



CENTRO DE INTEGRIDADE PÚBLICA

Good Governance - Transparency - Integrity

ENVIRONMENTAL GOVERNANCE

ENERGY TRANSITION



04th February 2026 | Edition nr. 1 | Free Distribution | www.cipmoz.org

REPORT ON THE RECOMMENDATIONS OF CIVIL SOCIETY ORGANISATIONS AND THE YOUTH GROUP REGARDING THE DRAFT DECREE ON CARBON MARKETS IN MOZAMBIQUE

1. BACKGROUND

The carbon market emerged following the establishment of the United Nations Framework Convention on Climate Change (UNFCCC) at the ECO-92 in Rio de Janeiro. Carbon credits are permits allowing companies or countries to release greenhouse gases up to a specific limit. These carbon credits are endowed with an economic value: those who exceed their limit must purchase additional credits, while those who release less can sell their excess credits.

Mozambique has been a pioneer in generating carbon credits by protecting its forests. In 2021, it became the first country to receive payments from the World Bank's Forest Carbon Partnership Facility (FCPF) for reducing 1.28 million tonnes of CO₂ emissions from a REDD+ project in the Zambezia province.

In recent years, carbon market activities have also increased in other sectors, such as water and energy. In 2022, the carbon credit issuance reached 1.7 million.

In order to regulate these carbon credits (market), the Government of Mozambique established an inter-ministerial working group, co-chaired by the Ministry of Economy and Finance and the Ministry of Land and Environment at the time, and comprising members from relevant ministries. The inter-ministerial Task Force was mandated to draft national regulations on the carbon market to be presented to the Council of Ministers in 2024.

During this process, CIP's Environmental Governance Officer, Mery Rodrigues, organised a roundtable with Civil Society Organisations (CSOs) on 7 May 2024. This was preceded by a webinar on the carbon market on 6 May, while the team of consultants hired by the government were drafting the Carbon Markets Regulation guidelines. The first consultation, which was attended by 27 CSO members, enabled the formulation of recommendations to inform the

development of the regulatory instrument. These recommendations were submitted to consultancy firm ENABEL on 10 May 2024.

On 20 January 2026, CIP received information from its partners that the government was undertaking a new consultation process for the draft Carbon Market Regulation, with submissions to be made by 4 February 2026. Against this backdrop, CIP organised a new roundtable event in collaboration with the youth group YCAC-MOZ on 28 January and 2 February 2026, with the aim of analysing the new draft regulation and proposing recommendations to improve its clarity.

The new roundtable, which took place at the UNICEF premises, was attended by 26 representatives from the following organisations in a hybrid (in-person and virtual) format: CIP, YCAC-MOZ, UNICEF, IUCN, LIKHULU, CMM, WCS, ANCLIMA, HIKONE, Consciente Sociedade, OMR and KULIMA.

Contributions in writing were submitted to CIP by CSOs that could not attend in person or remotely.

2. RECOMMENDATIONS FROM CIVIL SOCIETY ORGANISATIONS AND THE YOUTH GROUP

The recommendations were categorised into two main groups: general and specific. Both groups are the result of consultations that were carried out, and they incorporate contributions that were not included in the document submitted to the consultant in charge in 2024, nor did they feature in the most recent version. The presented recommendations do not cover the annexes set out in the draft regulation, as these were not made available for analysis.

2.1. General recommendations:

The Regulation places Mozambique among a leading group of African countries that will implement Article 6 in voluntary markets. However, in order to serve as an international benchmark, a more differentiated technical approach is required for Nature-Based Solutions (NbS) and blue carbon, thereby avoiding a one-size-fits-all approach. Countries such as Indonesia, Colombia and Costa Rica have already taken this approach, establishing general rules alongside technical annexes for each ecosystem. Although *blue carbon* is included in Article 2, it is not addressed in an operational manner throughout the regulation (MRV, permanence, risks, benefits). This could result in mangrove and seagrass projects being assessed as conventional forestry projects, which would undermine the integrity and trust of the international market.

