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NET ZERO EMISSION AND CARBON CREDIT TRADING SYSTEM: ENVIRONMENTAL JUSTICE AND GREEN REVOLUTION IN TANZANIA

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I. INTRODUCTION

Curbing global temperature rise to 1.5°C by 2050 will take commitment, partnership and tonnes of innovative solutions like carbon removal and geologic sequestration. Tanzania passed the Environmental Management (Control and Management of Carbon Trading) Regulations, G.N No 636,2022 (Principal Regulations) which streamlines the management of carbon credit trading in mainland Tanzania.

Carbon credit means the amount of one tonne of carbon dioxide or an equivalent of another greenhouse gas reduced for sale in the carbon trading project. On the other hand carbon trading project means buying and selling of verified or certified of carbon emission, reductions and removals in accordance with the recognized international carbon standards.

An amendment is appropriately is now in place under the carbon trading regulations which deletes the words, "for sale in the carbon trading project'' appearing at the end of the word "Carbon credit'' and instead substituting it with the words. "or removed which has been verified in compliance with an international carbon trading standard, also referred to as certified or verified emission reductions.

Henry Mugisha Bazira has recently been quoted saying that,

"Carbon trading is a quasi-market where the producer of a product is the one that determines the price of the product and is the very same person that buys the product. Traditional markets have a separate producer of a product, a consumer of the product and the market determines the price of the product based on supply and demand principles which the carbon trading mechanisms do not apply.

The guise of suing governments and multinational bodies to control the carbon market does not make it a true market….

Carbon trading has an opportunity for governments in developing countries to raise climate finance, if the mechanisms follow the Kyoto protocol guidance."

It is time everyone in Tanzania and across the various regional integration blocs realized that, adverse effects of climate change are a real threat that compounds the ever-present danger of conflict in the global south over natural resources. The region has recently been vulnerable to floods, drought and extreme heat. These irregular weather patterns tend to lower the living patterns of communities and eventually manifest as increased poverty levels.

Why this Article.

The Article therefore intends to only shed light on the general concept, principles, mechanism, institutions, and the legal framework of environmental and carbon credit issues in Tanzania. The Article is a bold attempt to appraise the strides that Tanzania has taken to stake her place in the carbon market and spearhead what is aptly called the green revolution; to roll back the negative effects of climate change and global warming.

We Lyson Law Group, believe that this area brings several opportunities to our legal profession, in compliance issues, consultation replacements and compensations, fair competition, and litigation. In our follow-up article, we will address the role of a lawyer in this new global market trend affecting environmental issues, on how best we can provide advice on proper models of compensation, modes of dispute resolutions and general CSR approaches.

Definition of Terms as used in the Article.

1. Adverse effects of climate change

means changes in the physical environment or biota resulting from climate change which have significant deleterious effects on the composition, resilience or productivity of natural and managed ecosystems or on the operation of socio-economic systems or on human health and welfare.

2. Climate change

means a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods.

3. Climate system

means the totality of the atmosphere, hydrosphere, biosphere and geosphere and their interactions.

4. Emissions

means the release of greenhouse gases and/or their precursors into the atmosphere over a specified area and period of time.

5. Greenhouse gases

means those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation.

6. Regional economic integration organization

means an organization constituted by sovereign States of a given region which has competence in respect of matters governed by this Convention or its protocols and has been duly authorized, in accordance with its internal procedures, to sign, ratify, accept, approve or accede to the instruments concerned.

7. Reservoir

means a component or components of the climate system where a greenhouse gas or a precursor of a greenhouse gas is stored.

8. Sink

means any process, activity or mechanism which removes a greenhouse gas, an aerosol or a precursor of a greenhouse gas from the atmosphere.

9. Source

means any process or activity which releases a greenhouse gas, an aerosol or a precursor of a greenhouse gas into the atmosphere.

10. REDD+ project

means the project implemented in the context of reducing emission from deforestation and forest degradation, plus the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

II. SUSTAINABILITY AND STATEGY FOR PROJECTS

The overriding principles in safeguarding and protecting the climate system reservoirs per regulation 4(1) of the principal Regulations enjoins any entity implementing a carbon project or any person exercising jurisdiction under the regulations to observe sustainable development, environmental integrity and sustainability, transparency, efficiency, inclusion of socio-economic and environment co-benefits and international standards.

Green Project Management (GPM) otherwise known as sustainable project management is the total application of methods, tools and techniques to achieve a defined objective while considering the project outcomes' entire lifecycle to ensure a net positive environmental, social and economic impact. On her part Tanzania has established a National Carbon Project Assessment Technical Committee which mandatorily is the advisory body to the national authority charged with handling the matter of carbon credits and matters related to carbon sources.

