GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO.5 of 2026

The Green Economy and Climate Change Act
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

ARRANGEMENT OF REGULATIONS

Regulation

Single copies of this Statutory Instrument can be obtained from the Government Printer, P.O. Box 30136, 10101 Lusaka, Price K104.00 each.

In exercise of the powers contained in section 46 of the Green Economy and Climate Change Act, 2024, the following Regulations are made:

PART I

Preliminary Provisions

1. These Regulations may be cited as the Green Economy and Climate Change (Carbon Market) Regulations, 2026. Title

2. In these Regulations, unless the context otherwise requires— Interpretation

"acquiring party" means a country or entity receiving internationally transferred carbon credits as mitigation outcomes or emission reduction certificates requesting for corresponding adjustments and uses those mitigation outcomes or emission reduction certificates for purposes of complying with that country's or entity's Nationally Determined Contributions or other international climate change mitigation purposes;

"ambition raising" means the comparative cost advantages from emission trading is used to stimulate an increase of mitigation and adaptation actions to further reduce greenhouse gas emissions and promote sustainable development;

"bilateral agreement" has the meaning assigned to the words in the Ratification of International Agreements Act; Cap. 18

"baseline" means a reference point or scenario used to measure the impact of a carbon project on greenhouse gas emission reductions;

"carbon" has the meaning assigned to the word in the Act;

"carbon credit generation activity" means a project, programme or other action described in the concept note or project proposal which is likely to generate carbon credits as mitigation outcomes or emission reduction certificates for which a project developer may, or may not, request a corresponding adjustment;

"carbon market" has meaning assigned to the words in the Act;

"certificate of authorisation" has the meaning assigned to the words in the Act;

"climate change mitigation" has the meaning assigned to the words in the Act;

"community development and benefit sharing agreement" has the meaning assigned to the words in the Act;

"Convention" has the meaning assigned to the word in the Act;

"corresponding adjustment" means the adjustment of reported emissions by an acquiring party and host party resulting from a transfer of carbon credits as mitigation outcomes or emission reduction certificates for purposes of both parties complying with their Nationally Determined Contributions, where—

(a) the acquiring party subtracts the amount of the transfer of carbon credits as mitigation outcomes or emission reduction certificates from the reported emissions; and

(b) the host party adds the amount of the transfer of carbon credits as mitigation outcomes or emission reduction certificates to the reported emissions;

"Director" has the meaning assigned to the word in the Act;

"emission" has the meaning assigned to the word in the Act;

"emission reduction certificate" means a tradeable unit representing one tonne of verified greenhouse gas emissions avoided or reduced by a project developer who is participating in a carbon credit generation activity under the voluntary carbon market and the words "emission reduction certificates" shall be construed accordingly;

"environmental integrity" means the basing of emission reductions on a robust accounting that is additional, measurable, verifiable and reproducible;

"*ex-ante*" means the estimation of carbon credits before the actual reduction or removal of greenhouse gases;

"*ex-post*" means the calculation and verification of carbon credits after the occurrence of emission reductions or removals;

"first transfer" means

(a) the first international transfer of carbon credits as mitigation outcomes or emission reduction certificates authorised by the host party for use towards the achievement of a Nationally Determined Contributions; or

(b) the use or cancellation of carbon credits as mitigation outcomes or emission reduction certificates authorised by the host party for other international climate change mitigation purposes;

"greenhouse gases" has the meaning assigned to the words in the Act;

"holder of certificate of authorisation" means a project developer who has been issued with a certificate of authorisation under regulation 13;

"host party" means a country or entity where the generation of carbon credits as mitigation outcomes or emission reduction certificates for international transfers occurs;

"Integrated Measuring Reporting and Verification System" has the meaning assigned to the words in the Act;

"Inter-governmental Panel on Climate Change" means the United Nation's body which provides governments with objective scientific assessments on climate change, its impacts and response options;

"internationally transferred mitigation outcomes" means carbon credits as mitigation outcomes that are authorised and transferred out of the host party for use by another party towards their Nationally Determined Contributions or other international climate change mitigation purposes as defined under the Paris Agreement;

"issuance" means the process through which carbon credits as mitigation outcomes or emission reduction certificates are generated and exist in the National Carbon Registry or a voluntary carbon market registry after validation and verification by a verifier;

"leakage" means the shift of production of greenhouse gas emissions from an area or country of strict controls or regulations to an area or country with weaker controls or regulations;

"mitigation outcome" means an emission reduction or emission removal measured in tonnes of carbon dioxide equivalent resulting from a carbon credit generation activity falling under cooperative approaches of the Paris Agreement;

"monitoring report" means a report generated by a project developer that records and tracks the performance of the carbon credit generation activity against its monitoring parameters as stipulated in the measuring, reporting and verification of the carbon credit generation activity specified in the project proposal;

"National Carbon Registry" means a registry established under the Integrated Measuring Reporting and Verification System that is used to manage the accounts of project developers and the issuance, transfer and cancellation of carbon credits as mitigation outcomes or emission reduction certificates;

"National Development Plan" has the meaning assigned to the words in the National Planning and Budgeting Act, 2020;

Act No. 1 of 2020

"Nationally Determined Contributions" has the meaning assigned to the words in the Act;

"negative validation report" means a report issued by a verifier to a project developer participating in a carbon credit generation activity under regulation 7(3) whose project proposal has not complied with the requirements under regulation 8;

"Paris Agreement" has the meaning assigned to the words in the Act;

"party" means a country that has signed and ratified the Paris Agreement;

"permanence" means the assurance by a project developer that the carbon emission reductions or removals shall remain out of the atmosphere for a specified period, usually one hundred years or more;

"positive validation report" means a report issued by a verifier to a project developer participating in a carbon credit generation activity under regulation 7(2) whose project proposal has complied with the requirements for a project proposal under regulation 8;

"project developer" has the meaning assigned to the words in the Act;

"regulatory surplus" means a requirement for a carbon credit generation activity's emission reductions to exceed that which is prescribed under national laws;

"sustainable development" has the meaning assigned to the words in the Environmental Management Act; Cap. 204

"Technical Committee" has the meaning assigned to the words in the Act;

"transfer" means the change of legal ownership of carbon credits as mitigation outcomes or emission reduction certificates from a host party to an acquiring party;

"transformational change" means a fundamental sustained change of a system that transitions from high carbon practices and contributes to a low carbon economy;

"unconditional Nationally Determined Contributions" means climate pledges under the Paris Agreement that countries commit to achieving using only domestic resources without relying on international financial or technical support;

"validation" means a verifier's systematic, independent and documented process for the *ex ante* evaluation of the contents of a project proposal, and the word "validate" shall be construed accordingly;

"validation report" means a report issued by a verifier to a project developer participating in a carbon credit generation activity not requesting for corresponding adjustment under regulation 11;

"verification" means a process of systematic *ex-post* evaluation of emission reductions by a verifier in accordance with the monitoring report, and the words "verify" and "verified" shall be construed accordingly;

"verifier" has the meaning assigned to the word in the Act;

"voluntary carbon market" means a decentralised marketplace where entities voluntarily buy and sell emission reduction certificates issued under a voluntary carbon market standard;

"voluntary carbon market standard" means a set of rules, criteria, procedures and methodologies that a projector developer participating in a voluntary carbon market shall comply with to generate and issue carbon credits as emission reduction certificates;

"voluntary carbon market registry" means a registry operated by a voluntary carbon market for the issuance of carbon credits as emission reduction certificates generated by a project developer participating in a voluntary carbon market; and

"Zambia Environmental Management Agency" means the Zambia Environmental Management Agency established under the Environmental Management Act. Cap. 204

Application

3. These Regulations shall apply to all carbon market activities in the Republic.

Fundamental principles for participation in carbon markets

4. Participation in the carbon market shall be guided by the following principles:

(a) environmental integrity;

(b) ambition raising and transformational change; and

(c) sustainable development.

PART II

CARBON STOCK MANAGEMENT

Non-eligible carbon credit generation activities

5. The following projects shall not be eligible for purposes of carbon credit generation:

(a) a project that leads to a lock in of fossil fuel technologies;

(b) a project reducing hydro fluorocarbon 23 or adipic nitrous oxide;

(c) a nuclear power project; and

(d) a large-scale grid-connected dam hydro power project that is greater than twenty megawatts.

Concept note

6. (1) A project developer who intends to engage in a carbon credit generation activity shall submit a concept note to the Director in Form I set out in the First Schedule on payment of a fee set out in the Second Schedule.