2.1.1. Public consultation process and participation

- i. The consultation group for the second roundtable, which involves the Civil Society and Youth consultation groups, is small. To ensure the participation of all relevant sectors, particularly those already implementing projects within the carbon market, it is recommended that the consultation period be extended by at least one month.
- ii. Ensure the early and accessible dissemination of information on carbon credits.
- iii. Establish effective mechanisms for community participation and the submission of complaints in project implementation areas.
- iv. Ensure that documents produced as part of this process use simple and clear language, accessible to all stakeholders.

2.1.2. Governance, institutional arrangements and accountability

- i. In order to ensure efficient and effective implementation, clarify and simplify the governance mechanisms, including the roles and responsibilities of the multisectoral oversight committee, the coordinating body, the secretariat and the minister.
- ii. Adopt a national resolution to regulate the implementation of the articles of the decree as an integral part thereof.
- III. Recognise and align the regulation with existing laws, particularly those relating to land, the environment, mining, forests, conservation and decentralisation.
- iv. Ensure that the supervisory body has effective powers to monitor investors and prevent violations of social and environmental rights.

2.1.3. Transparency, access to information and accountability

- i. Share the annexes referred to in the decree.
- ii. Add minimum standards, technical guidelines and explicit references to national instruments. Most improvements can be made via technical annexes, guidelines or supplementary regulations, without altering the main structure.
- iii. Create a carbon market transparency index to be monitored by civil society.
- iv. Promote transparency by establishing a Carbon Market Transparency Initiative responsible for:
 - Defining standards for the supply and demand of carbon credits;
 - Making information available on digital platforms and in physical documents;
 - Ensuring access to information on projects, carbon premiums and benefits for the entities involved.
- v. Make the agreements and contracts signed between Mozambique and other entities public, including the deadlines, to facilitate future negotiations with other carbon markets.
- vi. Promote accountability among the entities implementing the projects.

2.1.4. Land rights, local communities and Free, Informed and Prior Consent

- i. Ensure that the landowners in question benefit appropriately, recognising customary norms, in accordance with Article 12 of the Land Law (17/98, 1 October, currently under review).
- ii. Ensure the effective application of the Free, Prior and Informed Consent (FPIC) principles as an ongoing process, in line with the Land Law, its regulations and complementary instruments.
- iii. Promote e-governance that expands civic space and access to information, with a focus on local communities.
- iv. Take into account the cultural dimension and safeguard the cultural heritage of communities affected by projects involving resettlement or displacement.

2.1.5. Benefits, revenue sharing and livelihoods

- i. Ensure that project benefits are shared directly with communities, through Organised Community Entities (ECOs), with the Government's knowledge.
- ii. Promote budgetary transparency by giving communities access to information on the total project value and the calculation of community benefits.
- iii. Ensure that projects promote sustainable development and livelihoods that are compatible with biodiversity conservation and poverty reduction.
- iv. Strengthen the link between carbon, biodiversity and adaptation, give greater prominence to the sharing of community benefits, and integrate national data on coastal ecosystems into MRV.
- v. Clearly describe the mechanisms for converting carbon credits into benefits for communities.

2.1.6. Institutional and community capacity building

- i. Empower communities to understand their rights and the value of their resources, as well as the mechanisms for reporting violations.
- ii. Build the capacity of Organised Community Entities (OCEs), Community-Based Resource Networks (CGRNs) and community associations to operate in the carbon market.
- iii. Promote links between ECOs and school environmental clubs, training future community leaders and strengthening environmental education.

2.1.7. Monitoring, Verification and Environmental Integrity

- i. Strengthen the institutions in charge of monitoring the carbon market, ensuring frequent checks on emission reductions and removals.
- ii. Ensure appropriate technologies are in place for monitoring carbon emissions and removals.
- iii. Define permissible emission standards and clear criteria for the purchase and sale of credits.
- iv. Hold the FNDS, the REDD+ MRV Unit, AQUA, academia and civil society accountable in the monitoring and enforcement process, ensuring independence and clarity of responsibilities.
- v. Establish mandatory grievance and complaint mechanisms that are accessible, inclusive and adapted to the local context.

