



REPUBLIC OF ZAMBIA

REPORT

OF THE

**COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES ON
CARBON MARKETS AND TRADING IN ZAMBIA:
OPPORTUNITIES AND CHALLENGES**

FOR THE

THIRD SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

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FOREWORD

Honourable Madam Speaker, the Committee on Agriculture, Lands and Natural Resources has the honour to present its report for the Third Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 209 (a) and 210 of the National Assembly of Zambia Standing Orders, 2024

In accordance with its Programme of Work for the Third Session of the Thirteenth National Assembly, the Committee undertook a detailed study on one topical issue, namely: "*Carbon Markets and Trading in Zambia: Opportunities and Challenges*". The Committee held ten meetings to consider the topical issue. In order to fully interrogate the topical issue, the Committee interacted with various stakeholders who made both written and oral submissions before it. The list of stakeholders who appeared before the Committee is at Appendix II of the Report.

The Committee's Report is organised in two parts. Part I presents the Committee's findings from its deliberations as well as the tours. This Part, further presents the Committee's observations and recommendations on the topical issue. Part II contains the Committee's observations and recommendations on the Action-Taken Report on the Committee's Report for the Second Session of the Thirteenth National Assembly.

The Committee is grateful to all stakeholders who tendered both written and oral submissions. The Committee further wishes to thank you, Madam Speaker, for affording it an opportunity to carry out its work. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Mr Kasauta S Michelo, MP
CHAIRPERSON

JULY 2024
LUSAKA

LIST OF ACRONYMS AND ABBREVIATIONS

BCP- Bio Carbon Partners

CCM- Compliance Carbon Markets

CFMGs-Community Forest Management Groups

COMACO-Community Market for Conservation

GHGs- Green House Gases

MGEE- Ministry of Green Economy and Environment

REDD+ - Reduce Emissions from Deforestation and Forest Degradation

VCMs- Voluntary Carbon Markets

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1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Mr Kasauta S Michelo MP (Chairperson); Ms Maureen Mabonga, MP (Vice Chairperson); Mr Mweemba Malambo, MP; Mr Tyson Simuzingili, MP; Mr Lusale J Simbao, MP; Mr Ackleo A Banda, MP; Mr Andrew Tayengwa, MP; Mr Peter Phiri, MP; Mr Yotam Mtayachalo, MP; and Mr Michael J Z Katambo, MP.

PART I

2.0 CONSIDERATION OF THE TOPICAL ISSUE

2.1 CARBON MARKETS AND TRADING IN ZAMBIA: OPPORTUNITIES AND CHALLENGES

2.1.1 Background

Globally, in the past few years, carbon markets and trading had gained momentum with demand being driven by businesses in developed countries with high carbon emissions. Developed countries had been seeking to reduce their carbon footprint through the purchase of carbon credits from carbon offset projects. As such, developing countries including Zambia, recognised the need to harness the booming carbon trade by, among others,

- i. cost-effectively meeting national carbon emission reduction commitments in line with the Kyoto Protocol and the Paris Agreement on Climate Change;
- ii. ensuring that local communities adequately benefit from the carbon trade and market projects taking place in their areas; and
- iii. raising adequate finance to fund rural climate mitigation and adaptation projects.

It is against the backdrop that the Eighth National Development Plan (8NDP) and the Strategic Plan for the Ministry of Green Economy and Environment (MGEE) 2022 to 2026, identified carbon markets and trading as modalities that would help achieve Zambia's carbon emission reduction targets. Therefore, in December 2022, the Government developed *Guidelines on the Handling of Carbon Markets and Trading* and subsequently announced its intention to develop legislation to regulate the carbon market in the country, especially in the agricultural and the forestry sectors. In the 2023 National Budget, the Government recognised that carbon markets and trading were emerging as a promising source of financing, while contributing to addressing the global challenge of climate change.

However, some stakeholders had expressed concern that the Government was not deriving adequate benefits from the carbon market and trading projects that were already taking place in the country. Most of them cited the lack of a strong policy, legal and institutional framework on carbon markets and trading as a major reason. As a result, the country had continued to lose billions of Kwacha in uncollected taxes and through illicit financial flows.

In view of the above, the Committee resolved to undertake a study on "*Carbon Markets and Trading in Zambia: Opportunities and Challenges*". This was to enable the country assess how the booming carbon markets and trading were benefiting local communities in Zambia; and how the country could use them to achieve its carbon emission reduction commitments in light of the climate crisis.

2.1.2 Objectives

The objectives of the study were to

- (a) appreciate the legal and policy framework governing carbon markets and trading projects in Zambia;
- (b) appreciate the role of the private sector, transnational and multinational organisations in carbon markets and trading;
- (c) understand how carbon markets and trading were contextualised in Zambia;
- (d) ascertain the extent to which local communities, and Zambia as a whole, were benefiting from the ongoing carbon market and trading projects;
- (e) identify challenges and opportunities, if any, being experienced in Zambia's participation, management and implementation of carbon markets and trading and;
- (f) make recommendations on the way forward.

2.2 SUMMARY OF SUBMISSIONS BY STAKEHOLDERS

2.2.1 Overview of Carbon Markets and Trading in Zambia

The Committee was informed that carbon markets were trading systems in which carbon credits were bought and sold. Carbon markets allowed for investors and corporations to trade in both carbon credits and carbon offsets, while carbon trading involved the buying and selling of carbon credits on the carbon markets. However, stakeholders observed that carbon credits and carbon offsets were sometimes used interchangeably although, they worked on separate methods. Carbon credits also known as carbon allowances, acted as emission permission slips or certificates, which a firm that purchased a carbon credit, usually from the Government, obtained to emit one tonne of carbon dioxide (CO₂) into the atmosphere. A carbon offset on the other hand, was generated when a corporation removed a unit of carbon from the atmosphere as part of their routine business activities. Such businesses included switching fuel for cooking from unsustainably harvested charcoal to sustainable harvested bio mass wood chips, planting and maintaining forests, and shifting to conservation agriculture.

The Committee was informed that the carbon markets and trading framework in Zambia was at infancy stage and was not well developed partly because focus was on emission reduction mitigation activities that generated carbon finance revenue. In other words, these activities allowed for the generation of carbon credits that could then be sold. A number of carbon projects existed in Zambia, with many focusing on the conservation of forests. Forests in carbon markets acted as carbon sinks and their protection meant that they could absorb greenhouse gas (GHG) emissions such as carbon dioxide.

In Zambia, carbon markets were yet to realise their full potential due to a number of constraints, which included among others, Government organisational architecture, financial capacity and lack of technical skills. A number of both non-profit and for-profit enterprises had been established to sell carbon credits to communities and individuals in order to conserve the forests and wildlife. The major non-state actors in carbon markets in Zambia included the Community Market for Conservation (COMACO) and the Bio Carbon Partners (BCP). The efforts of these non-state actors were being supported by various organisations around the world including the United Nations and the World Bank Group, while the Ministry of Green Economy and Environment (MGEE) provided oversight and

strategic direction.