(2) A concept note submitted in accordance with subregulation (1) shall—

(a) indicate that the carbon credit generation activity does not fall under the ineligible projects as specified under regulation 5;

(b) demonstrate through investment analysis the carbon project's ability to reduce emission reductions below the

level that would have occurred anthropogenically and which would not have occurred without the revenue from carbon market participation;

(c) demonstrate regulatory surplus;

(d) provide an estimation of the required carbon price to achieve financial viability;

(e) demonstrate how the carbon credit generation activity shall contribute towards—

(i) the attainment of sustainable development goals and the National Development Plan; and

(ii) transformational change; and

(f) where applicable, provide a community development and benefit sharing agreement in Form II set out in the First Schedule.

(3) The Director shall, within five days of receipt of the concept note under subregulation (1), notify the project developer, in writing, whether the concept is duly completed.

(4) A concept note is duly completed where the required fields in Form I set out in the First Schedule are correctly filled, the required documents are attached and the fee set out under subregulation (1) is paid.

(5) The Director shall, where the concept note is duly completed as specified under subregulation (4), within five days of receipt of the concept note, refer the concept note to the Technical Committee.

(6) The Technical Committee shall in assessing a concept note submitted under subregulation (5) take into account—

(a) the requirements for a concept note set out under subregulation (2); and

(b) the list of indicators set out in the Fourth Schedule.

(7) The Technical Committee shall, where the Technical Committee determines that a concept note submitted under subregulation (5) meets the requirements set out under subregulation (6), approve the concept note.

(8) The Technical Committee shall, where the Technical committee approves a concept note under subregulation (7)—

(a) inform the project developer in writing and issue the project developer with—

(i) a letter of no objection in Form III set out in the First Schedule, in the case of a concept note relating to a carbon credit generation activity requesting for a corresponding adjustment; or

(ii) a letter of endorsement in Form IV set out in the First Schedule, in the case of a concept note relating to a project developer participating in a carbon credit generation activity not requesting for a corresponding adjustment; and

(b) request the project developer that has been issued with a letter of no objection under paragraph *(a)*(i) to submit a project proposal to the Director in Form V set out in the First Schedule, within ninety days of receipt of the decision, on payment of a fee set out in the Second Schedule.

Validation of project proposal

7. (1) A project developer who is issued with a letter of no objection under regulation 6 (8) *(a)* (i) shall, prior to submission of a project proposal in accordance with regulation 6(8)*(b)*, ensure that the project proposal is validated by a verifier against the criteria set out under regulation 8(1).

(2) A verifier shall, in validating a project proposal in accordance with subregulation(1), issue the project developer with a positive validation report where the project proposal meets the criteria under regulation 8(1).

(3) A verifier shall, where the verifier determines that a project proposal does not meet the criteria under regulation 8(1), issue the project developer with a negative validation report and request that project developer to address the concerns identified in the report and resubmit an amended project proposal.

Project proposal

8. (1) A project proposal submitted by a project developer under regulation 6(8*(b)* shall be accompanied by a positive validation report and—

(a) demonstrate—

(i) through investment analysis, the project's ability to reduce emission reductions below the level that would have occurred anthropogenically and which would not have occurred without the revenue from carbon market participation;

(ii) regulatory surplus;

(iii) blending of financing sources;

(iv) minimisation of uncertainties of greenhouse gas estimations;

(v) minimisation of leakage risks;

(vi) that the carbon credit generation activity does not overlap with any other carbon credit generation activity; and

(vii) contribution to transformational change;

(b) provide—

(i) the carbon credit generation activity baseline that is below the Republic's unconditional Nationally Determined Contributions target;

(ii) an estimation of the required carbon price to achieve financial viability;

(iii) an assessment of *ex-ante* sustainable development impacts; and

(iv) parameters for monitoring sustainable development impacts;

(c) where applicable—

(i) detail and account for risks associated with non permanence;

(ii) obtain approval from the Zambia Environmental Management Agency and other relevant Government agencies; and

(iii) provide a community development and benefit sharing agreement;

(d) align with the Inter-governmental Panel on Climate Change methodologies for best practices for greenhouse gas emissions; and

(e) conduct comprehensive stakeholder consultations.

(2) The Director shall, within five days of receipt of the project proposal submitted under regulation 6(8)*(b)*, notify the project developer, in writing, whether the project proposal is duly completed.

(3) A project proposal is duly completed where the required fields in Form V set out in the First Schedule are correctly filled, the required documents are attached and the fee set out under subregulation (1) is paid.

(4) The Director shall, where the project proposal is duly completed as specified under subregulation (3), within ten days of receipt of the project proposal, submit the project proposal to the Technical Committee for evaluation.

(5) The Technical Committee shall, in evaluating a project proposal submitted under subregulation (4) take into account—

(a) the requirements for a project proposal set out under subregulation (1); and

(b) the list of indicators set out in the Fourth Schedule.

(6) The Technical Committee shall, where the Technical Committee determines that a project proposal submitted under subregulation(4) meets the requirements set out under subregulation (5), approve the project proposal and issue an approval to the project developer in Form VI set out in the First Schedule.

Duty to inform on start date of carbon credit generation activity

9. A project developer whose project has been approved under regulation 8(6) shall, within ten days of commencement of the carbon credit generation activity, inform the Zambia Environmental Management Agency, in writing of—

(a) the start date of the project; and

(b) the intended verification process.

Monitoring and verification of carbon credit generation activity requesting for corresponding adjustment

10. (1) A project developer whose project has been approved under regulation 8(6) shall monitor that project and ensure that the project is verified by a verifier.

(2) A project developer shall, for purposes of the monitoring referred to under subregulation (1), develop a monitoring report.

(3) A verifier shall, in verifying a project in accordance with subregulation (1), issue the project developer with a verification statement.

(4) The verification statement referred to under subregulation (3) shall—

(a) confirm that the project has reduced greenhouse gas emissions; and

(b) indicate—

(i) the amount of emission reductions achieved;

(ii) the measures being taken towards the achievement of the sustainable development goals impacts as stipulated in the project proposal;

(iii) the amount of carbon credits as mitigation outcomes to be issued for the monitoring period; and

(iv) where applicable, how the community development and benefit sharing agreement is being implemented.

(5) A project developer shall, on receipt of the verification statement under subregulation (3), submit that verification statement and the monitoring report to the Zambia Environmental Management Agency.

(6) The Zambia Environmental Management Agency shall, within thirty days of receipt of the verification statement and monitoring report under subregulation (5), conduct an assessment for quality assurance, quality control and completeness check of the data received in the verification statement and monitoring report.

(7) The Zambia Environmental Management Agency shall, where the Zambia Environmental Agency is satisfied with the assessment conducted under subregulation (6), inform the Director to affirm the issuance of carbon credits as mitigation outcomes;

(8) The Zambia Environmental Management Agency shall, where the Zambia Environmental Management Agency is dissatisfied with the assessment conducted under subregulation(6), conduct a ground project inspection to assess the project and—

(a) produce a report of its findings; and

(b) submit the report of its findings to the Director within ten working days of the ground inspection.

(9) The Director shall, within five days of receipt of the report referred to under subregulation (8), notify, in writing, a project developer of the contents of the report and direct that project developer to resubmit an amended verification statement and monitoring report to the Zambia Environmental Management Agency.

(10) A project developer shall, on receipt of the notification under subregulation (9), submit the amended verification statement and monitoring report to the Zambia Environmental Management Agency.

Monitoring, verification and validation of carbon credit generation activity not requesting for corresponding adjustment

11. (1) A project developer issued with a letter of endorsement under regulation 6(8)(a)(ii) shall submit to the Zambia Environmental Management Agency the following information:

(a) start date of the project activity;

(b) project design documents;

(c) validation report;

(d) confirmation of registration on the voluntary carbon market;

(e) monitoring report; and

(f) verification statement which should indicate, where applicable, how the community development and benefit sharing agreement is being implemented.

(2) The monitoring report and verification statement referred to under subregulation (1)*(e)* and *(f)* shall be submitted once available and thereafter within three months of each verification event.

PART III

Application to Trade in Carbon Credits

Modes of participation in carbon markets

12. A person who intends to trade in carbon credits may trade in the following manner:

(a) cooperative approaches under the Paris Agreement and the voluntary carbon market, issuing carbon credits as mitigation outcomes or emission reduction certificates requesting a corresponding adjustment; or

(b) cooperative approaches under the Paris Agreement and the voluntary carbon market, issuing carbon credits as mitigation outcomes or emission reduction certificates not requesting a corresponding adjustment.