The committee is singularly the advisory body to the Designated National Authority or Focal Point. Also worth noting, is that under the Tanzanian law the various Local Government Authorities (LGAs) are assigned specific functions per Regulation 17 which include ; overseeing carbon trading projects in their areas of jurisdiction in consultation with regional secretariat, screening and scrutinizing carbon trading projects at their council levels, safeguarding local community interest, coordinating and supervising carbon trading and acting as proponents in their jurisdictions among other responsibilities.

A sustainable project will also adhere to GPM's 6 principles of sustainable projects:

Several countries have established regional and national channels and funds with a variety of forms and functions resouced through international finance to supplement domestic budget allocations and Tanzania is not an exception.

The following six(6) parameters including Commitment and Accountability, Ethics and Decision Making, Integrated and Transparent, Principles and Values Based, Social and Ecological Equity, Economic Prosperity are not only important to be adhered to but have prooved to give value to investment projects that have climate change as the key agenda that the projects aims to achieve. National climate change funds generally attract the highest level of interest because they prioritize tran-parency in their management:

FlowDiagram: A sustainable project will also adhere to GPM's 6 principles of sustainable projects

III. LEGAL AND POLICY FRAMEWORK IN TANZANIA

Tanzania is a signatory to the United Nations Convention on Climate Change and has enacted a legal regime to reflect her obligations under the framework
Tanzania has enacted the Environmental Management Act, Cap 191 RE, 2019 which provides for an overall guideline on sustainable environmental protection, management and conservation under Sections 75 and 230 pursuant to which the regulations are enacted. In this regard Tanzania keeps an operational National Carbon Registry (NCR) which is the Designated National Authority or National Focal Point responsible for registration of carbon trading projects.

In terms of administration and institutional framework, the Minister responsible for Environment has the overall responsibility for matters relating to climate change and is responsible for articulation of policy, guidelines necessary for climate change including carbon trading. The Minister may by a gazette notice delegate some of the functions of the Designated National Authority.

The key functions that have been vested on the Designated National Authority among other things includes: to link the country with the international processes for climate change, coordinate climate change related matters across the country, provide policy guidance on carbon trading and other crediting mechanisms that promote investment , social, cultural, economic and environmental justice, register carbon trading projects under compliance and voluntary mechanisms, keep a register of all carbon trading projects in Tanzania and collaborate with the ministry responsible for environment of the Revolutionary Government of Zanzibar for issues concerning carbon trading.

Moreover, the Authority is charged with the duty to coordinate and conduct monitoring and evaluation of the registered carbon trading project, measure, report and verify greenhouse gases and constitute a National Carbon assessment technical committee to review and scrutinize the project concept note and document among other responsibilities.

In a proposed amendment to the principal regulations, proponents who wish to use carbon credits that are generated in the country elsewhere other than within the jurisdictions of Tanzania should have to seek authorization to transfer such carbon credits from the responsible national authority which should assents in writing or where it is declined, reasons for the decline should be given. The guidelines for this should be developed in line with Article 6 of the Paris Agreement.

IV. GOVERNMENT AND CITIZEN MUST REDUCE ENVIRONMENTAL FOOTPRINTS OF THEIR CARBON EMITTING ACTIVITIES

Carbon emission allowances is a key asset in the carbon financing market models and has the effect of transferring the restraint of the government to different enterprises in the form of commodity prices. The enterprises' carbon asset commitments become an important dimension of the operations of the firm.

Urban regeneration should be grounded on sustainable built environment principles which among other things encompass climate action, resources and circularity and health & wellbeing with more emphasis on mobility, accessibility, social and economic resilience as well as cultural heritage preservation.

Resilient long-term growth can realistically be within reach where the following six(6) thematic areas are prioritized according to U.N Habitat:

1. Efficient resource utilization
2. Environmental management and Climate Resilience
3. Sustainable mobility and accessibility
4. Integrative social and economic resilience
5. Health and wellbeing
6. Heritage.

V. CLIMATE FINANCING MODELS AND ARCHITECTURE

Climate finance means the financial resources organized multilaterally or bilaterally to fund actions that mitigate and adapt to the consequences of climate, including public climate finance commitments by developed countries under the United Nations Framework Convention on Climate Change (UNFCC). Climate financing is critical in eventually achieving a low carbon and climate resilient development. The global climate financing architecture is ever evolving just as it is complex.

A study commissioned by the French and Peruvian Governments, in their respective capacities as presidents of CoP 21 and 20, concluded that USD 62 billion in public and private sources were directed to developing countries from developed countries in 2014. It is notable that the majority of this wider reading of climate related funding comes from the private sector and the additionality of public finance identified is unclear. This position is now so different reflecting the significant strides attained after CoP28 though a lot more can still be done to entrench a fair global climate financing architecture.