2.2.2 The Policy and Legal Framework Governing Carbon Markets and Trading Projects in Zambia

Stakeholders submitted that the policy and legal frameworks governing the carbon markets and trading projects in Zambia included among others, the *Forests Act, No. 4 of 2015*, the *Environmental Management Act, No. 12 of 2011*, *Forest (Carbon Stock Management) Regulations* Statutory Instrument No. 66 of 2021, the Eighth National Development Plan (8NDP), the National Policy on Climate Change of 2016, and the Interim Guidelines for the submission and evaluation of proposed mitigation activities under Article 6 of the Paris Agreement Part 1 of the Carbon Market Framework in Zambia. Despite their existence, these policies did not have specific provisions on carbon markets and trading. The *Forest Act, No. 4 of 2015*, had provisions on forest carbon stock which had been operationalised through the *Forest (Carbon Stock Management) Regulations* Statutory Instrument (SI) No. 66 of 2021. However, the *Forests Act, No.4 of 2015* and the accompanying Statutory Instrument (SI) No. 66 of 2021, only addressed forest carbon and not carbon generated from other sectors.

The Committee was informed that to ensure that there was no gap in promoting the implementation of carbon projects, the Government, through the MGEE, issued the Interim Guidelines for Handling Carbon Markets and Trading in Zambia in December 2022. The Interim Guidelines outlined some preliminary administrative measures and procedures to guide the Government and stakeholders in the regulation and management of the carbon markets in Zambia during the interim period until legislation on Climate Change was enacted. The Interim Guidelines were further elaborated through the Carbon Market Framework Part I, which was issued in October, 2023.

Stakeholders observed that the Community Forest Management Regulations of 2018, Sections 29 – 32, recognised Community Forest Management Groups (CFMGs) as the legally recognised authorities at community level. The Regulations also provided for rules and procedures for recognition and registration of the CFMGs. However, the CFMGs solely comprised community members and did not have any competent technocrats who had the capacity to manage the agreements with the implementing partners and who could participate effectively in technical activities such as assessment of the CFMGs and determination of carbon stocks. Despite being beneficiaries of the proceeds, the CFMGs were not privy to all internal processes relating to carbon sales, thereby making them prone to exploitation.

2.2.3 How Carbon Markets and Trading were Contextualised in Zambia

Carbon markets and trading were seen in the context of reducing greenhouse emissions (GHG) by investing in projects that reduced or removed greenhouse emissions from the atmosphere. Such projects included, among others, renewable energy initiatives, wind-farms, solar power plants and smart agriculture. In such arrangements, the entities that reduced carbon emissions, gained carbon credits which were sold to those entities that failed to meet emission reduction targets.

In the Zambian context, the Green Climate Fund was established to promote innovative and high impact green programmes and projects by reinforcing climate policy objectives through green interventions. This was because carbon markets could also foster innovation, collaboration and transparency in the fight against climate change through climate change

initiatives. Carbon markets operated in two broad market mechanisms, namely: the Compliance Carbon Markets (CCMs) and the Voluntary Carbon Markets (VCMs). In Zambia, only the VCMs existed. The modus operandi of the two carbon market models was as explained below.

i) Compliance Carbon Markets

The Committee was informed that the CCMs were created as a result of any national, regional and international policy or regulatory requirements. These carbon markets were regulated and managed by mandatory carbon reduction regimes based on a “cap-and-trade” principle. This meant that governments and international bodies set caps on emissions and companies were required to reduce their emissions to meet the caps or purchase permits to emit a certain level of GHGs. Despite the model’s greater oversight benefit, it was difficult to scale-up quickly enough to meet the reductions required to limit the impact of climate change on the environment.

ii) Voluntary Carbon Markets

In comparison to the CCMs, stakeholders submitted that the VCMs did not have any governance or regulatory systems. The VCMs were self-governed through standards set by independent globally recognised third-party verifiers. The carbon credits in this market model were purchased by multinational corporations or individuals voluntarily to meet their sustainability goals. The distinction between the VCMs and the CCMs was the ability for players to engage in VCMs regardless of their geographical location or business sector. Participants from different parts of the world could freely register their projects, sell, and buy carbon credits. For example, under the market model, a private organisation based in Australia could buy carbon credits that helped preserve forests in Zambia. While operations under the VCMs did not require the host country’s approval, it only required the host country to be made aware of the proposed project.

2.2.4 The Role of the Private Sector, Transnational and Multinational Organisations in Carbon Markets and Trading

Stakeholders submitted that the private sector, transnational, and multinational organisations played a vital role in carbon markets and trading by developing and implementing carbon projects, investing in carbon markets, and trading carbon credits as was the case with the BCP and COMACO.

The Committee learnt that COMACO played a pivotal role in the carbon market and trading operations by promoting sustainable land use and conservation of forests in Zambia. The organisation incentivised communities to adopt eco-friendly practices, reducing deforestation and promoting biodiversity. It was through the creation of carbon credits earned by implementing conservation measures that COMACO facilitated the integration of local communities into carbon trading initiatives. This not only mitigated climate change but also generated economic benefits for participants through linking conservation efforts to carbon markets and trading, which effectively channelled funds into community development, fostering environmental stewardship and sustainable livelihoods.

Stakeholders further submitted that the BCP also played a crucial role in Zambia's carbon market and trading landscape. The BCP developed and implemented projects that reduced emissions from deforestation and degradation. By engaging local communities in conservation efforts, BCP generated carbon credits that could be traded on the global market. The organisation not only contributed to climate change mitigation but also channelled revenue back to participating communities, thereby supporting social and economic development. The BCP's innovative approach aligned conservation with financial incentives, demonstrated the potential of carbon markets and trading to drive positive environmental and socio-economic outcomes in Zambia.

It was further learnt that private organisations had been organising local chiefs to establish Community Conservation Areas designed (CCAs) to safeguard the forests. They also partnered with the World Bank on Zambia's first large-scale Reduce Emissions from Deforestation and Forest Degradation (REDD+) carbon project, to put in place a monitoring system that determined how much carbon dioxide emissions were saved by avoiding deforestation as a result of the CCAs.

The Committee was informed that some institutions within the private sector and multinational organisations, brought in expertise to accurately quantify carbon sequestered in specific areas. Their proficiency in carbon quantification aided the precise valuation, demonstrating the necessary capacity and expertise to value carbon stored in specific areas. The valuation proficiency significantly contributed to facilitating carbon trade in Zambia. The organisations had the potential to channel benefits derived from carbon markets and trading into community development initiatives, which would ultimately foster positive socio-economic outcomes.

The Committee was informed that most of the people did not fully understand what carbon markets and trading was about. Therefore, leveraging on the expertise of private, transnational and multinational entities played a crucial role in educating communities and other stakeholders on carbon markets and trading as well as quantification of carbon. This educational role contributed to broader awareness and understanding of what these projects were about.

In addition, the private sector, transnational, and multinational organisations played a substantial role in actively participating in both VCMs and CCMs. Their active involvement contributed significantly to the Government-led carbon trade initiatives. The collective engagement of these entities amplified the effectiveness of carbon market initiatives, driving sustainable practices and fostering positive outcomes for communities and the environment.

2.2.5 Benefits of the On-going Carbon Market and Trading Projects

The Committee was informed that there were a number of potential benefits from carbon markets and trading that could be valuable to communities and the country as a whole, which were largely associated with Zambia's vast forest landscape. It was estimated that forests stored about 2.8 billion tonnes of carbon, from which communities and the country could gain an estimated minimum amount of USD 5.6 billion per year if all the estimated carbon stored in the forest was traded at USD 2 per tonne. Therefore, carbon markets and trading allowed local communities to generate and sell verified Forest Carbon Offsets and were paid for their conservation efforts using revenue from the sales of these verified offsets.