Application to trade in carbon credits

13. (1) A person who intends to trade in carbon credits shall apply to the Director for a certificate of authorisation in Form VII set out in the First Schedule on payment of a fee set out in the Second Schedule.

(2) The application referred to under subsection(1) shall be made—

(a) at the time of submitting the project proposal under regulation 6(8)(b), in the case of a carbon credit generation activity requesting for corresponding adjustment; and

(b) the time of submitting the concept note under regulation 6(8)(a)(ii), in the case of a carbon credit generation activity not requesting for corresponding adjustment.

(3) The Director shall, where an applicant referred to under subregulation (1) meets the requirements under the Act, issue the applicant with a certificate of authorisation in Form VIII set out in the First Schedule.

(4) A certification of authorisation referred to under subregulation (3) shall only be issued to a project developer.

Application for duplicate certificate

14. (1) A holder of a certificate of authorisation whose certificate of authorisation is lost or destroyed may apply to the Director for a duplicate certificate in Form VII set out in the First Schedule on payment of a fee set out in the Second Schedule.

(2) The Director shall, after being satisfied with the proof of loss or destruction of a certificate of authorisation, issue a duplicate certificate of authorisation to the holder of that certificate.

(3) A duplicate certificate of authorisation issued under subregulation (2) shall have effect as the original certificate of authorisation.

PART IV

Issuance and Transfer of Carbon Credits

Request for issuance of carbon credits as mitigation outcomes requesting corresponding adjustment

15. (1) A holder of a certificate of authorisation relating to a carbon credit generation activity requesting for a corresponding adjustment issued under regulation 13 may request the Zambia Environmental Management Agency to issue carbon credits as mitigation outcomes.

(2) The request referred to under subregulation(1) shall be made through the National Carbon Registry in Form IX set out in the First Schedule.

(3) A holder of a certificate of authorisation shall, at the time of making the request referred to under subregulation(1)—

(a) inform the Zambia Environmental Management Agency, in writing, on the intended verification process; and

(b) submit a monitoring report to the Zambia Environmental Management Agency.

Issuance of carbon credits as mitigation outcomes requesting corresponding adjustment

16. (1) The Zambia Environmental Management Agency shall, within five days of receipt of the request referred to under regulation 15, conduct an assessment of the request to confirm that the carbon credits as mitigation outcomes indicated in the request are consistent with the carbon credits as mitigation outcomes that are indicated in the verification statement and monitoring report.

(2) The Zambia Environmental Management Agency shall, within one day of confirmation of the carbon credits as mitigation outcomes under subregulation (2), inform the Director.

(3) The Director shall, within three days of receipt of the confirmation under subregulation (2), request the Zambia Environmental Management Agency to issue the carbon credits as mitigation outcomes to the holder of a certificate of authorisation.

(4) The Zambia Environmental Management Agency shall, within five days of receipt of the request under subregulation (3), issue the carbon credits as mitigation outcomes to the holder of a certificate of authorisation.

(5) The Zambia Environmental Management Agency shall, where the carbon credits as mitigation outcomes indicated in the request submitted under regulation 15 are inconsistent with the carbon credits as mitigation outcomes indicated in the verification statement and monitoring report, reject the request to issue carbon credits as mitigation outcomes and notify the—

(a) Director; and

(b) holder of a certificate of authorisation, in writing, stating the reasons for the rejection.

Issuance of carbon credits as emission reduction certificates not requesting for corresponding adjustment

17. A holder of a certificate of authorisation relating to a carbon credit generation activity not requesting for corresponding adjustment may request for issuance of carbon credits as emission reduction certificates from the voluntary carbon market registry on which that holder of a certificate of authorisation is registered.

First transfer of carbon credits as mitigation outcomes or emission reduction certificates requesting for corresponding adjustment

18. (1) A holder of a certificate of authorisation who intends to first transfer carbon credits as mitigation outcomes or emission reduction certificates requesting for a corresponding adjustment shall submit a request to first transfer the mitigation outcomes or emission reduction certificates to the Zambia Environmental Management Agency through the National Carbon Registry.

(2) The Zambia Environmental Management Agency shall, on receipt of the request under subregulation (1), effect the transfer of

the carbon credits as mitigation outcomes or emission reduction certificates subject to the holder of a certificate of authorisation providing proof of payment of share of proceeds as set out in the Third Schedule.

(3) Despite subregulation (2), where a holder of a certificate of authorisation is participating under the framework of a bilateral agreement for cooperative approaches, the proof of payment of share of proceeds shall only be provided to the Zambia Environmental Agency after the Zambia Environmental Management Agency has effected the first transfer.

(4) The carbon credits as mitigation outcomes or emission reduction certificates that are first transferred in accordance with subregulation (2) shall, on transfer, become internationally transferred mitigation outcomes or emission reduction certificates with a corresponding adjustment and comply with the relevant applicable international rules.

(5) The Zambia Environmental Management Agency shall, in consultation with the Director, once a first transfer of a carbon credit as an internationally transferred mitigation outcome or emission reduction certificate with a corresponding adjustment has been effected, register the corresponding adjustments on the National Carbon Registry corresponding to the first transfer effected.

Transfer of emission reduction certificates not requesting for corresponding adjustment

19. A holder of a certificate of authorisation relating to a carbon credit generation activity who is not requesting for a corresponding adjustment, may request for transfer of carbon credits as emission reduction certificates from the voluntary carbon market registry on which that holder of a certificate of authorisation is registered.

PART V

SHARE OF PROCEEDS AND COMMUNITY DEVELOPMENT AND BENEFIT SHARING

Non-application of part

20. This part shall not apply to trading of carbon credits generated by a carbon credit generation activity—

(a) implemented under the supervision of a mechanism established under the Paris Agreement; and

(b) not requesting for a corresponding adjustment.

Payment of share of proceeds

21. A holder of a certificate of authorisation, or an acquiring party, relating to a carbon generation activity requesting for a corresponding adjustment shall pay a share of proceeds as set out in the Third Schedule.

Benefit sharing of profits from carbon credit trading with local communities

22. (1) A carbon credit generation activity in which an individual or a community directly participate in the facilitation of the generation of emissions shall be subject to benefit sharing in accordance with the community development and benefit sharing agreement.

(2) The community development and benefit sharing agreement referred to under subregulation (1) shall be agreed and signed by an individual or community directly participating in the facilitation of the generation of emissions, the project developer and the Government.

PART VI

General Provisions

Application for registration as verifier

23. (1) A person who intends to verify carbon credits in the Republic shall apply to the Director for registration as a verifier in Form X set in the First Schedule on payment of a fee set out in the Second Schedule—.

(2) An application referred to under subregulation (1) shall be accompanied by—

(a) a declaration in Form XI set out in the First Schedule; and

(b) proof of active accreditation under the Convention.

(3) The Director shall, where an applicant meets the requirements under the Act and these Regulations, issue the applicant with a certificate of registration in Form XII set out in the First Schedule.

(4) The Director shall, where the Director rejects an application under subregulation (1), inform the applicant, in writing, stating the reasons for the rejection.

(5) The Director shall publish a list of all verifiers registered in accordance with these Regulations on the Ministry's official website.

Migration of carbon credit generation activity

24. (1) A project developer participating in a carbon credit generation activity who is not requesting for a corresponding adjustment and who intends to migrate to an activity requesting for a corresponding adjustment shall—

(a) de-register the activity from the voluntary carbon market registry; and

(b) provide a written confirmation of the de-registration to the Zambia Environmental Management Agency for approval to migrate that activity.

(2) The Zambia Environmental Management Agency shall, on satisfaction that a project developer has complied with the requirements under subregulation (1), approve the migration and register the carbon credit generation activity in the National Carbon Registry.

(3) A project developer whose carbon credit generation activity has migrated in accordance with subregulation (2) shall—

(a) not claim the carbon credits generated prior to the migration as mitigation outcomes or emission reduction certificates requesting for a corresponding adjustment; and

(b) comply with the provisions relating to a carbon credit generation activity requesting for corresponding adjustment specified under regulation 8(1).

Engagement of local expert in verification and validation process

25. A verifier shall, when conducting a validation or verification process, engage at least one Zambian expert who is listed as an expert in Form XIII set out in the First Schedule.

Restrictions on verification

26. A verifier who has conducted a validation of a carbon credit generation activity shall not be involved in the verification process of that activity.