The Second Biennial Assessment and Overview of Climate Finance Flows of the UNFCC, released in November 2016, recorded USD 41 billion of public international finance flowing to the developing countries in 2013-14. In 2018, the third Biennial Assessment recorded that this had reached USD 56 Billion annually in the period 2015-16.

Multilateral Funds and Initiatives

AF	Adaptation Fund (GEF acts as a secretariat and WB as trustee)
ACCF	Africa Climate Change Fund
ASAP	Adaptation for Smallholder Agriculture Programme
CBFF	Congo Basin Forest Fund (Hosted by AfDB)
CDM	Clean development Mechanism (Implemented under t he Kyoto Protocol)
CIF	Climate Investment Funds (Implemented through WB, ADB, AfDB, EBRD, and IADB)
CTF	Clean technology Fund (Implemented through WB, ADB, AfDB, EBRD and IADB)

FCPF	Forest Carbon Partnership Facility
FIP	Forest investment Program (Implemented through WBADB, AfDB, EBRD, and IADB)
GCCA	Global Energy Efficiency and Renewable Energy Fund (hosted by EIB)
GCF	Green Climate Fund
GEF	Global Environment Facility
GEEREF	Global Energy Efficiency and renewable Energy Fund (hosted by EIB)
JI	Joint Implementation (Implemented under Kyoto Protocol)
LDCF	Least developed Countries Fund (hosted by GEF)
PMR	Partnership for Market Readiness
PPCR	Pilot Program on Climate Resilience (implemented through World Bank, ADB, AfDB, EBRD and IADB)
SCCF	SCCF Special Climate change Fund (Hosted by GEF)
SCF	Strategic Climate Fund (Implemented through World Bank, ADB, AfDB, EBRD and IADB)
SREP	Scaling up Renewable Energy Program (Implemented through WB, ADB, AfDB, EBRD, and IADB)
UNREDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Graduation

Bilateral Funds and Initiatives	
GCCI	Global Climate Change Initiative (US)
GCPF	Global Climate Partnership Fund (Germany, UK and Denmark)
ICF	International Climate Fund (UK)
IKI	International Climate Initiative (Germany)
NAMA Facility	Nationally Appropriate Mitigation Action Facility (UK and Germany)
NICFI	International Climate Forest Initiative (Norway)
REM	REDD Early Movers (Germany and UK)

VI. FACILITY AND ASSET MANAGEMENT SYSTEM

Buildings generally serve an important function in human life because apart from the provision of comfort they also provide a place of safety to individual. Buildings whether residential, commercial or industrial need efficient asset management for its objectives to be realized. Where one constructs a green building there is a tendency by owners or operators to ignore operational aspects of the projects which tends to lower the actual value of the property.

It is paramount to investigate whether facility managers have the requisite knowledge and skills to carry out facility management and in the case of green projects and carbon sinks where knowledge gaps are identified they have to be bridged. Human beings are born with very powerful survival instincts and are therefore inclined to seek prosperity, growth and their own wellbeing.

VII. CONCLUSION

In the global blueprint of reducing carbon emission every country including Tanzania has a noble role in the exercise towards achieving carbon neutrality.

Intensive research and debate are going on carbon emission allowance, carbon capital operation and thermal power points. Thermal power is one of the most important industries contributing to carbon reduction, especially the clear power resources like solar, thermal power which has taken a prominent role in the energy sector.

Part X of the Principal Regulations provides for offences and penalties, any person who implements a carbon trading project without endorsement issued under the regulations or violates any conditions to the grant of an endorsement as requirement by the regulations or provides false, deceptive or misleading information shall on conviction be liable to a fine of not less than ten million shillings but not exceeding ten billion shillings or to imprisonment for ab term not exceeding twelve (12) years or both.

A conclusive presupposition has been advanced which is that, pushed by a great cause of carbon neutrality, the survival environment of thermal power industry becomes severer as carbon regulation turns stricter . In terms of institutional direction two directions towards survival are tenable, one is to reduce absolute quantity of carbon emissions as the rule makers desire, another is to boost the output value with the same consumption of carbon emissions and either of these can be successfully pursued by a country like ours.

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LYSON LAW GROUP
Advocates & Legal Consultants

+255 742 850 702

+255 742 850 702

info@lysonlaw.co.tz

www.lysonlaw.co.tz

Plot No. 354 Block No. 42, House No. 41,
Tibaijuka Street, Kinondoni-Morocco Area,
P.O. Box 79395,
Dar es Salaam - Tanzania.