The Committee learnt that BCP and COMACO operated under REDD+ initiative. The REDD+ initiative was a global mechanism established under the United Nations Framework Convention on Climate Change to reduce emissions from tropical deforestation and degradation in developing countries. The first REDD+ project in Zambia was the Lower Zambezi REDD+ project which pioneered the development of forest conservation projects in Zambia. The project protected over 40,000 hectares of forest, which in turn protected over 20.6 million trees. As a result, over 1000 households benefited directly from the conservation fees. The Committee further learnt that over 70,000 community beneficiaries and twenty-five communities and livelihoods had been impacted by the projects.

Another REDD+ project operational in Zambia was the Luangwa Community Forests Project, which had protected over 1.2 million hectares of dry land forests, benefiting over 4000 households, and over 300 communities.

Stakeholders submitted that COMACO was enabling a multimillion-dollar carbon credit payment to nineteen chiefdoms in the Eastern Province and had so far paid about USD3.2 million worth of carbon credits to the communities they were operating in and were expanding to other communities. COMACO had begun expanding to other communities with the aim of trying to reduce the cutting down of trees for wood fuel and charcoal. Additionally, the Committee was informed that the BCP had been working with seventeen chiefdoms in the Luangwa Valley and the Lower Zambezi. COMACO had since paid about USD12 million in carbon credit revenue and livelihood schemes had been issued to nine chiefdoms.

While some stakeholders acknowledged that local communities that were working with COMACO and BCP had realised significant benefits from participating in the ongoing carbon projects, some stakeholders stated that the communities were not deriving the benefits to the desired levels in terms of monetary and non-monetary terms. The payments to participating communities had broadly been in-kind through training in conservation farming, drilling and sinking of boreholes in regions with limited access to clean water as well as procurement of goats and village chickens, among other things.

Stakeholders informed the Committee that tangible benefits to local communities remained scanty due to conceptual ambiguities about carbon markets and trading benefits. This situation was attributed to a lack of a standardised evaluation criterion for assessing accrued benefits. The two private sector organisations that had been mandated to sale carbon credits on behalf of the communities were using a benefit-sharing mechanism that community members were not privy to and were not fully disclosing how much money was being realised from the carbon markets and trading activities.

The Committee was informed that the BCP had a benefit-sharing mechanism of 45 percent going to the communities, while the company retained 55 percent. COMACO on the other hand, had a benefit-sharing mechanism of 55 percent going to the community, while the company retained 45 percent. However, many people including technocrats did not fully understand these sharing mechanisms as well as how carbon credits were calculated to arrive at the sharing mechanisms that were being used. Despite carbon markets and trading projects being operational in Zambia for twenty years, the country was not fully benefitting from the carbon markets and trading activities because, there were no laws to regulate carbon markets and trading projects. As a result, the Government and the public were not benefitting from the projects as no taxes were being collected.

2.2.6 Challenges

Stakeholders submitted that Zambia faced several challenges in its participation, management, and implementation of carbon markets and trading, which significantly impeded the country's efforts toward sustainable development. Some of the identified challenges are discussed hereunder.

i) Lack of Transparency

The Committee was informed that the carbon project development processes including sales had, to a larger extent, not been transparent. Due to a lack of transparency, foreign companies distributed low quality cook-stoves and generated carbon credits outside the country of operation, thereby evading all potential tax payments in the host country. Additionally, some traditional leaders signed agreements on carbon markets without the involvement of the entire community. As a result, only a few benefited, especially those involved in the signing of the agreements.

ii) Inadequate Regulatory Framework

The Committee was informed that another challenge was a lack of legislation on Climate Change. The absence of a principal legislation on carbon markets and trading made it very difficult to provide effective regulation of the carbon markets. This resulted in exploitation of participants and loss of revenue by the Government. Stakeholders were of the view that carbon markets and trading were largely transnational transactions, and the presence of a clear legislation provided both investors and local project participants assurance of their investments. They stressed the fact that the absence of legislation on Climate Change made enforcement of compliance with the Interim Guidelines difficult as well as misalignment between multilateral agreements and local activities.

iii) Lack of Technical Capacity

Stakeholders submitted that most participants in the carbon markets and trading activities did not have technical capacity on how to carry out the carbon markets and trading projects. The framework was very technical and that most people lacked background knowledge about the carbon markets. Therefore, reviewing and approving carbon projects required specialised expertise because the whole concept was based on complex computations and other methodological aspects. Zambia had very few experts with this specialisation and this not only delayed approval of projects but also made it costly as acquiring experts for this purpose was very expensive

iv) Failure to Calculate Carbon Emissions

The Committee was informed that the lack of technical capacity contributed to the failure to accurately measure emissions, especially in complex sectors like transportation. The effectiveness of carbon markets and trading relied on the accuracy of emission measurements and the enforcement of regulation as it helped to ascertain whether the country was effectively playing its role in reducing GHG emissions. Due to the failure to accurately measure emissions, some stakeholders labelled carbon markets as a “false solution” to climate change. This was because in their two decades of implementation, carbon markets have not reduced carbon emissions but rather encouraged organisations like oil companies to

continue production. The ENI Oil Industry, an Italian company was linked to the COMACO project but had continued to increase oil production and making huge profits, while buying carbon credits.

v) Inadequate Education and Awareness on the Carbon Markets

The Committee was informed that local communities and the other members of the public were not aware of trading in carbon markets and understanding how they could derive benefits from them. Additionally, inadequate information on carbon markets and trading caused most community members to sign agreements that they did not understand, resulting in them being exploited. The low rates of sensitisation were attributed to inadequate forest officers, who were key in raising awareness to members of the community regarding the benefits of conserving forests and their important role in carbon markets and trading projects.

vi) Unclear Benefit-sharing Mechanism

Stakeholders submitted that a significant difficulty in the carbon markets was ensuring that local communities received a fair share of the benefits from carbon market programmes. For instance, COMACO only shared fifty-five percent of its earnings with the community. However, it was not clear how much was realised from carbon markets and trading. Therefore, ensuring transparency and accountability in carbon market transactions was essential to protect community interests and prevent exploitation or unfair practices. Thus, it was necessary to put in place transparent and democratic procedures for allocating carbon funds to ensure that community members were fairly reimbursed for their contributions and benefits distributed evenly among households.

vii) Land Tenure and Access Rights for Displaced Communities

Stakeholders observed that carbon markets and trading project-imposed restrictions on land and forest use. This was because areas allocated to carbon market projects adhered to the restrictions, thereby potentially hindering other economically beneficial activities such as agriculture, infrastructure development and plantation forests expansion.

viii) Market Volatility

Stakeholders submitted that carbon markets were susceptible to price fluctuations that were influenced by regulatory changes, political decisions, and market conjectures. This volatility posed challenges for the financial planning of carbon markets and trading enterprises, thereby affecting the revenue generated from the sale of credits.