National Carbon Registry

27. (1) The Zambia Environmental Management Agency shall keep and maintain the National Carbon Registry under the Integrated Measuring Reporting and Verification System in accordance with the requirements set out in the Convention and its guidelines.

(2) The National Carbon Registry referred to under subregulation (1) shall contain data on all carbon credit generation activities in the Republic.

Compliance order

28. The Director may, where the Director has reasonable grounds to believe that any condition of an authorisation or certificate issued under this Act has been breached, serve a compliance order in Form XIV set out in the First Schedule.

General penalty

29. A person who contravenes a provision of these Regulations commits an offence and is liable on conviction to a fine not exceeding five hundred thousand penalty units, or imprisonment for a term not exceeding five years, or to both.

Fees

30. The fees set out in the Second Schedule are payable in respect to the matters specified in that Schedule.

Transitional Provisions

31. A person engaged in a carbon credit generation activity prior to the coming into operation of these Regulations shall comply with the provisions of these Regulations within one year of commencement of these Regulations.

FIRST SCHEDULE
(*Regulations* 6,8,13,14,15,23, 25 *and* 28)

Form I
(*Regulations* 6(1) *and* 6(4))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

CONCEPT NOTE

(To be completed in duplicate)
Project Status and Intent

Is this a new or existing carbon generation activity/project (New/Existing)	
If an existing carbon generation activity/ project: - Are you submitting the Concept Note (MAIN) seeking to migrate from a carbon credit generation activity under a voluntary carbon market to a carbon credit generation activity under a cooperative approach requesting for a corresponding Adjustment? **(Yes/No)**	
- Are you submitting the Concept Note (MAIN) to seek a letter of no objection and continue as a carbon credit generation activity under voluntary carbon market requesting for corresponding adjustment? **(Yes/No)**	
- Are you submitting the Concept Note (MAIN) to seek a letter of endorsement and continue as a carbon credit generation activity under a voluntary carbon market not requesting for a corresponding adjustment? **(Yes/No)**	

ACTIVITY INDICATOR

Name of submitting entity/person	
Organisational category	
Core business	
Role in the activity	
Contact person	
Street/P.O. Box	
Postal Code, City	
Telephone	
Email	

ACTIVITY PARTNERS
(If applicable; for all activity partners)

Name of the activity partner	
Organisational category	
Core business	
Role in the activity	
Address	

GENERAL DESCRIPTION

Activity name	
Objective of the activity	
Activity description	
Project location	
Technology	

ACTIVITY DETAILS

Sector	
Greenhouse gases targeted	
Estimated required financing volume	
Expected GHG abatement potential	
Additionality and Required Carbon Price	
Is Community Development and Benefit Sharing foreseen *(if yes, please provide a brief description of designated recipients and their participation in the activity)*	
SDG contribution	
Transformational Change Contribution	
Regulatory Surplus	

Negotiations with host country	

EXPECTED SCHEDULE

Activity lead time	
Activity lifetime	
Current status	*The activity is in its preparation stage following key processes as highlighted below (please select):* ☐ Identification and pre-selection phase ☐ Opportunity study finished ☐ Pre-feasibility study finished ☐ Feasibility study finished ☐ Negotiation phase ☐ Contracting phase ☐ Carbon asset development ☐ Validation & verification ☐ Issuance of carbon credits

LIST OF ELIGIBLE SECTOR SCOPES FOR PARTICIPATION IN CARBON MARKETS

1. Energy industries (renewable / non-renewable sources)
2. Energy distribution
3. Energy demand
4. Manufacturing industries
5. Chemical industry
6. Construction
7. Transport
8. Mining/Mineral production
9. Metal production
10. Fugitive emissions from fuels (solid, oil and gas)
11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
12. Solvents use
13. Waste handling and disposal
14. Afforestation and reforestation
15. Reducing Emissions from Deforestation and Forest Degradation (REDD+)
16. Agriculture
17. Carbon capture and storage of CO_2 in geological formation
18. Other activities involving removals

Form II
(*Regulation* 6(2) *and* 8(1)

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

COMMUNITY DEVELOPEMENT AND BENEFIT SHARING AGREEMENT

CARBON CREDIT GENERATION ACTIVITY (GENERAL INFORMATION)

Name of submitting entity/person	
Organisational category	
Core business	
Role in the activity	
Contact person	
Street/P.O. Box	
Postal Code, City	
Telephone	
Email	
Letter of endorsement/Approval reference No.	

BENEFIT SHARING AND DISTRIBUTION PLAN

Chapter 1: Project Description - **Overview of the carbon credit generation activity, objectives and context.**
Chapter 2: Identification of Stakeholders and Beneficiaries - Clear identification of all project actors (e.g., smallholder farmers, managers, local authorities, investors) and their roles and responsibilities in the project.
Chapter 3: Types of Benefits - Financial benefits: Details on how carbon revenues (e.g., from credit sales) are allocated among beneficiaries, including the share, amount, and timing of payments. - Non-financial benefits: Description of non-monetary benefits such as training, capacity building, infrastructure, technology access, or in-kind support.
Chapter 4: Benefit Allocation Criteria - The criteria, conditions, percentages, and calculations for distributing benefits among stakeholders. - Explanation of eligibility and rationale for benefit shares. - Proposed Benefit Sharing Factor
Chapter 5: Distribution Mechanisms - Detailed description of how benefits will be delivered (e.g., payment modalities, in-kind transfers, service provision). - Channels and timing for benefit distribution.

Chapter 6: Governance and Decision-Making - Outline of decision-making processes, roles of local authorities, and conflict resolution mechanisms. - Legal and policy framework underpinning the plan.
Chapter 7: Transparency, Monitoring, and Reporting - Provisions for transparency, regular reporting, and monitoring of benefit distribution. - Mechanisms for stakeholder feedback and grievance redress.
Chapter 8: Stakeholder Consultation - Documentation of how stakeholders were consulted in developing the plan and how their input was incorporated.
Chapter 9: Agreement and Sign-Off - The plan should be agreed upon and signed by all relevant actors to ensure legitimacy and buy-in.

Form III
(*Regulation* 6(8))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026
THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE
LETTER OF NO OBJECTION

[Ref.]
[Date]

Re.: Letter of No Objection: Concept Note

Reference is made to the subject matter above.

I write to acknowledge with thanks, receipt of your concept note dated [date], regarding the implementation of [title of the carbon credit generation activity].

I wish to inform you that the Ministry, serving as Secretariat for the Green Economy and Climate Change Technical Committee ("Technical Committee") acknowledges the interest of the project developer [name] in using carbon finance for the co-financing of the carbon credit generation activity [name]. The project developer [name] has submitted preliminary information on the carbon credit generation activity, which was assessed for completeness and submitted to the Technical Committee.

After careful evaluation of the preliminary information, the Technical Committee during the meeting held on [date] does not have any objections against the proposed carbon credit generation activity. The Technical Committee recommends that the carbon credit generation activity in general is aligned with the requirements of the Carbon Market Regulations and guidelines. Hence, the activity may be considered for authorisation for Corresponding Adjustment at a future developmental stage.

It is against this background that I wish to issue you this Letter of No Objection to enable you proceed with the development of a full proposal, the project proposal. The Technical Committee will take a decision on the authorisation or rejection of the proposed carbon credit generation activity upon the provision of a completed project proposal document, a positive validation statement by a registered verifier and other supporting documentation specified in the Carbon Market Regulations.

I look forward to your submission of the project proposal.

[Name]
Director Green Economy and Climate Change
Ministry of Green Economy and Environment

Form IV
(*Regulation* 6(8))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024

(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

LETTER OF ENDORSEMENT

[Ref.]

[Date]

Re.: Letter of Endorsement: Concept Note

Reference is made to the subject matter above.

I write to acknowledge with thanks, receipt of your concept note dated [date], regarding the implementation of [title of the carbon credit generation activity] as well as application to trade carbon credits in accordance with section 24 of the Green Economy and Climate Change Act, No. 18 of 2024.

I wish to inform you that the Ministry, serving as Secretariat for the Green Economy and Climate Change Technical Committee ("Technical Committee") acknowledges the interest of the project developer [name] in using carbon finance for the co-financing of the carbon credit generation activity [name]. The project developer [name] has submitted preliminary information on the carbon credit generation activity, which was assessed for completeness and submitted to the Technical Committee.

