

Carbon Market Watch's recommendations to the Government of Zambia

Statutory Instrument, Carbon Market Regulations 2025

17 July, 2025

Carbon Market Watch welcomes the [development of the Government of Zambia's Carbon Market Regulations as part of its Statutory Instrument](#). National regulation for carbon markets are indispensable to regulate existing carbon market standards and frameworks, both within the context of Article 6 and the voluntary carbon market, which have been found to contain many loopholes - loopholes that result in carbon market activities frequently hindering rather than helping achieve the objective of fair and equitable climate change mitigation, including instances of serious negative impacts to local communities¹.

Please find below our suggestions to strengthen the regulations, especially to ensure that the environmental integrity and human rights safeguards of activities that fall under the regulations are upheld.

¹ See, for example: [Due south: Geographic disparity of project actors in the voluntary carbon market](#), [A fair share of the voluntary carbon market?](#), and [Secretive intermediaries: Are carbon markets really financing climate action?](#) (CMW); [Mapped: The impacts of carbon-offset projects around the world](#) (Carbon Brief); [Cooperative Approaches under Article 6.2 of the Paris Agreement](#) (CSE India)

Part I

Section	Text	Comment
2	In these Regulations, unless the context otherwise requires- “Acquiring Party” means a country or entity receiving authorized mitigation outcomes, internationally transferred mitigation outcomes and uses them for purposes of Nationally Determined Contributions compliance	Limiting the definition of “Acquiring Party” to the use case of NDC compliance, excludes any countries or entities acquiring ITMOs for other international mitigation purposes (OIMP). Given that OIMP use cases are included in other provisions, this definition should also include OIMP use cases to prevent misinterpretation.
2	“Authorisation” means the host party’s written decision to make mitigation outcomes eligible for transfer to another country or entity;	It should be made clear that this includes the commitment to a corresponding adjustment.
2	“Certificate of authorisation” means a certificate issued under section 24 of the Act, authorising a person to trade in carbon credits;	The use of the word “person” in this provision creates confusion whether such authorization would be granted to individuals rather than entities.

Part III

Section	Text	Comment
9(1)	A project developer who intends to undertake an Article 6 mitigation activity shall submit a concept note to the Director in Form I of the First Schedule and shall pay the prescribed fee set out in the Second Schedule.	Repeated references are made throughout this section to ‘the Director’ without a specification which institution this pertains to. This should be made clear.
10(2)(g)	demonstrate minimisation of uncertainties of greenhouse gas estimations;	This provision, in conjunction with indicator 8 from the Third Schedule, is not sufficient to address uncertainties of greenhouse gas estimations. More quantitative criteria for uncertainty estimation, as well as subsequent actions to either minimize or account for said uncertainties, should be described.
10(2)(k)	provide parameters for monitoring sustainable development impacts;	This provision in conjunction with indicator 10, 11, 12 and 13 from the Third Schedule, is not sufficient to address potential negative impacts from activities. Negative impacts have repeatedly been found under Verra’s impact assessment tools. These should therefore not be eligible for assessment of negative impacts. In addition, the 6.4 SD tool has shortcomings regarding land

		<p>rights and involuntary resettlement (e.g. there is no ban on involuntary resettlement), which should be complemented by additional requirements.</p> <p>In addition to assessing SD impacts, FPIC should be an explicit standalone requirement for all land-based activities.</p>
(10)(2)(l)	where applicable, provide an agreed benefit sharing plan;	<p>This provision, in conjunction with indicator 14 from the Third Schedule, is not sufficient to ensure fair and equitable benefit sharing for activities.</p> <p>A minimum of benefit sharing (for example, a majority share of revenue) is strongly suggested, as this will ensure no 'race to the bottom' will result from benefit sharing negotiations.</p>
13(2)(i)	if all documentation is found to be complete and adequate, the Zambia Environmental Management Agency shall inform the Department to affirm the issuance of Internationally Transferred Mitigation Outcomes.	<p>By closing this section on monitoring and verification with a paragraph on the issuance of ITMOs, this section limits the provisions for the monitoring report and verification statement to "the issuance of Internationally Transferred Mitigation Outcomes". However, this does not account for the other unit type that may be issued: the unauthorized A6.4ER, or Mitigation Contribution Unit (MCU), which is not an ITMO. The same monitoring and verification requirements should apply to MCUs.</p>

Part V

Section	Text	Comment
20(1)	This requirement for benefit sharing and distribution is applicable to any mitigation activity in which individuals or communities directly participate in the facilitation of the generation of emission reductions	Benefit sharing should be a mandatory component of all activities that involve local communities or indigenous peoples, regardless of whether they are directly involved - activities taking place on community land or using their resources without direct participation in the activity itself must also have adequate benefit sharing provisions. It should be made clear what is understood by 'direct participation' so that this is clear.

THIRD SCHEDULE (Regulations 9 and 11)

Section	Text	Comment
5- Addressing nonpermanence risks	<p>In case of a Land Use, Land Use Change, and Forestry (LULUCF) activity, the activity needs to take the risk of non-permanence into account by:</p> <ul style="list-style-type: none">❖ Assuring a minimum activity longevity of 40 years (according to the most recent version of the Verified Carbon Standard (VCS);	<p>A requirement of a minimum activity longevity of 40 years is neither sufficient nor clearly actionable. Activities must be aligned with science and climate-relevant timescales, which at the very minimum should be a 100 years, but realistically much longer. With nature-based activities being eligible, the risk of activities not being able to guarantee 40 let alone 100 years needs further elaboration. If an activity cannot guarantee this activity longevity, for which a risk assessment is an indispensable step, then provisions should elaborate who has the responsibility for the monitoring and addressing reversals on a timescale of at least a 100 years, ideally on climate-relevant timescales. This could include specifying how the liability for reversals should be shared between transferring Party and acquiring Party.</p>
6- Alignment with IPCC methodologies and best practices for GHG estimations	<p>The activity features GHG estimates that are consistent with IPCC GPG 2006 methodologies and the 2019 update. This shall be achieved by:</p> <ul style="list-style-type: none">❖ Using CDM methodologies and tools;❖ Using VCS and GS methodologies and tools;	<p>Methodologies and tools from the CDM as well as from VCS have been found to have serious shortcomings, which makes them ill-suited for best practice alignment. Instead, only more robust quality labels such as Article 6.4 approved methodologies or methodologies with ICVCM's CCP label should be eligible, which should be complemented by further analysis from the relevant department.</p>
15- Comprehensive stakeholder consultations	<p>The mitigation activity conducts comprehensive stakeholder consultations, especially with local and otherwise affected stakeholders, prior to the start of the activity implementation, in line with international best practices. Where relevant, a grievance process may be established for stakeholders.</p>	<p>In addition to comprehensive stakeholder consultations, an independent, accessible and effective grievance process must be in place for all projects, as a mandatory rather than optional component in order to prevent and address negative impacts.</p>

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