2.2.7 Opportunities

The following were some highlighted opportunities.

i) Revenue Generation

Stakeholders submitted that carbon markets held substantial value, offering the potential for significant revenue, fostering economic growth and socio-economic progress in Zambia and across Africa. The untapped potential in Africa's carbon markets was noteworthy and that Africa had the capacity to generate about USD15 billion in revenue, which would support

35–86 million Africans, while creating up to 67 million new jobs. The global carbon markets, with a total value of USD865 billion in CCMs and USD2 billion in VCMs in 2022, were growing rapidly.

ii) Conservation of Forests

Stakeholders submitted that carbon markets and trading projects played a crucial role in Zambia in reducing deforestation and contributing to the conservation of forests. Initiatives in carbon markets and trading also promoted afforestation and reforestation, leading to sustainable forest management. Through carbon markets and trading projects, Zambia could play a more substantial role in mitigating climate change and environmental degradation, while simultaneously unlocking economic benefits through carbon trading.

iii) Job Creation and Community Development

The Committee was informed that carbon markets and trading projects could be a catalyst for job creation, through engaging community members in various projects related to forest conservation, manufacturing renewable energy, and other initiatives qualifying for carbon trade. Additionally, carbon markets and trading projects contributed to community development, with some institutions providing infrastructure as rewards for community involvement in carbon trade.

iv) Capacity Building

Stakeholders submitted that carbon markets and trading projects facilitated for capacity building in Zambia because engagement of community members led to knowledge transfer.

v) Access to Funding

The Committee was informed that Zambia's participation in carbon markets provided access to financing opportunities because international organisations and investors offered financial support for emission reduction and sustainable development initiatives.

2.3 TOURS

2.3.1 Local Tour

In order to consolidate its findings from the long meetings in accordance with its topical issue: *Carbon Markets and Trading: Opportunities and Challenges*, the Committee undertook a local tour to Lusaka and Eastern provinces. In Lusaka Province, the Committee visited the Lower Zambezi REDD+ Project in Rufunsa District which was being operated through the Bicarbon Partners. In the Eastern Province, the Committee visited the Luangwa Community Forest Project and interacted with Senior Chief Luembe, Chief Nyamphande, Chieftainess Mwansepangwe, Chief Jumbe, Chief Chikomeni and Chief Mnkhanya. The Committee findings are listed hereunder.

Lusaka Province

Arising from the tour of the Lower Zambezi REDD+ Project, the Committee learnt that the Project was located on a privately owned land with a total hectarage of 40,126 in the Chief Bunda Bunda's Chiefdom. The main purpose of the project was to conserve the forest areas due to increased deforestation rates recorded in Zambia. The Committee also learnt that only communities within a 20-kilometre radius from the conservancy benefited from the Project. The findings of the Committee were set out hereunder.

i) Benefits of the REDD plus project

During the tour, the Committee learnt that the benefits derived from the REDD Plus Project had been extended to the community members in the Bunda Bunda's Chiefdom. The impacts of the Project had been seen in three specific areas, which included the fight against climate change, social and economic benefits to the communities, and conservation of the biodiversity. The Committee was informed that a total of 7011 people benefited from the Project inclusive of women and individual households. The Committee was also informed that Bicarbon Partners had implemented twenty-five WASH projects, which included boreholes and water depression systems. These provided clean drinking water in the chiefdom.

The Bicarbon Partners through the REDD Plus Project had also implemented a health-related project in the chiefdom using the carbon funds. The health project was established in the Chilimba Zone and was benefitting a total of 2054 people in the chiefdom.



A Health Facility constructed in Chilimba zone using the carbon funds from the Lower Zambezi REDD plus project

EASTERN PROVINCE

Arising from the tour of the Luangwa Community Forest Project, the interactions with the Chiefs and the subsequent stakeholder meetings in Eastern Province, the findings of the Committee were outlined below.

i) The Luangwa Community Project

The Committee was informed that the Luangwa Community Forest Project managed four chiefdoms, namely: Sandwe, Luembe, Nyalugwe and Mwape. The Committee learnt that the benefits in the chiefdoms were not shared equally and that the amount of money received by each chiefdom was based on the size of its forest. Bicarbon Partners informed the Committee that each Chiefdom had been receiving carbon funds since 2020. Since then, the Project had constructed infrastructure such as teachers' houses and classroom blocks. However, most of the infrastructure was located in Chief Luembe's Chiefdom because it had the largest forest area.

ii) *Benefits of the Luangwa Community Project*

The Committee observed that the chiefdoms had received a number of developmental projects, which included, among others, boreholes, renovation of schools, increased agroforestry, empowerment of women through village banking groups and rearing of goats, chickens and pigs. The community members submitted that BCP and COMACO were filling the gap where the Government failed to provide income generating activities.



A one by three classroom block, built using carbon funds from the Bicarbon Partners in partnership with the Luangwa Community Forests Projects.



A clinic constructed in Senior Chief Luembe's Chiefdom by the Community Forest Management Group using carbon funds.



A COMACO Shed built by the Cooperative in Chief Nyamphande's Chieftdom using carbon funds as an initiative to help the community generate income.



A Guest House in Chief Mkhanya's Chiefdom constructed using carbon funds from Bicarbon Partners as a means to generate income for the community members.



A women village banking group in Senior Chief Luembe's chiefdom in which the Bicarbon Partners invested 10, 000 Kwacha in order to empower some of the women in the chiefdom.

CHALLENGES

i) Lack of an Individual Sharing Mechanism

The Committee was informed that no direct benefits were being received by individuals in the communities because benefits were received through community forest groups and cooperatives which had a membership of 1600 to 4000. They were of the view that without individual direct benefits, people did not see the need to plant trees nor participate in afforestation activities.

ii) Inadequate Forest Guards

The Committee was informed that there were inadequate forest guards to protect the forests against charcoal burning, for instance. Stakeholders were of the view that the Government should consider employing more guards in order to revamp the entire Forest Department and ensure that the department was effective. They also observed that forest guards were not well incentivised hence lacking the zeal to protect the trees. In some instances, forest guards connived with the local people to cut down trees so as to earn some money.

iii) *Boundary Disputes*

The Committee was informed that the carbon markets and trading activities increased boundary disputes among chiefs. This was because chiefs had become aware of the monetary benefits that existed in owning vast forests. As such, some land disputes had arisen in a number of chiefdoms.

iv) *Failure to Understand Technical Processes*

The Committee was informed that technical processes of the carbon markets and trading activities were hard to understand and required expertise. The Committee was informed that at present, it was VERRA, a non-profit organisation that provided standards in environment and social markets including the world's largest carbon crediting program. Therefore, it was imperative that the Government understood the operations of the carbon markets, if it were to successfully manage them.

v) *Lack of Transparency*

The Committee was informed that the biggest challenge in the carbon markets and trading projects was a lack of transparency. The Committee learnt that community members were not aware of any financial report available for them to know the total amount of money that was being generated through carbon markets. As such, it was difficult for communities to know whether they were receiving a fair share or not.

Further, the Government did not play a big role in carbon markets, hence making it impossible to account for the money that was being generated. Additionally, District Commissioners, as Government officers, were not allowed to question activities that were taking place in the carbon markets.

vi) *Lack of Harmonised Efforts in Protecting Forests*

The Committee was informed that encroachment of reserved forests was a challenge that a number of chiefs faced, making it difficult to protect forests. This was partly because of unharmonised efforts to protect the forests between the Government and traditional leaders. Additionally, efforts to protect the forests by removing the local people who had encroached, proved futile due to political interference.

2.3.2 Foreign Tour to Morocco

In order to learn best practices in the legal framework governing Carbon Markets and Trading challenges, and benefit-sharing mechanisms, among others, the Committee undertook a benchmarking tour to Morocco.

While in Morocco, the Committee had the opportunity to interact with the Speaker of the Parliament of Morocco, officials at the Ministry of Energy Transition and Sustainable Development and the Moroccan Solar Energy Agency. The findings of the Committee are listed hereunder.