After careful evaluation of the preliminary information, the Technical Committee during the meeting held on [date] does not have any objections against the proposed carbon credit generation activity. The Technical Committee recommends that the carbon credit generation activity in general is aligned with the requirements of Zambia's Carbon Market Guidelines. Hence, the activity may be endorsed for implementation under the Voluntary Carbon Market, i.e., Corresponding Adjustment will not be applied.

It is against this background that I wish to issue you this Letter of Endorsement to enable you proceed with the implementation of the project. In addition, please also find attached your Certificate of Authorisation to Trade Carbon Credits without Corresponding Adjustment.

This Letter of Endorsement and Certificate of Authorisation may be suspended or revoked on the conditions of fraud, non-compliance of the carbon credit generation activity, contravention of the provisions of the Act, Regulations and Guidelines of Zambia or in the interest of the public.

This Letter of Endorsement and the attached certificate of authorisation are governed by the laws of the Republic of Zambia and constitutes legal, valid and binding obligations of the Government of Zambia, enforceable in accordance with its terms.

[Name]

Director Green Economy and Climate Change

Ministry of Green Economy and Environment

Form V
(*Regulation* 6(8))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

PROJECT PROPOSAL

(To be completed in duplicate)

ACTIVITY INDICATOR

Name of submitting entity/person	
Organisational category	
Core business	
Role in the activity	
Contact person	
Street/P.O. Box	
Postal Code, City	
Telephone	
Email	
Letter of No Objection Reference No.	

ACTIVITY DETAILS

Chapter 1: Activity Overview
Chapter 2: Baseline Development Chapter 2.1: Methodological Approaches - References to CDM A6.4 methodologies and tools, IPCC approaches used for baseline development Chapter 2.2: Crediting Period Chapter 2.3: Project Start Chapter 2.4: Baseline Development - BAU Scenario, well below BAU / BAT / performance penetration approach Chapter 2.5: Financial additionality proof Chapter 2.6 Project / Activity scenario Chapter 2.7: Avoiding Double Counting

Chapter 3: Sustainable Development Impacts - Discussion of sustainable development indicators of the Zambian Carbon Marekt Framework - Discussion of the ambition raising indicators of the Zambian Carbon Market Framework
Chapter 4: Monitoring Plan Chapter 4.1. Monitoring Plan Chapter 4.2 Parameters fixed ex ante Chapter 4.3. Parameters to be monitored Chapter 4.4: Uncertainties - Approach to minimize uncertainties - Leakage assessment, if applicable - Non-permanence risk assessment, if applicable
Note: Where applicable, please submit the agreed and signed Community Development and Benefit Sharing Agreement as per Form IX, alongside the project proposal

Form VI
(*Regulation* 8(6))

REPUBLIC OF ZAMBIA
The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2025
THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

APPROVAL

[Ref.]
[Date]

Re.: Approval: Project Proposal

I write to acknowledge with thanks, receipt of your project proposal dated [date], regarding the implementation of [title of the carbon credit generation activity] as well as application to trade carbon credits in accordance with section 24 of the Green Economy and Climate Change Act, No. 18 of 2024.

I wish to inform you that the Ministry, serving as Secretariat for the Green Economy and Climate Change Technical Committee ("Technical Committee"), and which is the duly authorised representative empowered by the Government of Zambia to provide all cooperative approaches related authorisations and adjustments, acknowledges the interest of the project developer [name] in using carbon finance for the co-financing of the mitigation activity [name].

The project developer [name] has submitted detailed information on the carbon generation activity, which was assessed for completeness and submitted to the Technical Committee.

After careful evaluation of the information provided by the project developer [name], the Technical Committee during the meeting held on [date] does not have any objections to the proposed carbon generation activity as the carbon generation activity has been deemed to contribute positively to the sustainable development of the Republic of Zambia, in line with national policies and the Sustainable Development Goals.

The Government of the Republic of Zambia hereby approves the Project in accordance with the provisions of the Green Economy and Climate Change Act, No. 18 of 2024, SI No. [xx] of 2025, and the Carbon Market Guidelines of Zambia. The Government of the Republic of Zambia further confirms its voluntary participation in the International Carbon Market mechanism under the Paris Agreement. It is against this background that I wish to issue you this Letter of Approval to enable you to undertake the carbon generation activity.

I hereby declare that the Republic of Zambia will not use the project's emission reductions authorised as ITMOs to implement and achieve its NDC and that the Republic of Zambia will account for the project's emission reductions and removals by applying corresponding adjustment in accordance with relevant decisions made under the Paris Agreement. I hereby also declare that the Republic of Zambia will not use the project's emission reductions to implement or achieve any domestic climate change mitigation target(s).

In addition to this Approval, please find attached the Certificate of Authorisation to Trade in Carbon Credits requesting a corresponding adjustment. This Approval and Certificate of Authorisation may be suspended or revoked on the conditions of fraud, non-compliance of the mitigation activity, contravention of the provisions of the Act, Regulations and Framework of Zambia or in the interest of the public.

This Approval and the attached Certificate of Authorisation are governed by the laws of the Republic of Zambia and constitutes legal, valid and binding obligations of the Government of Zambia, enforceable in accordance with its terms.

[Name]
Director Green Economy and Climate Change

Ministry of Green Economy and Environment

Form VII
(*Regulation* 13(1))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

Application to Trade in Carbon Credits

(To be completed in duplicate)

1	**DETAILS OF APPLICANT**		
1.1	Applicant name (company)		
1.2	Certificate of incorporation number		
1.3	Taxpayer Identification Number (TPIN)		
1.4	Physical address (including GPS coordinates)		
1.5	Postal address		
1.6	Phone number		
1.7	E-mail address		
1.8	Web site (if any)		
1.9	Contact person (name)		
1.10	Contact person's phone number		
1.11	Contact person's e-mail address		
2	**DETAILS OF AUTHORISED LOCAL REPRESENTATIVE OF THE APPLICANT**		
2.1	Local representative name (if different from applicant)		
2.2	Certificate of incorporation number		
2.3	Taxpayer Identification Number (TPIN)		
2.4	Physical address (including GPS coordinates)		
2.5	Postal address		
2.6	Phone number		
2.7	E-mail address		
2.8	Web site (if any)		
2.9	Contact person (name)		
2.10	Contact person's phone number		
2.11	Contact person's e-mail address		
3	**REQUEST FOR CERTIFICATE OF AUTHORISATION TO TRADE**		
3.1	Initial Request for Certificate ☐ Request for Duplicate Certificate ☐		
4.	**DETAILS OF CARBON CREDITS TO BE TRADED**		
4.1	With Corresponding Adjustment	☐ Yes	☐ No
4.2	Amount of carbon to be traded		
5	**TYPE OF CARBON CREDIT GENERATION ACTIVITY**		
5.1	☐ Cooperative Approaches of the Paris Agreement – Bilateral Agreement (Article 6.2, Article 6.4) ☐ Voluntary Carbon Market Project (without Corresponding Adjustment) ☐ Voluntary Carbon Market Project (Migration to Article 6) ☐ Voluntary Carbon Market Project (with Corresponding Adjustment)		

6.1	General Information	Attached	
6.1.1	Mitigation Outcome Purchase Agreement	☐ Yes	☐ No
6.1.2	Letter of No Objection/Letter of Endorsement	☐ Yes	☐ No
6.1.3	Validation Statement/Report by registered verifier	☐ Yes	☐ No
6.1.4	Proof or Application/Registration on VCM Standard	☐ Yes	☐ No
7	**DECLARATION**		
	For and on behalf of ……………………..… I hereby certify that the above-mentioned information, as w as the data provided in the appendices in support of this application are true and correct.		
	……………………………….. Name in full (print)	……………………………….. Signature	
	……………………………….. Official title	……………………………….. Date	

Form
VIII
(*Regulation* 13(3))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

CERTIFICATE OF AUTHORISATION TO TRADEIN CARBON CREDITS

ertificate Serial No.: ……………….

.(Insert name of applicant)……………………………………………………….of………………(insert physical

address)…………………………………….for Activity Title:…………..….(insert Activity Title)…………..………., Activity

Number:……………………(insert activity number)…….has hereby been issued with a certificate of authorisation to trade in carbon credits.

☐ with Corresponding Adjustment ☐ without Corresponding Adjustment

This Certificate of Authorisation is valid from the............day of ....20 .... to the ……………….. day of

……………………… 20…………………… (5 Years).

....