2.1.8. Economic instruments and mitigation policies

- i. Introduce economic mechanisms such as emissions taxes and tax incentives to encourage the adoption of clean energy.
- ii. Set the price of carbon credits according to the quality of the sequestered carbon and its impact on biodiversity.
- iii. Develop a national plan to reduce greenhouse gas emissions.
- iv. Establish mechanisms to regulate pollution at national level, using existing legal instruments.

2.2. Recommendations by Article of the drafted Carbon Market Regulation

– Matrix of Recommendations

ARTICLE / SUBJECT OF THE REGULATION	COMMENTS/PROPOSALS
CHAPTER I. GENERAL PROVISIONS	
Article 1	<ul style="list-style-type: none"> - Move the content of Article 1 to Article 2. - Ensure that the regulation provides details on benefit-sharing, such as applicable rates and payment frequency. - Add information regarding the phased implementation of its provisions depending on the nature of the applicable scheme. Suggestion for the final paragraph: Implementation of this Regulation may be phased in accordance with existing institutional capacity, with the minister responsible for climate change approving specific guidelines for each phase. - The scope is broad and positive, covering blue carbon and REDD+. However, it does not address existing sectoral schemes, such as Conservation Areas, for which regulatory instruments are already in place under the Conservation Law Regulation (89/2017). Suggested addition: In Conservation Areas and their respective buffer zones, the implementation of mitigation activities shall be governed cumulatively by this Regulation and by specific biodiversity conservation legislation. In the event of a conflict, the special provisions applicable to the management of Conservation Areas shall prevail. - Include an explicit reference to nature-based solutions and co-benefits for adaptation and coastal resilience.
Article 2	<ul style="list-style-type: none"> - Move the content of Article 2 to Article 3. - Specify the excluded and included activities and sectors in a specific manner so that operational guidelines can be created.

	<ul style="list-style-type: none"> - Specify the territory. If national, clarify whether international entities operating in Mozambique are included or if it only applies to national entities. Further clarify when it comes into force and its duration; and to whom it applies, such as natural persons, legal entities, civil society organisations and the private sector. - Distinguish between land-based projects and aquatic and coastal projects. - Clarify the sectors related to <i>blue carbon</i>. - Add a paragraph acknowledging the specific characteristics of <i>blue carbon</i> and allowing for differentiated rules (MRV, permanence, buffers).
Article 3	<ul style="list-style-type: none"> - Move the content of Article 3 to Article 1, as the opening section of the document.
Article 4	<ul style="list-style-type: none"> - Use simple and accessible language in subparagraphs (a) and (b) of paragraph 1. - Provide training on the principles. Explain the application of the principles using practical examples. - Refer to regulatory predictability and administrative proportionality, both of which are essential for carbon markets. - Replace the following in paragraph 1(b): “each transaction in a carbon project results in the additional reduction or removal of GHG emissions” with “GHG emission reductions or removals must occur as a direct result of funding from the carbon market, demonstrating that such benefits would not occur, or would not occur on the same scale, in the absence of such financial support”. - Specify the agreements under the permanence principle. “Relevant carbon standards” could be replaced with “climate or carbon agreements or standards ratified by Mozambique”. - Compare with global standards, such as “The Core Carbon Principles ICVC”, for fundamental carbon principles. - Add the principle of third-party validation and verification. - Replace e), Principle of traceability: “emission reductions and removals are carefully recorded and documented for each offset scheme” with “emission reductions and removals must be rigorously recorded, monitored and tracked throughout the entire project