2.3.3 Legal Framework Governing Carbon Markets in Morocco

i) The Paris Agreement

The Committee learnt that Morocco was a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement. The two international pieces of legislation provided the legal and policy framework for carbon markets and trading in the country. Morocco was in the process of developing a legal framework that would specifically address the Carbon Markets. So far, Morocco had made significant progress in the Carbon Markets and Trading industry and the legal document that was being used in this vein was the Paris Agreement. However, through the Paris Agreement, Morocco pledged to reduce 45 per cent of carbon emissions by 2030. The target was being achieved through investments in cleaner sources of energy such as solar and wind, which powered most of the big states in the country, while lessening the country's carbon footprint. The Committee was thus informed that by using the provisions set out in the Paris Agreement, Morocco was meeting its national carbon emissions and carbon reduction commitments.

ii) The National Strategic Plan on Climate Policy

The Committee was also informed that Morocco had developed its own national policies and strategies to address climate change and promote low-carbon development. In this regard, Morocco followed its National Strategy Plan on Climate Policy, whose vision was to make its territory and civilisation more resilient in the face of climate change, while ensuring a rapid transition to a low-carbon economy. The policy focused on five essential pillars, among them were climate governance, extended efforts in achieving a carbon neutral economy and enhancing Morocco's capacity in addressing climate risks.

iii) The Sustainable Development Climate Strategy Policy

The Committee further learnt that Morocco had a Sustainable Development Climate Strategy Policy in place that looked into reducing carbon emissions and provided a road map on strategies that the country embarked on, to further reduce carbon emissions by the year 2050. Morocco was also developing deliberate strategies aimed at contributing to reducing their carbon footprint and at the same time increasing its wealth through achieving other developmental aims.

2.3.4 The Extent to which Morocco benefits from Carbon Markets and Trading

The Committee was informed that smaller units in the communities of Morocco did not benefit directly from the carbon markets and trading projects because they did not participate in the industry due to the expensive and long certification process involved. However, the Kingdom of Morocco was working towards relaxing the certification process in order to allow more individuals to participate in the Carbon Markets and Trading projects.

The Committee was further informed that the Government in Morocco was not benefiting to the desired standard because of the carbon market model that was being used. Morocco used the Voluntary Carbon Market model, which did not allow the Government to regulate the projects and control their operations. This prevented the country from benefiting from the Carbon Markets to its fullest potential. However,

this situation was being improved because Morocco was at present signing agreements with Switzerland and Norway in order to explore various interventions in the Carbon Markets as well as more avenues that would earn the country more economic benefits.

2.3.5 Challenges

i) Volatility of Prices of Carbon Credits

The Committee was informed that the major challenge that the carbon industry in Morocco was facing was market volatility in the pricing of the carbon credits. It was learnt that the price of carbon credits was not constant, making it difficult to accurately determine how much profit, if any, would be attained.

ii) Limited information on Carbon Markets

Like other countries, Morocco had limited information on the carbon markets. As such, operations around carbon markets and carbon trading were limited. In light of this, the Moroccan Government was looking into extending its collaborations with other countries such as Switzerland and Norway, to explore more opportunities in the carbon industry.

2.4 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

Having reviewed the submissions from the various stakeholders and taking into consideration its findings from both local and foreign tours, the Committee makes the observations and recommendations set out below.

2.4.1 Inadequate Legal Framework

The Committee observes that the country does not have specific pieces of legislation governing carbon markets and trading operations and that the laws being applied do not specifically relate to carbon markets and trading. The Committee is of the view that without a strong and specific legal framework, the country and local communities will continue to lose out on revenue. The Committee also notes that it is only forest carbon that has been highlighted in the available pieces of legislation.

In view of the foregoing, the Committee recommends that the Government should, as a matter of urgency, put in place a comprehensive regulatory framework to ensure that there is effective regulation of the carbon markets and trading. The Committee further recommends that the pieces of legislation so enacted should incorporate and promote other avenues of carbon such as soil carbon, so that community members do not completely lose forests, which they depend on for their livelihoods.

2.4.2 Inadequate Information about Carbon Markets and Trading

The Committee observes with concern that local community members, chiefs, technocrats and Members of Parliament have not appreciated fully the concept of carbon markets and trading. The Committee is also concerned that there is no clear information on how carbon

emissions are calculated making it difficult to ascertain whether there is an actual decrease in GHG emissions taking place in mitigating the adverse effects of climate change.

The Committee urges the Government to as a matter of urgency, embark on a vigorous campaign exercise to sensitise all stakeholders on the benefits of carbon markets and trading projects to ensure their effective participation in the projects. The Committee further urges the Government to put in place a mechanism that will standardise the calculations of carbon credits and emission limits which will help to analyse whether or not carbon markets are achieving their purpose of reducing GHGs in the atmosphere.

2.4.3 Low Staffing Levels

The Committee observes that there is a shortage of forest officers, who are key in forest preservation and sensitisation programmes on carbon markets in the local communities.

In this regard, the Committee recommends that the Government should, as a matter of urgency, consider recruiting more forest officers to help preserve and sensitise communities on the important role forests play in carbon markets and trading.

2.4.4 Lack of Understanding of Contract

The Committee is concerned that in most cases community members signed agreements on carbon markets and trading projects without full understanding of their content which resulted in such communities being exploited. The Committee further observes that the signed agreements are mostly lopsided, as in most cases the communities do not possess the authority to hold implementing partners accountable for the carbon proceeds.

In this regard, the Committee recommends that the Government should take practical measures to ensure that a legal advisor is present in the CFMGs of every community participating in the carbon markets and trading projects to help them understand the agreements so as to avoid any form of exploitation.

2.4.5 Lack of Transparency

The Committee observes that there is a lack of transparency in terms of how much benefits communities receive from the carbon markets and trading projects. The Committee is particularly concerned that in most cases community members as well as other stakeholders are not aware of the total amount of money that accrues from carbon markets and trading projects and how much is given to all the parties involved.

The Committee, therefore, recommends that the Government should put in place mechanisms that will compel implementers of the carbon markets and trading projects to be more transparent, more accountable and more flexible to allow participating communities to decide on the disbursement mode of the carbon proceeds as well as the conditions attached.

2.4.6 Benefit Sharing Mechanism

The Committee notes that the sharing mechanisms that are being implemented do not trickle down directly to the individuals in the communities and in turn, most of the people in the communities are not realising the benefits of conserving the forests. The Committee also

notes that despite the huge sums of money said to be given to the local communities as proceeds from carbon projects, communities have remained poor regardless of their participation in the carbon markets and trading projects.

The Committee further finds the absence of a clear legislation to guide the sharing mechanisms unacceptable. The Committee recommends that legislation be put in place, to ensure an equitable sharing mechanism that will benefit all stakeholders and for individual community members to attain a direct benefit from the carbon markets, this will motivate communities to better care for the forests and consequently address climate change.

2.4.7 Absence of a Systematic Way of Gathering Information

The Committee is concerned that there does not exist a systematic way of gathering information to ensure that all data regarding carbon markets and trading is collected and stored properly. This makes a retrieval of information once demanded by stakeholders difficult thereby compromising accountability.

In view of the foregoing, the Committee recommends that the Government take practical measure to put in place an information technology system that will allow the implementers to submit information on all their interactions and transactions concerning carbon markets and trading projects.