Date and Official seal *Director, GECC, MGEE*

Form IX
(*Regulation* 15(2))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

REQUEST FOR ISSUANCE OF CARBON CREDITS AS MITIGATION OUTCOMES

(To be completed in duplicate)

CARBON CREDIT GENERATION ACTIVITY INFORMATION	
Title of the Registered Carbon Credit Generation Activity	
Registration Serial Number:	
Certificate of Authorisation Serial:	
Project Verifier's Name and Registration Number	
Monitoring Period	DD/MM/YYYY to DD/MM/YYYY
Quantity of Mitigation Outcomes requested for Issuance:	

LIST OF DOCUMENTS, SUBMITTED BY THE AUTHORISED CARBON CREDIT GENERATION ACTIVITY (Tick as applicable)		
Documents required to facilitate Issuance	**Version No.**	**Date of the Documen t**
☐ Verified Project Monitoring Report for the achieved emission reductions and measures undertaken towards the achievement of the SDG impacts as project proposal.		
☐ Verified Project Monitoring Report for the achievement of the implementation of the Benefit Sharing and Distribution Plan as per the Community development and Benefit Sharing Agreement (where applicable).		
☐ Emission Reduction Calculation spreadsheet containing calculations of actual emission reductions achieved, measured and monitored parameters and the monitored data for the achieved emission reductions for the verified monitoring period.		

Declaration by the Authorised Carbon Credit generation Activity Representative	The Authorised Carbon Credit Generation Activity declares the following: ☐ I ………………...………… (representative of the Authorised Carbon Credit Generation Activity), confirm that this registered carbon credit generation activity meets all relevant requirements according to Statutory Instrument No. [xx], The Carbon Market Regulations, 2025 and hereby request the Zambia Environmental Management Agency to issue the quantity of Mitigation Outcomes with Corresponding Adjustment as approved in the Verification Report by the Verifier, for the verified monitoring period; ☐ I confirm that the Carbon Credits issued to the Authorised Carbon Credit Generation Activity as Mitigation Outcomes for this verified monitoring period will not be issued more than once as carbon credits by any other GHG program anywhere in the world. ☐ I confirm that all the information provided in all the documents submitted as part of this 'Request for Issuance', and submitted to the Government of Zambia through the Zambia Environmental Management Agency, is true and correct; ☐ I understand that a failure to provide accurate information or data, or concealing facts or information, can be considered as negligence, fraud or willful misconduct. Therefore, I and all the Project Owners are aware that they are fully responsible for any liability that may arise as a result of such actions.

Name, date and signature of the Authorised Carbon Credit Generation Activity and Representative (as per the Letter of Authorisation)	*Name of the Authorised Carbon Credit Generation Activity:*
	Name of its authorised representative:
	Email and Phone Number of its authorised representative:
	Signature and Date:

Form X
(*Regulation*
23(1))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

Application for Registration as a Verifier

(To be completed in duplicate)

Date of submission of registration form	
Name of Verifier	
Standard, under which the verifier holds an active accreditation (e.g. Verra Carbon Standard etc.)	
Expiry date of accreditation	
Name, email address and telephone number of focal point for validations and verifications in Zambia	
Sectoral scope(s) for which the Verifier holds active accreditation, as defined in Appendix below	

On behalf of the Verifier
[Name of officer] of Duly authorised signatory

Form XI
(*Regulation* 23(2))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

DECLARATION FOR REGISTRATION AS A VERIFIER

(To be completed in duplicate)
Declaration Statement:

[VERIFIER COMPANY NAME], hereby declare that the following statements are true and correct.

1. The verifier acknowledges the rules and requirements of Zambia's Carbon Market Guideline and as set out under the Act and the Carbon Market Regulations. The Verifier will issue positive validation and verification statements, if the carbon credit generation activity meets all relevant (i.e. eligibility criteria to be assessed on the submission of the project proposal shall be considered for validation processes) criteria.

2. The verifier is aware of the requirements to include a national expert into the team during the validation or verification. The verifier will engage at least one expert, included in the list of Zambia's validation and verification experts, as maintained by the Department.

3. The financial compensation for the implication of Zambian experts shall be negotiated between the verifier and the expert.

4. The verifier shall ensure that the national expert/s involved in the validation and verification processes have no conflict of interest. The verifier is responsible for identifying and addressing any potential conflicts, maintaining transparency and objectivity as required by the Act and Carbon Market Guidelines.

On behalf of the Verifier
[Name of officer] of Duly authorised signatory

Form XII
(*Regulation* 23(3))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

CERTIFICATE OF REGISTRATION AS A VERIFIER

Certificate Serial No.: ……………….

…….(Insert name of applicant)………………………………………………………………………. of ………….……

(insert physical address)…………………………………………………………………………………………….….

has hereby been issued with a certificate of registration as a Verifier.

This Certificate of Registration is from the............day of ....20 .... to the ……………….. day of

……………………… 20…………………… (3 Years).

....

....
Date and Official seal *Director, GECC, MGEE*

Form XIII
(Regulation 25)

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

LIST OF NATIONAL EXPERTS

ID	*First Name*	*Last Name*	*Email*	*Phone No.*	*Sectoral Expertise (1)*	*IPCC Training (2)*	*National GHG Inventory Works (3)*	*Work Experience with Verifiers (4)*
1								
2								
3								
4								
5								
6								
7								
8								
9								

Notes:

(1) Identify relevant IPCC sectors: Energy, Industrial Production and Product Use (IPPU), Land Use, Land Use Change and Forestry (LULUCF) and/or Waste (multiple sectors eligible)

(2) Has the expert successfully completed an IPCC training for the specific sector: Yes /No

(3) Has the expert contributed to the national GHG inventory of the specific sector: Yes / No

(4) Has the expert worked with a designated operational entity, or validation and verification body in the past: Yes / No

Form XIV
(*Regulation* 28)

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

COMPLIANCE ORDER
(Section 33 of the Green Economy and Climate Change Act, 2024)

ORDER NO.:…………………..

This Order is served on (1) ……………………………………………… of (2)…………………………………………………………………………..District in the (3) ……………………………………………..….. Province of the Republic of Zambia.

You are ODERED to (4) ………………………………………………..……….…………

The Certificate of Authorisation No……….…………….. (5) is immediately suspended.

You are REQUIRED to (6)………………………………...……...…………….……….

You MUST comply with the requirements of this Order by the ………………………...….

Dated this …………………,,,,………day of ……,,,………………, 20…………,,,,………..

……………………………………………….
Director, GECC, MGEE

(1) Here insert the full names of the person/ entity on whom the Order is to be served.
(2) Here insert the name of the district in which the person/ entity is located.
(3) Here insert the name of the Province and Country in which the person/ entity is located.
(4) Here insert the action to be taken to remedy the breach of a legal provision.
(5) Here insert the certificate number.
(6) Here insert the measures to be taken by the holder of the certificate to prevent or abate any adverse effect

SECOND SCHEDULE

(*Regulations* 6(1), 6(8), 13(1), 14(1), 23(1) *and* 30)

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

PRESCRIBED FEES

Category	*Fee Unit*	
Concept Note (One-time fee upon submission)	Local Developer	\$500
	International Developer	\$1,000
Project Proposal (One-time fee upon submission)	Local Developer	\$2,000
	International Developer	\$4,000
Application for Certificate of Authorisation to Trade in Carbon Credits (for Voluntary Carbon Projects without Corresponding Adjustment)	Local Developer	\$2,000
	International Developer	\$4,000
Application for a Duplicate Certificate of Authorisation to Trade in Carbon Credits (for Voluntary Carbon Projects without Corresponding Adjustment)	Local Developer	\$2,000
	International Developer	\$4,000
Application for registration as a verifier	Local Verifier \$500	
	International Verifier \$1,000	

Note: The fee for the Certificate of Authorisation for voluntary carbon projects requesting for a Corresponding Adjustments is included in the fee for submission of the project proposal.