	<p>lifecycle, including its technical documentation, the number of credits issued, transferred and retired, ensuring full transparency and verifiability at every stage”.</p> <ul style="list-style-type: none"> - Add social integrity to subparagraph (f). - Add the following two principles: the Principle of Proportionality and the Principle of Regulatory Predictability. The first should apply to administrative requirements that are proportionate to the scale and nature of the activity. The second should refer to decisions based on public, objective and stable criteria. - Make data and reports accessible to the public and make them available for audit by independent bodies. - Replace point (g) of paragraph 1 with the following: “the principle of informed participation: the full and effective recognition of the participation in the management and monitoring of mitigation activities of different social groups, including communities, civil society organisations and the private sector that play a relevant role in the conservation of natural ecosystems and that are involved in or affected by the programmes” with “Principle of informed participation and consent: the full and effective recognition of the participation of different social groups — including communities, civil society organisations and the private sector — in the management and monitoring of mitigation activities, ensuring that any intervention obtains the Free, Prior and Informed Consent (FPIC) of the communities involved or affected, ensuring their self-determination, protection of rights and meaningful participation at all stages of the programme”. - Introduce ecosystem-specific <i>buffer</i> mechanisms to assess the risk of reversal for <i>NbS/blue carbon</i>. - The principle of participation must be explicitly linked to carbon rights. - Clarify that participation also implies the right to benefits and that communities are rights holders, not merely “stakeholders”. - Add a new subparagraph (h): h) Principle of protecting the rights of young people and vulnerable groups such as children, older people, people with disabilities, women and girls: Mitigation activities and carbon projects must respect, protect and promote the rights of young people and vulnerable groups, ensuring that they do not result in direct or indirect negative impacts on their well-being, access to basic social services, family livelihoods, education, health, protection and participation, in accordance with national legislation and international conventions ratified by the Republic of Mozambique.
--	--

	<ul style="list-style-type: none"> - Where it reads: "...different social groups, including communities, civil society organisations..." replace with "...different social groups, including communities, children, young people, civil society organisations..."
CHAPTER II. INSTITUTIONAL FRAMEWORK AND COMPETENCES	
Article 5	<ul style="list-style-type: none"> - Define the criteria for designating the coordinating body to avoid misinterpretation and reliance on discretionary decisions, as well as low predictability for potential investors. For example, Article 5.1 refers to the Minister, whilst Article 6.d refers to the Multisectoral Supervisory Committee. Suggestion: make an explicit distinction between: i) strategic and regulatory functions (standards, lists, percentages); ii) technical and operational functions (registration, MRV, flows); and iii) formal decision-making functions (authorisations). - Clarify the objective of the central system, point (a). For example, "to establish and ensure the operationalisation of a national central system for the registration and monitoring of mitigation activities and carbon projects", thereby ensuring its integration, transparency, continuous updating and traceability throughout the entire project lifecycle. - Combine the committees described in subparagraph (e) of paragraph 2 of subparagraph (r) of the same paragraph. - Refer to the relevant annex in paragraph 2(g). - Change the title of Article 5.2 from "coordinating body" to "carbon market executive body" to make the body's role clearer and more specific. The body should comprise at least two carbon market experts who can provide the extended group with credible, robust, evidence-based advice. - Clarify the hierarchy. The structure of responsibilities is highly complex and involves various ministries and directorates. - Clarify in Article 5.4 when and how 'the fees to be paid for the mitigation results achieved, carbon credits issued and corresponding adjustments' will be established. - Still in the context of the hierarchy, Article 19 states that the authorisation of mitigation results is the responsibility of the Coordinating Entity, with no input from the Multisectoral Committee. - Clarify what type of information should be provided to applicants. Suggestion: provide applicants for mitigation and carbon projects with up-to-date, clear and accessible information on the standards,