2.4.8 Loss of Revenue by the Government

The Committee observes that despite carbon markets and trading projects being implemented in the country for twenty years, the Government has not been receiving any revenue from these operations. This state of affairs has been attributed to the poor management of the carbon market operations in Zambia and as such, the country has continued to lose colossal sums of money.

In this regard, the Committee recommends that a carbon markets and trading industry be immediately established to serve as a centre of information, which will help to regulate the activities surrounding carbon markets and trading projects. The Committee further recommends that the Government should consider introducing an appropriate carbon tax.

2.4.9 Lack of Technical Capacity

The Committee notes that local communities lack the technical capacity to effectively participate in carbon markets and trading operations. This has resulted in the hiring of foreign expertise thereby increasing the transaction costs of these operations.

The Committee recommends that the Government should ensure that adequate technical capacity in local technocrats is enhanced to ensure the effective participation of technocrats in carbon market and trading projects. Further, the Committee is of the view that the Government should ensure that technocrats appreciate best practices from countries that have been implementing carbon trading projects.

2.4.10 Boundary Disputes and Forest Encroachments

The Committee observed that it was a challenge for some traditional leaders to protect and preserve forests due to political interference as well as the growing desire among traditional leaders to own large forests because of the benefits attached. The Committee further observed that the Government at times interfered with the efforts made by the traditional leaders in preserving the forests.

In view of this, the Committee recommends that the Government should harmonise the efforts of traditional leaders and various government offices in protecting the forests and further strengthen the capacity of forest guards through decent compensation so that they may be more dedicated in protecting the forests.

PART II

3.0 CONSIDERATION OF THE ACTION TAKEN REPORT ON THE OF THE COMMITTEE ON AGRICULTURE, LANDS AND NATURAL RESOURCES FOR THE SECOND SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

3.1 THE EFFECTIVENESS OF THE DEPARTMENT OF VETERINARY SERVICES IN COMBATING LIVESTOCK DISEASES IN ZAMBIA

3.1.1 Budget for Livestock Disease Control

In the previous Session the Committee had recommended that the Government should increase the budget for combating livestock diseases and be consistent in terms of allocations and releases to the Department of Veterinary Services, if livestock diseases were to be combated in Zambia.

In the Action-Taken Report, the it was stated that the Ministry had been engaging the Treasury on the need to prioritise disease control and improve funding to the Department of Veterinary Services as this was critical to enhancing livestock production. As a result of these engagements, budgetary allocations to the Department increased by 133 per cent from K175 million in 2022 to K407 million in 2023. The Ministry was also engaging the Treasury to further increase the Department's allocation during the 2024 – 2026 Medium-Term Expenditure Framework (MTEF) period.

Committee's Observation and Recommendation

The Committee notes the response and resolves to close the matter.

3.1.2 Re-demarcation of Veterinary Camps to Improve Animal Health Service Delivery.

In the previous Session, the Committee had recommended the re-demarcation of the large veterinary camps across the country, if the extension officers on the ground were to be effective in carrying out their duties.

In the Action-Taken Report, the Executive submitted that the re-demarkation of large veterinary camps had already commenced and the approach that had been taken was to re-align the camps with constituencies. This was expected to improve the effectiveness of veterinary officers in their provision of extension services. Further, the human resource requirements that came with this undertaking had been incorporated in the Ministry's restructuring exercise.

Committee's Observations and Recommendation

The Committee takes note of the submission and resolves to await a progress report on the completion of the de-marcation exercise.

3.1.3 Increase the Number of Staff under the Veterinary Services Department

In previous Session, the Committee had recommended that the re-distribution of extension officers be guided by the number of livestock in the area to one extension officer and not by the ratio of farmer to extension officer.

In the Action-Taken Report, the Executive submitted that following the restructuring of the Ministry of Fisheries and Livestock, the staffing levels under the Department of Veterinary Services had been increased from 567 to 736 to cater for areas that had no extension officers and to cover veterinary camps that had been re-demarkated. The Ministry was awaiting the Treasury authority for the created positions.

Committee's Observations and Recommendations

The Committee observes that the increase in staffing levels in the Department of Veterinary Services from 567 to 736 indicates an increase of only 169 extension officers. The Committee finds this increase inadequate and recommends that the number of extension officers be increased further. The Committee resolves to await a progress report on the matter.

3.1.4 Construction of more Laboratories and Testing Facilities

In the previous Session, the Committee had recommended that adequate laboratories and other testing facilities should be constructed across the country to avoid livestock farmers travelling long distances to have their samples tested.

Executive's Response

In the Action-Taken Report, it was reported that the Ministry of Fisheries and Livestock had constructed four new provincial veterinary diagnostic laboratories in Kasama, Isoka, Solwezi and Choma districts. The laboratory in Choma District was operational in terms of testing for livestock diseases in the Southern Province while the Mongu and Chipata laboratories were also operational after procurement of critical equipment and training of staff. Two new provincial veterinary laboratories in Mongu and Ndola districts were under construction. The existing district veterinary laboratories would be considered for rehabilitation and would be provided with basic equipment to handle the preparation and storage of samples when resources were made available.

Committee's Observations and Recommendations

The Committee resolves to await a progress report on the pending projects that have been referred to.

3.1.5 Construction of Disease Control Infrastructure

Previously the Committee had recommended for the construction of livestock disease control infrastructure, such as dip tanks, crush pens, and spray races in places where livestock was predominant, as well as rehabilitation in places where such infrastructure was run down.

In the Action-Taken Report, the Executive submitted that the Ministry was cognisant of the importance livestock disease control infrastructure played in combating animal diseases. Therefore, the Ministry would continue promoting construction of such infrastructure using different sources of funding including the Constituency Development Funds (CDF).

Committee's Observations and Recommendations

The Committee finds the response unsatisfactory as it does not indicate the timeframe when the projects will commence. The Committee therefore urges the Executive to treat this matter with the urgency it deserves and resolves to await a progress report on the matter.

3.1.6 Local Vaccine Development

In the previous Session, the previous Committee had recommended that funding to the Central Veterinary Research Institute in Chilanga District be increased, to promote local vaccine development that would enable the country produce vaccines, including those needed for diseases of national economic importance.

The Executive in the Action-Taken Report submitted that in the 2023 Annual Budget, the Ministry had already allocated K100 million towards the rehabilitation of the old vaccine production buildings and the construction of a new vaccine production plant at the Central Veterinary Research Institute. More funds would be budgeted for in the 2024 National Budget for the completion of the construction, procurement of equipment and training of staff. These measures were aimed at enhancing the production of animal vaccines locally. In addition, the Ministry had engaged the Public-Private Partnership (PPP) Unit at the Ministry of Finance and National Planning to look at ways of commercialising the production of animal vaccines using a PPP model.

Committee's Observations and Recommendations

The Committee notes the submission and resolves to await a progress report on the rehabilitation of the old vaccine production buildings and the construction of a new vaccine production plant at the Central Veterinary Research Institute.

3.1.7 Enhancement of Cordon Lines

In previous Session the Committee had recommended that the existing cordon lines be fully enhanced for the effective control of livestock diseases.

In the Action-Taken Report, the Executive submitted that the Ministry of Fisheries and Livestock had since put aside some funds in the 2023 National Budget to commence preliminary works on the re-establishment of the cordon line. A feasibility study for the re-establishment of a cordon line in Western and North-Western Provinces was at procurement stage.

Committee's Observations and Recommendations

The Committee notes the response and resolves to await a progress report on the matter.

