as prescribed in the Fourth Schedule, before directing the proponent or the Managing Authority to develop a Project Concept Note, introduces an additional layer of formal approval in the project initiation process.

This step ensures that projects meet the regulatory and environmental standards set forth by the Tanzanian government before progressing to the conceptualization stage. It signifies a commitment to rigorously vetting project ideas for their potential impact, alignment with national priorities, and contribution to the Nationally Determined Contributions (NDCs) before granting them the green light to proceed.

14. THE AMENDMENTS TO REGULATION 27:

- The amendments to Regulation 27 of the Environmental Management (Control and Management of Carbon Trading) Regulations refine the project initiation process significantly, transitioning from a registration-based to an approval-based system. This shift indicates a more stringent and formalized approach to initiating carbon trading projects, ensuring they align closely with national goals and international commitments. One of the critical changes introduced is the replacement of the term "registration" with "receipt of notification of approval" in sub-regulation (1).
- This alteration underscores the requirement for project proponents to receive official approval before proceeding, highlighting the importance of a vetted and sanctioned start to carbon trading initiatives. This change aims to ensure that projects have a robust foundation, validated by the relevant authority, thereby enhancing the quality and feasibility of proposed carbon trading projects.
- Furthermore, the amendments update the reference to the schedules that detail the procedural and financial requirements for project initiation. Specifically, the "Second Schedule" is replaced with the "Fifth Schedule" for the proof of payment of project registration fees, and the "Third Schedule" is updated to the "Sixth Schedule" for the issuance of a letter of no objection or recommendation. These updates reflect a reorganization of the regulatory documents and schedules, ensuring that project proponents follow the most current procedures and fee structures. The



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addition of new elements to the Project Concept Note under sub-regulation (2) is particularly noteworthy.

- The inclusion of a requirement for the project description to align with national policies, plans, and strategies ensures that carbon trading projects are not only environmentally sustainable but also contribute to broader national development objectives.
- Moreover, the introduction of a new paragraph (k), which mandates the inclusion of the project's contribution to Tanzania's Nationally Determined Contribution (NDC), underscores the integral role of carbon trading projects in achieving the country's climate action commitments.
- This addition emphasizes the global environmental impact of local carbon trading initiatives, linking them directly to Tanzania's commitments under the Paris Agreement. Additionally, the allowance for either proof of payment or a letter of consent in sub-regulation (3)(b) introduces flexibility in the documentation required for project approval. This flexibility is likely intended to streamline the approval process, making it more accessible and adaptable to varying project circumstances.

15. THE AMENDMENT TO REGULATION 28:

- The amendment to Regulation 28 signifies a streamlined process for the final approval stages of carbon trading projects in Tanzania, specifically refining the timeframe and procedural clarity for obtaining a Letter of Endorsement from the Designated National Authority or National Focal Point. This adjustment underscores the regulatory commitment to ensuring timely and efficient project endorsement, which is critical for the progression of carbon trading initiatives within the country.
- A key change brought by the amendment is the rewording of sub-regulation (9), which now mandates that the Designated National Authority or National Focal Point must issue a Letter of Endorsement within thirty days from the receipt of the Project Document, provided the document meets all requirements. This modification simplifies the endorsement process, setting a clear, fixed period for authorities to respond to the submission of Project Documents. It aims to eliminate uncertainties regarding the timeframe for obtaining endorsements, thus offering project proponents a more predictable and transparent regulatory pathway.
- The amendment also corrects a reference in sub-regulation (10), ensuring that the Letter of Endorsement for project implementation is prescribed in the correct Schedule. This change, although seemingly minor, is crucial for maintaining the coherence and accuracy of the regulatory framework,



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ensuring that all references are up-to-date and correctly aligned with the restructured Schedules of the regulations. By focusing on these specific amendments, the regulation enhances the operational efficiency of the approval process for carbon trading projects.

This reflects a deliberate effort to streamline regulatory procedures, ensuring
that projects contributing to Tanzania's environmental and climate goals can
proceed without undue delay. These changes not only facilitate a smoother
transition from project conception to implementation but also reinforce the
government's commitment to supporting sustainable development initiatives
through carbon trading.

16. THE AMENDMENT TO REGULATION 29:

- The amendment to Regulation 29 introduces a crucial addition that further refines the collaborative framework for carbon trading projects, emphasizing the importance of international cooperation and compliance with legal standards. By adding a new sub-regulation (3), the amendments make it explicit that any cooperation agreement related to carbon trading projects must be in alignment with the laws and procedures of the participating countries. This addition underscores a commitment to ensuring that cross-border collaborations in carbon trading adhere to a structured and legally sound framework, respecting the regulatory environments of all involved jurisdictions.
- This change reflects an understanding of the complex, often international nature of carbon trading projects, which may involve multiple parties across different countries. It acknowledges the necessity of harmonizing agreements with diverse legal systems, ensuring that contracts are not only comprehensive in covering the various aspects of the project, such as scope, terms, conditions, and dispute settlement but also are crafted in a way that is legally binding and recognized in all participating countries.