	<p>procedures, technical requirements and regulations applicable to the carbon market, in order to guide their design, submission and implementation.</p> <ul style="list-style-type: none"> - Add the following: the Coordinating Entity may recognise assessments, registrations and verifications carried out by international carbon mechanisms for technical purposes during the transitional phases of implementation. - It should be noted that in cases where mitigation activities are to be implemented in conservation areas or their buffer zones, the powers of the Coordinating Entity under this Regulation shall not affect the application of the specific legal regime governing conservation areas. In particular, the provisions relating to the ownership, management and use of carbon stocks must be observed, as well as the requirement to obtain a favourable opinion from the managing body of the relevant area in accordance with the Conservation Law Regulations. - Make reference to the role of coastal authorities and environmental institutions in providing data on marine ecosystems (e.g. Marine Policies, ADNAP and INAMAR amongst others). - Provide for the formal involvement of bodies linked to maritime affairs and specialised technical committees (e.g. SbN / <i>blue carbon</i>).
Article 6	<ul style="list-style-type: none"> - Define the criteria for establishing the multisectoral supervisory committee. - Establish criteria for determining the leadership of the multisectoral committee. As the coordinator of the coordinating body is appointed by the minister, it would be best for the leadership of the committee, which involves various stakeholders, to be determined by an internal and transparent vote to avoid conflicts of interest. - Clarify who the permanent and non-permanent/ad hoc members of the committee are in Article 6:3. - Define the secretariat in Article 6:6. Specify which entity performs this function. - For the multisectoral supervisory committee, Article 6:6, there must be at least two carbon market experts. - Replace, in paragraph 3, The Multisectoral Supervisory Committee: d) “members of local communities shall be appointed by the coordinating body for specific cases requiring the representative opinion of the local community concerned” with “members of local communities may join the Multisectoral Supervisory Committee through representatives chosen from legally recognised community structures or relevant community representation platforms, ensuring legitimate, rotating and representative participation. In cases where additional specific expertise is required, the coordinating body may invite additional community representatives”.

	<ul style="list-style-type: none"> - No. 2, subparagraph m), where it reads: “Capacity building for local communities...”It is suggested that this be amended to read: “Capacity building for local communities, with particular attention to the inclusion of young people, for effective participation in carbon markets...”
CHAPTER III. CARBON REGISTRY	
Article 7	<ul style="list-style-type: none"> - Define clear rules in subparagraph (i) establishing when projects must update information and what type of information must be provided. Replace “mitigation activities and carbon projects implemented in the country at different stages” with “mitigation activities and carbon projects implemented in the country, at all stages, with proponents required to provide updated information on a mandatory and periodic basis, at least annually and whenever any relevant change occurs. This includes technical data, monitoring reports, volumes of reductions or removals generated, credits issued, traded and retired, ensuring consistency, completeness and traceability in the central registry”. - Establish a specific maximum timeframe in paragraph 4. Suggestion: The minister responsible for climate change must approve the operational rules for the design and functioning of the central registry within XX months of this document coming into force. - In paragraph 3, the central carbon system must be accessible to the public at all times (amend the phrase 'where applicable'), to ensure transparency at all levels. - Make reference to national mangrove inventories and coastal spatial data, or integrate with AFOLU GHG inventories. - Allow the system to use national coastal ecosystem data and align it with the IPCC.
Article 8	<ul style="list-style-type: none"> - Set a deadline in paragraph 2. - Clarify paragraph 3, as it involves several ministries. Suggestion: The minister overseeing the trade sector should be responsible for establishing and operationalising the National Carbon Credit Trading Subsystem (SNTC). To ensure integrated and efficient implementation, a Carbon Market Coordination Group should be set up. This group should comprise ministries and public institutions responsible for the environment, climate, finance, trade, land use and natural resources. This will ensure regulatory harmonisation, operational coordination and continuous communication between all entities involved.
CHAPTER IV. PROCEDURES FOR THE DEVELOPMENT OF MITIGATION ACTIVITIES	
Article 9	<ul style="list-style-type: none"> - Include specific minimum technical criteria for forestry projects, given that the regulation only establishes general principles.