3.1.8 Regional Veterinary Laboratory in Choma District

In the previous Session, the Committee had recommended that there was an urgent need to install vaccine fridges so as to improve service delivery.

In the Action-Taken Report, the Executive submitted that the Ministry had planned to fully operationalise all the seven region laboratories including the laboratory in Choma District by providing them with all the basic equipment that includes cold storage equipment to enhance service delivery.

Committee's Observations and Recommendations

The Committee notes the response from the Executive and resolves to await a progress report on the matter.

3.1.9 Chitongo Livestock Service Centre in Namwala

In the previous Session, the Committee had recommended that there was an urgent need to have the Chitongo Livestock Service Centre in Namwala certified, if livestock diseases were to be combated in the area.

In the Action-Taken Report, the Executive submitted that the Ministry was undertaking assessments for the requirements needed to complete and operationalise the infrastructure.

Committee's Observations and Recommendations

The Committee notes the response and resolves to await a progress report on the completion and operationalisation of the infrastructure.

3.1.10 Provincial Livestock Regional Lab in Kabwe District

In the previous Session, the Committee had recommended that there was an urgent need to construct a regional veterinary laboratory in Kabwe District that would ease the operations in combating livestock diseases in Central Province.

In the Action-Taken Report, the Executive submitted that the construction of a regional laboratory in Kabwe District would be considered after completion and operationalisation of other provincial laboratories that had not yet been completed.

Committee's Observations and Recommendations

The Committee notes the Committee considers the need to construct a laboratory in Kabwe District urgent and resolves to await a progress report on the matter.

3.1.11 District Veterinary Laboratory in Chibombo District

The previous Committee had recommended that there was an urgent need to have necessary equipment installed in the veterinary laboratory in Chibombo District.

In the Action Taken-Report, the Executive submitted that the Ministry had plans to equip district laboratories with basic equipment to enable them to prepare and store samples before they could be submitted to provincial and national laboratories.

Committee's Observations and Recommendations

The Committee notes the response from the Executive and resolves to await a progress report on the matter with a clear timeframe when the equipping of the laboratories would be completed.

4.1 A REVIEW OF THE IMPLEMENTATION OF THE FARMER INPUT SUPPORT PROGRAMME

4.1.1 Weak Monitoring and Evaluation of the Programme

In the previous Session, the Committee urged the Government to introduce a biometric mechanism in the programme to enhance the monitoring aspect.

In the Action-Taken Report, the Executive submitted that the Ministry of Agriculture had continued to engage the Smart Zambia Institute on biometric mechanisms. In addition, the Ministry of Agriculture intended to ride on the biometrics registration in the Ministry of Home Affairs and Internal Security to capture eligible FISP beneficiaries. Further, plans were under way to come up with a Monitoring and Evaluation Unit at the Ministry of Agriculture. The unit would be mandated to monitor and evaluate all Ministerial documents including the FISP project.

Committee's Observations and Recommendations

The Committee awaits a progress report on the matter.

4.1.2 Lack of a formal structure

In the previous Session, the previous Committee had recommended that a standalone department whose core mandate would be to oversee FISP management should be established.

In the Action-Taken Report, the Executive submitted that the Ministry proposed a staff establishment structure that would be commensurate with the portfolio function of the Ministry to the Management Development Division at Cabinet Office. The Management Development Division was yet to respond to the Ministry's proposal.

Committee's Observations and Recommendations

The Committee notes the response and awaits a progress report on the matter.

4.1.3 Lack of an exit strategy

In the previous Session, the Committee had recommended that the Government should come up with a well-researched exit strategy, which should be strictly adhered to in order to ensure that beneficiaries graduated from the programme at the appropriate time.

In the Action-Taken Report, the Executive submitted that the Ministry had continued to sensitise all FISP beneficiaries on the exit strategy that was embedded in the programme. In addition, the Government was exploring ways of exiting beneficiaries in a way that would not worsen their socio-economic status since most farmers depended on agriculture for sustenance.

Committee's Observation and Recommendation

The Committee notes the response from the Executive and resolves to close the matter.

4.1.4 Inadequate Quantity of Inputs Given out Per Household

In the previous Session, the Committee had urged the Government to urgently review FISP and come up with a sound policy that would make FISP an economic and not a social programme, where there was no mechanism for graduation.

In the Action-Taken Report, the Executive submitted that the farming inputs for beneficiaries under FISP had remained the same due to fiscal challenges. The Ministry had continued to engage the Government on the possibility of increasing the budgetary allocation to FISP so that input allocation to beneficiaries might be increased.

Committee's Observations and Recommendations

The Committee notes the response from the Executive and awaits a progress report on the matter.

4.1.5 High cost of Imported Fertilisers

In the previous Session, the Committee had urged the Government to recapitalise the Nitrogen Chemicals of Zambia, as a matter of urgency, as well as promote other investments in the local fertiliser industry to reduce the cost of fertiliser in the country.

In the Action-Taken Report, the Executive submitted that the Ministry of Agriculture had engaged the Industrial Development Cooperation (IDC) on the outstanding K43, 627,954.72, which was meant to cover the cost of putting up of a blending plant at Nitrogen Chemicals of Zambia. The IDC was still committed to honouring its financial obligation in full once its liquidity status improved. The Cooperation was facing liquidity challenges making it difficult for it to honour its financial obligation to the Nitrogen Chemicals of Zambia. However, it was worth noting that the administrative processes of clearing the contract of procuring the

blending plant by the Attorney General and the Environmental Impact Assessment by the Zambia Environmental Management Agency had been finalised.

Committee's Observations and Recommendations

The Committee notes the response and resolves to await a progress report on the matter.

4.1.6 Recruitment of Extension Officers

Previously, the Committee had recommended that the Government should, as a matter of urgency, recruit more agricultural extension officers to provide extension services to farmers across the country.

In the Action-Taken, the Executive submitted that the Ministry of Agriculture had obtained Treasury Authority in 2022, to recruit 348 staff, out of which, ninety would be extension officers. Additionally, all the ninety extension officers had been recruited and deployed. In 2023, the Ministry had requested for authority to recruit additional staff.

Committee's Observations and Recommendations

The Committee notes the response and resolves to close the matter since the Government was addressing it.

4.1.7 Publishing names of beneficiaries

In the previous Session, the Committee had recommended that names of beneficiaries under the programme should be made public, as was the practice in Malawi.

In the Action-Taken Report, the Executive submitted that the 2023/2024 FISP Manual had provided for the publishing of the names of beneficiaries in each camp.

Committee's Observations and Recommendations

The Committee resolves to close the matter.

4.1.8 Accommodation for extension officers

The Committee had urged the Government to seriously consider building decent accommodation for extension officers in their respective camps, if they were to be effective in their duties.

In the Action-Taken Report, the Executive submitted that the Ministry had 943 camp and block houses spread across the country. In 2023, the Ministry of Agriculture had a budget provision to rehabilitate 536 camp-houses across the country and the procurement process for the rehabilitation had commenced. In addition, 100 block-houses and 200 camp-houses would be constructed and rehabilitated in various camps across the country in 2024, as provided for in the Ministerial Budget.

Committee's Observation and Recommendation

The Committee notes the response from the Executive and resolves to await a progress report on the matter.

4.2 THE FISHING INDUSTRY IN ZAMBIA: OPPORTUNITIES AND CHALLENGES

4.2.1 Legal Framework

In the previous Session, the Committee had resolved to await a progress report on the harmonisation of the *Fisheries Act, No. 22 of 2011* and the *Animal Health Act, No. 27 of 2010*, so as to avoid implementation challenges.