17. THE AMENDMENT TO REGULATION 34:

- The amendment to Regulation 34 brings about significant changes to the cost and benefit-sharing arrangements in carbon trading projects, with a special focus on REDD+ projects. This nuanced adjustment not only underscores the unique considerations for REDD+ initiatives but also harmonizes the distribution of revenues derived from these projects, aligning them more closely with Tanzania's environmental conservation and community development goals.
- The key changes include the replacement of "land" with "REDD+" in subregulation (3), signaling a refined focus on REDD+ projects, which are



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critical to Tanzania's strategy for reducing emissions from deforestation and forest degradation. This adjustment acknowledges the specific nature of REDD+ projects and their pivotal role in carbon trading, warranting distinct regulations that reflect their unique contributions and challenges.

- The amendments further refine the revenue-sharing model. Notably, the distribution of gross revenues from the sale of Certified Emission Reductions now explicitly accommodates the roles of various stakeholders, including local government authorities, village governments or mtaa, and adjacent villages or mtaa, with specific percentages allocated to each.
- This structured approach ensures a fair and equitable distribution of benefits, emphasizing the importance of supporting conservation activities and community development at the local level. The introduction of a new paragraph under sub-regulation (3) mandates that a portion of the revenues (two percent out of sixty-one percent) be allocated to the Ministry responsible for Regional Administration and Local Government. This allocation further enhances the coordination of carbon trading mechanisms and other environmental conservation initiatives, reinforcing the integrated approach to managing the benefits derived from carbon trading projects.
- In addition, the amendment replaces the broad discretion for costs and benefits sharing arrangements in non-REDD+ projects with a more structured negotiation process between the Managing Authority and the Project Proponent. This change ensures that while the specific nature of the project can guide the sharing arrangements, there remains a clear expectation for equitable distribution aligned with regulatory standards. Overall, the amendments to Regulation 34 represent a strategic enhancement of the regulatory framework governing carbon trading in Tanzania. By refining the focus on REDD+ projects and specifying more structured and equitable revenue-sharing models, these changes aim to promote transparency, fairness, and environmental sustainability in carbon trading initiatives.

18. THE AMENDMENT TO REGULATION 42:

• The amendment to Regulation 42 of the Environmental Management (Control and Management of Carbon Trading) Regulations introduces a strategic enhancement in the monitoring and evaluation (M&E) framework for carbon trading projects. By adding a new sub-regulation (2), the amendment specifies that the modalities for M&E of projects contributing to the achievement of Nationally Determined Contribution (NDC) targets must align with the Nationally Determined Contribution Monitoring, Reporting, and Verification (MRV) system.



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- This change underscores Tanzania's commitment to integrating its carbon trading activities within the broader context of its climate action goals, specifically those outlined in its NDCs under the Paris Agreement. The MRV system is a critical component of the international climate change framework, designed to ensure transparency, accuracy, and integrity in the reporting of emissions and the implementation of mitigation actions. By aligning the M&E of carbon trading projects with the MRV system, the amendment ensures that these projects are not only assessed for their individual success and performance but also evaluated for their contribution to national and global climate objectives.
- The designation of the original content of Regulation 42 as sub-regulation (1) maintains the requirement for periodic M&E of carbon trading projects by the Designated National Authority or National Focal Point. The addition of sub-regulation (2) builds on this foundation, emphasizing the need for these evaluations to be conducted in a manner that is consistent with international best practices and obligations.
- This amendment reflects an understanding of the dual role of carbon trading projects: as mechanisms for sustainable development and environmental conservation at the local level, and as instruments for fulfilling international commitments to reduce greenhouse gas emissions. By ensuring that the M&E processes adhere to the NDC MRV system, Tanzania is enhancing the credibility and impact of its carbon trading initiatives, positioning itself as a proactive participant in global efforts to combat climate change.

19. THE AMENDMENT TO REGULATION 48:

- The amendment to Regulation 48 of the Environmental Management (Control and Management of Carbon Trading) Regulations clarifies the transition requirements for existing carbon trading projects in response to the new regulatory landscape. Additionally, it introduces a significant directive for projects that are implemented under the Clean Development Mechanism (CDM), guiding them towards transitioning to mechanisms under Article 6.4 of the Paris Agreement.
- This move is in alignment with the modalities and procedures agreed upon by the Conference of Parties serving as the Meeting of the Parties to the Kyoto Protocol. The minor textual corrections made, such as deleting redundant words and adding clarifications, improve the readability and precision of the regulation, ensuring its provisions are clearly understood. However, the most noteworthy addition is the new sub-regulation (4), which addresses the need for projects initiated under the CDM framework to adapt to the evolving international climate action frameworks.