THIRD SCHEDULE
(*Regulations* 18(2) *and* 21)

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

SHARE OF PROCEEDS

Share of Proceeds applicable to the transfer of carbon credits as Mitigation Outcomes based on issuance during the entire crediting period

Amount of Mitigation Outcomes for a single project or mitigation activity	*Payment per Mitigation Outcome*
For the first, 1 - 50,000	($1.00)
For the next, 50,001- 100,000	($1.50)
For the next 100,001 and above	($2.00)

NOTE: For further details on the application of the Share of Proceeds, please refer to the Carbon Market Guidelines

FOURTH SCHEDULE
(*Regulations* 6(6) and 8(5))

REPUBLIC OF ZAMBIA

The Green Economy and Climate Change Act, 2024
(Act No. 18 of 2024)

The Green Economy and Climate Change (Carbon Market) Regulations, 2026

THE DEPARTMENT OF GREEN ECONOMY AND CLIMATE CHANGE

LIST OF INDICATORS

ID	*Stage*	*Description and Rationale for the Indicator*	*Means of Verification*
Criterion 1: Environmental Integrity			
1- Eligible carbon credit generation activity type i.e., alignment of carbon credit generation activities with the NDC.	Concept Note	The carbon credit generation activity is based on an **eligible activity type**. The following mitigation activity types are excluded: *(f)* carbon credit generation activities which lead to a lock-in of fossil fuel technologies such as e.g., refurbishment of an oil boiler; *(g)* carbon credit generation activities reducing HFC-23 or adipic N2O, *(h)* Nuclear power and *(i)* Large scale (i.e., > 20 MW) grid-connected dam hydro power. The lock-in of fossil fuels refers to the continued presence of residual emissions by 2050, which aligns with the projected timeline for reaching global net neutrality. ***Rationale:*** *Even when reducing GHG emissions, carbon credit generation activities that extend the lifetime of fossil fuel technologies are not in line with the Paris Agreement objective.* *While being financially additional, HFC-23 and adipic N_2O activities are excluded, as these activities may lead to perverse incentives (cp. Commission Regulation (EU) no 55/2011, §7).* *Large scale dam hydro power plants are excluded from carbon finance because such activities may have severe negative environmental impacts and as hydropower, due to an increase of the variation of precipitation (cf. ERB, 2022, Spalding-Fecher, 2018), and because the Government of Zambia aims to diversify power sources.*	Activity description in Concept Note

ID	*Stage*	*Description and Rationable for the Indicator*	*Means of Verification*
2 - Additionality demonstrated through investment analysis and regulatory surplus	Concept Note & Project Proposal	The carbon credit generation activity used financial analysis to demonstrate **additionality**[1] reflecting current and planned future policies (e.g., the introduction of a carbon tax etc.). *(f)* Investment Analysis: carbon credit generation activities can help provide accessible finance for climate mitigation activities that might not otherwise meet the risk and return expectations of investors, but are critical to achieve the emissions reductions and removals necessary to help stabilise the global temperature at 1.5°C. This could include nature-based solutions that are difficult to commercialise, for example. The investment analysis shall exhibit i) a negative net present value [2](NPV) and ii) an internal rate of return[3] (IRR), which is below the commercial bank lending rate, as published by Bank of Zambia[4]. And *(g)* Regulatory Surplus: This implies proving that activities are additional to, and not required or enabled by, policies and measures that the host government has introduced. ***Rationale:*** *The application of "barrier analysis", "first of its kind" or similar is inadequate for the demonstration of additionality under the Paris Agreement.* *A negative NPV implies that the investor will lose money (w/o carbon finance e) over the lifetime of the investment.* *An IRR below a commercial lending rate (w/o carbon finance) indicates that the investor will lose money over the lifetime of the investment, if he has to finance the activity with a loan.* *Both indicators must be met to clearly demonstrate additionality.* *To reflect the uNDC efforts, the activity must consider planned future policies.*	Concept Note Phase: - Investment analysis in Excel file exhibits negative NPV and IRR below commercial lending rate for activity without carbon revenue. Project Proposal Phase: - Investment analysis in Excel file exhibits negative NPV and IRR below commercial lending rates; - Analysis of existing and planned future regulation in Project Proposal.

[1] **Additionality:** Some countries and project developers may prioritize low-cost mitigation opportunities that would have happened regardless of the existence of a carbon market. In these cases, the credit claimed for emissions reductions may not reflect the true impact of the activity. Additionality principle implies that the mitigation outcomes would not have occurred in the absence of the incentives created by the carbon credit revenues. This helps to ensure that the emissions reductions are real and not simply a result of business-as-usual activities.

[2] The NPV estimates the current value of an investment considering investment costs and discounted, future revenues and costs. A negative NPV implies that the investor would lose money over the lifetime of the investment.

[3] The IRR estimates the internal return a project generates for the investor. If the IRR is below the lending rate, the investor would lose money, if he has to take a loan for financing the project.

[4] Bank of Zambia publishes commercial bank lending rates here: https://boz.zm

ID	*Stage*	*Description and Rationable for the Indicator*	*Means of Verification*
3 - Activity baselines in compliance with NDC target	Project Proposal	The carbon credit generation activity employs a **baseline** that considers Zambia's unconditional NDC target (if applicable). In this case, the baseline of the proposed activity shall be below business-as-usual (BAU) emission levels, e.g., best available technology, ambitious benchmark approach, historical emissions adjusted downward). To assess the relationship with the unconditional NDC, the project developer may use a linear interpolation from current emissions (i.e., at the time of the activity start) to the emissions at the end of the NDC period (e.g., 2030). ***Rationale:*** *Simple BAU scenarios assuming constant baseline GHG emission intensity may be inconsistent with an uNDC committing to a decrease of total and/or specific emissions.* *A single-year target value of the uNDC needs to be interpolated between activity start (e.g., 2023) and the end of the crediting period (e.g., 2030).*	- Baseline based on i) projected below BAU, or ii) best available technology, or iii) performance penetration approach included in MADD; - Description on baseline alignment with uNDC target included in Project Proposal.
4- Estimation of the required carbon price to achieve financial viability. (Not a go/no go requirement)	Concept Note & Project Proposal	The project developer shall provide an estimate of the required carbon price to achieve financial viability. The required carbon price shall be calculated following the guidance provided by Annex VII. ***Rationale:*** *The government of Zambia has committed to an unconditional NDC target and may decide against giving away "low hanging fruits", i.e., authorizing activities with low abatement costs (cf. Annex VI).*	Concept Note Phase: - Investment analysis in Excel file; Project Proposal Phase - Investment analysis in Excel file.
5-Addressing non-permanence risks	Project Proposal	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 *(l)* Assuring a minimum activity longevity of 40 years (according to the most recent version of the Verified Carbon Standard (VCS); and *(m)* Applying a non-permanence risk tool either from the Forest Carbon Partnership Facility, VCS or Gold Standard; and *(n)* Applying a cap corresponding to the long-term average of carbon sequestration, as prescribed by the Gold Standard; and *(o)* Monitoring of- and fully account for reversals. ***Rationale:*** *The issuance of permanent mitigation outcomes/carbon removal certificates for reversible forest carbon sinks is partially assured through the uNDC achievement*[1] *, At the same time, A6 opportunity shall assure against-, and monitor loss event*	- Implementation contracts document activity longevity; - Long term average is considered in Project Proposal; - Non permanence risk tool is applied; - Monitoring plan includes the monitoring for loss events.

ID	*Stage*	*Description and Rationable for the Indicator*	*Means of Verification*
6- Alignment with IPCC methodologies and best practices for GHG estimations	Project Proposal	The activity features GHG estimates that are consistent with IPCC GPG 2006 **methodologies** and the 2019 update. This shall be achieved by: *(p)* Using methodologies and tools from A6.4 works streams, where applicable; or *(q)* Using CDM methodologies and tools; *(r)* Using VCS and GS methodologies and tools; *(s)* Developing GHG emission estimates in alignment with IPCC good practice guidance, approved by the transferring- and the acquiring parties. ***Rationale:*** *The activity needs to estimate GHG emissions and related emission reductions in line with the IPCC good practice for national GHG inventories, which will assure consistency with the national GHG inventory and all related communications with UNFCC including the NDC.*	- Choice of an appropriate methodology, documented in Project Proposal; - In case of no approved methodology: Approval of GHG emission estimation approach from transferring and parties.
7- Blending of financing sources	Project Proposal	In the case of **blending** of financing sources: The relationship between the grant-equivalent financing already provided/pledged and the funding mobilized through ITMO transaction shall be clearly explained. Where activities use a combination of climate finance and carbon finance, the mitigations outcomes shall be attributed to climate and carbon finance based on the proportion of grant equivalent financing provided to cover the abatement cost of the activity. ***Rationale:*** *The blending of climate finance with carbon finance may lead to a reduction of carbon price. This may reduce the volume of climate finance, which is then not available to fund other mitigation measures. Hence, blending climate finance and carbon finance has a negative effect on the reduction of emissions, which may compensate or overcompensate the ITMO volume. To avoid such setups, mitigation outcomes shall be attributed accordingly, if applicable.*	- Statement from equity, mezzanine and/or loan providers, wherever the provided funding qualifies as climate finance. - If yes: Attribution is of MOs is done.