In the Action-Taken Report, the Executive submitted that the Ministry of Fisheries and Livestock launched the National Fisheries and Aquaculture Policy in March 2023 and had submitted a Cabinet Memorandum to Repeal and Replace the *Fisheries Act, No. 22 of 2011*. Similarly, Cabinet was in the process of approving the National Animal Health Policy and once approved, the Ministry of Fisheries and Livestock would commence the Repeal and Replacement of the *Animal Health Act, No. 27 of 2010*. Once the two Acts were repealed, the ambiguities, duplication and lacuna in the legal framework would be addressed.

Committee's Observations and Recommendations

The Committee awaits a progress report on the matter.

4.3 ZAMBIA'S RESPONSE TO THE IMPACT OF CLIMATE CHANGE ON THE AGRICULTURE SECTOR

4.3.1 Lack of a Comprehensive Legal Framework for an Integrated Climate Change Response.

The Committee had noted the response from the Executive that the Climate Change Bill was expected to be finalised and tabled before Parliament during the 2022 legislative meeting and resolved to await a progress report on the status of the Bill.

In the Action-Taken Report, the Executive submitted that the drafting of the Climate Change Bill had reached an advanced stage. The Ministry of Green Economy and Environment working with the Technical Working Group finalised the realignment of the Climate Change Bill and it had since been submitted to the Ministry of Justice for legislative drafting before subjecting it to the Internal Legislation Committee for consideration.

Committee's Observations and Recommendations

The Committee notes the response from the Executive and resolves to await a progress report on the matter

4.3.2 Inadequate Regulation of Mukula Trade

The Committee had resolved to await a progress report on the finalisation of the statutory instrument to declare Mukula as protected flora.

In the Action-Taken Report, the Executive submitted that the draft Statutory Instrument on Protected Flora was yet to be finalised. The delay was because the Government's approval to review the Forestry Policy of 2014 and the *Forests Act, No. 4 of 2015*, which processes were underway. The review of the Forestry Policy and the Forests Act would ensure that, the Principal Act incorporated all the missing elements that needed to be addressed through the Statutory Instrument on Protected Flora. Upon concluding the review of the Forestry Policy and the Forests Act, the Ministry would refine the draft Statutory Instrument to cover what might be missing from the Principal Act.

The Executive stated that the protection of the Mukula tree species was done under the Regulation of Protected Flora as defined in Section 47 of the *Forests Act, No. 4 of 2015*. Further, the Mukula tree species was also protected under the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora to which Zambia was a signatory.

Committee's Observations and Recommendations

The Committee awaits a progress report on the matter.

4.3.3 Unregulated Charcoal Burning

The Committee had noted the response from the Executive that the Statutory Instrument to regulate the production and trade of charcoal had been drafted and a Regulatory Impact Assessment had been done. The Ministry of Lands and Natural Resources was yet to send the Statutory Instrument to the Ministry of Justice, as the procedure for approval of the issue at hand was that it had to undergo an impact assessment. Therefore, the Ministry was yet to send the Statutory Instrument to the Business Regulatory Agency for approval.

In the Action-Taken Report, the Executive submitted that the Ministry of Green Economy and Environment was now responsible for the management of forests. The Ministry was requested to provide the progress report on the draft Statutory Instrument on Charcoal Regulation, which should have been submitted to the Business Review Regulatory Agency for Impact Assessment.

However, the consultations had not yet been concluded as the Government had created a Task Force on Charcoal (Supported by the Alternative 2 Charcoal Project), which was the finalisation of the consultations. In addition, the ongoing review of the Forestry Policy and *Forests Act, No. 4 of 2015* would have an impact on the direction the charcoal regulations would take.

Further, the challenge to regulate charcoal was compounded by limited staff and transport to reach out and manage the current challenge. The Government, in the quest to address the problem, had engaged stakeholders from other institutions that dealt with law enforcement. This led to the training of 150 law enforcement officers from other institutions and 500 Forest Honorary Officers to help fight the illegal trade.

Committee's Observations and Recommendations

The Committee notes the response from the Executive and commends the efforts being made to train more staff needed to regulate charcoal burning and resolves to await a progress report on the status of the draft Statutory Instrument on Charcoal Regulation

4.4 GOVERNMENT MEASURES TO ADDRESS THE IMPACT OF CLIMATE CHANGE ON FOOD SECURITY IN ZAMBIA

4.4.1 Research Priorities

The Committee had recommended that the Government should allocate sufficient funds for research, to promote the development of innovations and technologies such as drought climate stress tolerant seed varieties suitable for different regions.

In the Action-Taken Report, the Executive submitted that the Ministry of Green Economy and Environment working together with the Ministry of Agriculture was engaging the Ministry of Finance and National Planning on the allocation of sufficient funds for research to encourage development of innovations and technologies such as drought climate stress tolerant seed varieties. There were also ongoing initiatives with some research institutions to collaborate in some research activities.

Committee's Observations and Recommendations

The Committee resolve to await a progress report on the matter

5.0 CONCLUSION

The Committee notes the indispensable role that carbon markets and trading play in mitigating climate change and its adverse effects. Through the prospects of gaining financial incentives, local communities, businesses and industries have harnessed the use of cleaner technologies and practises which not only help to curb emissions but also drive innovation and investments in sustainable development. Despite facing challenges such as regulatory complexities, market volatility, inequitable benefit sharing mechanisms, lack of transparency and lack of technical capacity among others, the potential of carbon markets to reduce greenhouse gas emissions and to transform the economy of Zambia cannot be overemphasised.

The Committee acknowledges the fact that climate change is real and that its effects are felt by everyone, from the highest to the smallest unit in the communities. It is, therefore, imperative that the management of carbon markets is strengthened and improved so as to address all the identified grey areas and to reap the desired benefits from the carbon market operations. By leveraging the innovative capacity that carbon markets have to offer, fostering collaboration between governments, industries and civil society organisations, Zambia can exploit the full potential of carbon markets to create a more resilient future and gain needed revenue, all for the benefit of the generations to come.



**Mr Kasauta S Michelo, MP
CHAIRPERSON**

**JULY 2024
LUSAKA**

APPENDIX I - List of National Assembly Officials

Mr Stephen Chiwota, Director – Financial Committees
Mrs Angela M Banda, Deputy Director – Financial Committees
Ms Chitalu Mulenga, Senior Committee Clerk
Ms Rachel Mumba, Committee Clerk
Ms Eneless Njobvu, Administrative Assistant
Mr Danny Lupiya, Committee Assistant
Mr MuyembiKantumoya, Committee Assistant
Mr Innocent Mweemba, Intern

APPENDIX II - List of Witnesses

Ministry of Green Economy and Environment
Ministry of Lands and Natural Resources
Ministry of Agriculture
Ministry of Finance and National Planning
Ministry of Transport and Logistics
Ministry of Energy
Community Markets for Conservation
One Acre Fund
Bicarbon Partners Zambia;
World Wide Fund for Nature
African Parks
Centre for Trade and Policy Development
Oxfam Zambia
Law Association of Zambia
Zambia Revenue Authority
Zambia Environmental Management Authority
Bank of Zambia;
Zambia National Commercial Bank
ABSA Bank
Zambia Forestry and Forest Industries Corporation
Pelum Association Zambia
Zambia Climate Change Network Caritas
Zambia Green Living Movement