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- This adaptation is crucial for several reasons. First, it underscores Tanzania's commitment to international climate agreements and their evolving mechanisms, ensuring that its regulatory framework remains relevant and effective in the global context. The transition from the Kyoto Protocol's CDM to the mechanisms under the Paris Agreement, particularly Article 6.4, represents a shift towards a more comprehensive and ambitious approach to reducing global greenhouse gas emissions and promoting sustainable development. For Tanzania, this transition is especially pertinent. As a country developing its carbon market, the adaptability to the newer, more inclusive mechanisms of the Paris Agreement enables Tanzania to tap into global carbon markets more effectively. This ensures continued investment in carbon reduction projects that contribute to both local development and global environmental goals. Moreover, the Paris Agreement's mechanisms are designed to be more flexible and inclusive, offering developing countries like Tanzania greater opportunities to participate in and benefit from global carbon trading activities.
- While the Kyoto Protocol and its CDM have played a pivotal role in establishing the global carbon market, their phase-out in favour of the mechanisms under the Paris Agreement reflects the international community's desire for more robust climate action. For countries like Tanzania, transitioning existing projects to comply with the Paris Agreement's frameworks is not just about adhering to international norms but also about seizing the opportunity to enhance the effectiveness, reach, and benefits of their carbon trading initiatives.

20. THE AMENDMENTS TO REGULATION 49:

- The amendments made to Regulation 49 address and correct typographical errors, enhancing the clarity and professionalism of the document's language. These changes reflect an attention to detail that is crucial for the credibility and clarity of legal regulations, especially those governing the intricate processes of carbon trading projects. Specifically, the correction in sub-regulation (1) replaces an incorrect spelling of "decision" with "decision," thereby rectifying a fundamental error and ensuring the regulation's meaning is conveyed accurately. This is crucial, as the ability to appeal decisions made under these Regulations is a key procedural right for stakeholders involved in carbon trading projects. Ensuring the clarity of such a provision directly impacts stakeholders' understanding of their rights and the processes available to them in case of grievances.
- Further, the amendment in sub-regulation (4) corrects the spelling of "fourteen" to "fourteen," specifying the time frame within which an appeal or application for review must be determined. This time frame is essential for



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providing aggrieved parties with a clear expectation of the resolution process's duration, contributing to a more transparent and accountable regulatory environment. Additionally, adjustments in sub-regulation (2) to correct the spelling of "aggrieved" to "aggrieved," and in sub-regulation (3) to add the missing "f" in "of" between "application" and "review," are minor but essential for maintaining the textual integrity of the Regulations.

These corrections ensure that the text is free from errors that could potentially confuse or mislead stakeholders about the procedures for appealing decisions or seeking reviews under the Regulations. By making these corrections, the amendments not only enhance the readability and accuracy of Regulation 49 but also reinforce the regulatory framework's overall integrity and effectiveness.

21. AMENDMENT TO SCHEDULES:

- a) First Schedule: Composition of the National Carbon Projects Assessment Technical Committee: This likely includes detailed listings of committee member roles, qualifications, and organizational affiliations to ensure a comprehensive, multidisciplinary approach to carbon trading project assessment.
- b) Second Schedule: (Replaced/Updated): Initially might have included application fees for carbon trading projects. After amendments, references to this Schedule have been updated, indicating changes in the fee structure or related procedural details.
- c) **Third Schedule:** Application Form for Carbon Trading Projects: Specifies the format and required information for project application forms, ensuring consistency and completeness in project proposals submitted for approval.
- d) Fourth Schedule: Letter of Approval for Establishing and Operating Carbon Trading Projects: Details the template or criteria for the Letter of Approval issued to project proponents, outlining necessary conditions and acknowledgments for project initiation.
- e) Fifth Schedule Fees: Updated to reflect current fees related to the application, registration, and possibly other administrative processes associated with carbon trading projects. This Schedule is crucial for ensuring transparency and understanding of the financial obligations required from project proponents.
- f) Sixth Schedule Letter of No Objection for Qualified Project Concept Notes: Provides a template or criteria for issuing a Letter of No Objection,



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which is a critical step in moving forward with project development after initial review.

- g) Seventh Schedule-Letter of Endorsement for Implementation of the Project: Outlines the format or requirements for the Letter of Endorsement, which signifies formal approval for project implementation based on compliance with regulatory standards.
- h) Eighth Schedule Annual Reporting Format: This would include guidelines or templates for annual project reports, ensuring that projects continually meet regulatory standards and contribute to national and international carbon reduction goals.



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