[1] Similar to Joint Implementation, the risk of reversal is assured by national efforts to achieve the uNDC target for the LULUCF- and other sectors covered under the NDC. If a loss event occurs within the mitigation activity area, and if the transferring party has issued ITMOs for the carbon sinks in that area, than it must overcompensate the loss through other removals and/ or reduction of emissions. Otherwise, it will fail to deliver on its uNDC target.

ID	*Stage*	*Description and Rationable for the Indicator*	*Means of Verification*
8- Minimization of uncertainties of GHG estimations	Project Proposal	**Uncertainties** in GHG estimations and calculations shall be identified and minimized. ***Rationale:*** *Uncertainties associated with GHG estimations arise due to scientific uncertainty (e.g., the actual emission and/or removal process is not sufficiently understood), and estimation uncertainty (associated with quantification of GHG emissions).* *In the activity context, the systematic identification and minimization of GHG estimation uncertainties, as required by the IPCC GPG, increase accuracy, and assures transparency. The uncertainty assessment can also support a project developer to better understand the causes and thereby ways of improving the GHG inventory quality.*	- Identification of key uncertainties included in Project Proposal; - Strategy of minimizing key uncertainties included in Project Proposal
9- Leakage risks shall be minimized	Project Proposal	**Significant leakage risks** shall be identified, monitored, and minimized and/or discount factors for crediting approach should be introduced. As a general provision, market leakage risk may be ignored. ***Rationale:*** *The systematic identification and minimization of leakage risks in the GHG emission estimates increase accuracy and assures transparency.* *Significance shall be assessed following the tool for testing the significance of GHG emissions in A/R CDM project activities, CDM EB 31.* *Non-Nature Based Solutions shall apply another suitable approach to test for the significance.*	- Identification of significant leakage risks included in Project Proposal; - If relevant: Strategy for leakage minimization and accounting is included in Project Proposal.
		Criterion 2: Sustainable Development	
10- Contribution to SDGs	Concept Note	The carbon credit generation activity shall **document its contributions to the SDGs** prioritized by the host country beyond SDG 13 and considering the host country's strategies for SDGs (including for SDG5 – Gender equality). ***Rationale:*** *Taking SD seriously, sustainable development must not be constrained to impacts to SDG13 (e.g., adipic N2O or HFC-23 project-like impacts do not suffice). The documentation of SD impacts e.g., on SDGs, including possible negative impacts is required.*	Description of key SDG targets related to the activity for MAIN and checking Yes/No for contribution towards them by the activity

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11- Obtain an EIA or Strategic EIA	Project Proposal	The carbon credit generation activity shall obtain an **Environmental Impact Assessment / Strategic Environmental Assessment:** All carbon credit generation project developers are required by law to undertake an environmental impact assessment or strategic environmental assessment. As a result of the identification of various environmental and social impacts in the EIA, the project developers are required to have safeguards in place to reduce/mitigate the impacts and provide monitoring reports to follow-up on the same during the project lifecycle. ***Rationale:*** *It is a legal requirement in Zambia (EMA Act No. 12 of 2011) that all activity developers of the industrial facility or plant, agricultural scheme, business or undertaking to carry out an environmental impact assessment and submit report to ZEMA for approval.* *In addition, the mitigation activity that could have an adverse effect on environmental management or on the sustainable management and utilisation of natural resources shall conduct a strategic environmental assessment of the draft policy, programme or plan and present a strategic environmental assessment report to the Agency, for approval.*	A decision letter or a letter of no objection - depending on the activity type - obtained by Zambia Environmental Management Agency (ZEMA).
12- Asses ex-ante SD impacts	Project Proposal	The carbon credit generation activity shall include the expected quantitative and qualitative SD impacts using an internally acknowledged tool from below list: *1. Sustainable Development tool for the mechanism established by Article 6.4;* *2. Gold Standard SDG Impact Assessment Tool* *3. VERRA Sustainable Development Verified Impact Standard* 4. *Verra Climate, Community & Biodiversity Standards* ***Rationale:*** *Considering that mitigation measures generate mitigation outcomes, but these are then transferred to outside of Zambia, the true benefits are the mitigation activity's contribution to sustainable development. Consequently, mitigation measures are required to document their expected impacts and developmental co-benefits.*	SD impacts are assessed using an internationally acknowledged tool and documented in the Project Proposal

ID	*Stage*	*Description and Rationable for the Indicator*	*Means of Verification*
13- SD as a monitoring parameter	Project Proposal	The carbon credit generation activity shall **monitor its SD impacts**. These include the **economic impacts** (such as the creation of jobs, poverty alleviation and enhancement of income and financial inclusion, especially among women), **social impacts** (such as improvements in gender equality, health and safety, access to education, cultural preservation, improved access to energy, social inclusion, improved sanitation facilities and improved quality of and access to other public utilities such as water supply), and **environmental impacts** (including increased air, water and soils quality, conservation, and biodiversity). ***Rationale:*** *Mitigation measures have positive as well as negative impacts on social, ecological and/or biodiversity spheres. Some of these impacts may be strictly linked with the performance of the mitigation measure (which may be fixed ex-ante).*	SD impacts are defined as monitoring parameter in the Project Proposal.
14-Agreed Community development and Benefit Sharing Plan	Concept Note & Project Proposal	The carbon credit generation activity for which a Community Development and Benefit Sharing Mechanism is applicable, shall have agreed on a community development and benefit-sharing plan with local communities respecting the Free, Prior and Informed Consent (FPIC) *principles.* Applicable carbon credit generation activities include i) Reducing Emissions from Deforestation and Forest Degradation (REDD+) and ii) Non Industrial- afforestation reforestation, or restoration involving local communities. ***Rationale:*** *FPIC processes assure that local communities are well informed before giving their possible consent to participating in REDD+-like activities.* *An approved community development and benefit sharing plan, after through FPIC processes, documents that all parties are in agreement on how possible revenues shall allocated amongst parties.*	Benefit sharing plan signed by communities, and other parties is provided.
15- Comprehensive stakeholder consultations	Project Proposal	The carbon credit generation activity shall conduct 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. The project developer shall use of one or more of the following tools/options pertaining to stakeholder engagement and consultations: *1. IFC Stakeholder Consultations or Stakeholder Engagement Guidebook* *2. Gold Standard's 'Stakeholder Consultation and Engagement Requirements'* ***Rationale:*** *The conduction of appropriate consultations increases the assurance that stakeholders' views and needs are considered in the overall activity design.*	Stakeholder consultation conducted in consistency with international best practice and is documented in the Project Proposal.

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Criterion 3: Transformational Change			
16- Contribution to transformational change	Concept Note & Project Proposal	The carbon credit generation activity shall document how it contributes to transformational change. The carbon credit generation activity should be able to contribute to transformational change for NDC ambition raising that aligns mitigation activities with pathways to achieve the long-term goal of the Paris Agreement and the 2030 Agenda SDGs by e.g., promoting transformational characteristics of the activity that lead to processes and outcomes for transformational impact, such as: technology change (e.g., R&D/local manufacturing, innovation), introduction of new incentives and regulations (e.g., carbon pricing, subsidies); change in norms (e.g., awareness, behaviour, and social values for sustainability). ***Rationale:*** *The mere generation of mitigation outcomes will entitle other entities (exhibiting higher marginal abatement cost) to emit more GHG emissions. The procedures stipulated by 12a/CMA3 require activities to report on OMGE, however, this may be equally set to zero. Hence activities are required to document how they intend to contribute to transformational change.* *On an activity level, it is suggested to consider transformational change, instead of increase of ambition (cp. Olsen et al., 2021). Increase of ambition is defined as the submission and implementation of a more ambitious uNDC, which seems a big ask for a single mitigation activity. Contribution to transformational change is however a reasonable request for carbon credit generation activities activities.* -	Concept Note Phase: the activity should indicate one or more of the following options: - activity includes an element of technology innovation (to be defined by the AP) - activity includes an element of local manufacturing, assembly, R&D. - activity could lead to significantly high SD co-benefits. Project Proposal Phase: the project developer should demonstrate one or more of the following options: - How the activity could lead to substantial co-benefits. - Scale-up or replicability potential of actions - either through a need for such interventions and/or through business viability proposition. - How the activity can catalyse impact beyond a one-off investment. - How the activity can potentially trigger sector-wide changes or behavioural changes.

M. Mposha,
Minister of Green Economic and Environment

Lusaka
9th January, 2026
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