	<ul style="list-style-type: none"> - Prioritise projects that offer multiple benefits (climate, biodiversity, livelihoods) and the restoration of degraded mangroves and seagrass beds. - Require positive and negative lists of eligible activities to be approved, and review them periodically to reduce the risk of arbitrariness. - Define the types of forest that are eligible for carbon projects, including natural forests, planted forests, degraded forests, mangroves, and other coastal forest ecosystems. - Define differentiated technical rules for reforestation, afforestation, ecological restoration and sustainable forest management, in order to ensure the environmental integrity of projects. - In point (c), require that Free, Prior and Informed Consent be obtained at all stages of the project – from conception, preparation, validation, implementation and monitoring through to verification and eventual closure – and not merely prior to implementation, allowing the community to withdraw its consent if safeguards are breached. - Clarify the benefit-sharing mechanisms in subparagraph (d). - Specify the other specific regulations by name or reference in subparagraph (d).
Article 10	<ul style="list-style-type: none"> - Specify the types of eligible mitigation activities and carbon projects; eligibility criteria are unclear. - Add to subparagraph (a) that projects must also align with local district and municipal development plans. - Standardise the information. It is stated that all mitigation activities and carbon projects are eligible. However, subparagraphs (c) and (e) exclude activities that are already established. - Clarify in point (c) that innovative activities will only be eligible if they present a prior assessment of environmental and social risks, strengthened safeguard mechanisms and scientific evidence proving their safety and viability whilst in the experimental development phase. - Reduce the subjectivity of the list of criteria. Draft a supporting document detailing the types of activities that meet the criteria. - Clarify, in point (d), that co-benefits must be measurable and verifiable by third parties, focusing on the climate resilience for the most vulnerable populations. - Explicitly exclude the conversion of natural ecosystems for the purpose of implementing carbon projects. - Introduce specific restrictions on exotic forests (e.g. Eucalyptus, Casuarinas) in carbon projects, given the potential negative impact on biodiversity, ecosystem services and the livelihoods of local communities.
Article 11	<ul style="list-style-type: none"> - Revise the list in paragraph 3. Subparagraph (g) is missing.

- Establish simplified procedures for community-based SbN projects and PDD templates adapted to *blue carbon* to prevent community-based mangrove projects from being excluded.
- Strengthen, in subparagraph (c), that evidence of consultation must include the views of local civil society organisations working on land and natural resource rights.
- Clarify, in point (i), that the demonstration of financial capacity must include the source of funds, preventing illicit financial flows from entering the national carbon market.
- Add subparagraph j) with information regarding a social contract (such as a Local Development Agreement – LDA) between the community and the project entity/promoter, covering areas such as confirmed consent and conflict resolution, amongst others. The LDA must include a timeline for implementing and fulfilling the defined benefits.
- Clarify, in subparagraph (b), who provides the “favourable opinion” from the “nature-based” sectors, which include forests and land use (including mangroves); agriculture and agroforestry; fisheries, aquaculture and coastal ecosystems; biodiversity and nature conservation; and spatial planning and natural resource management. Suggestion: b) a technical opinion issued by the competent sectoral body, confirming that the mitigation activity/carbon project is aligned with the policies, plans and standards applicable to the respective sector, as well as with the eligibility criteria defined by the coordinating authority.
- Include documentation of consent to participate in point (c), and not merely of consultations. Suggestion: evidence of community consultations and interaction with local authorities, accompanied by documentation proving the Free, Prior and Informed Consent (FPIC) of the communities involved or host communities, demonstrating their acceptance and formal agreement to the implementation of the nature-based solutions activity or project.
- In point (e), acknowledge that the fees are not yet included in the legislation and state that they should be defined by supplementary regulations, ensuring transparency and predictability. Suggestion: (e) Provide evidence of payment of submission fees. The amounts and payment methods will be defined in specific regulations to be approved by the competent authority. Update the attached template accordingly.
- Clarify the right of appeal, the possibility of amending the application, and the deadline for resubmission. Suggestion: Should the Coordinating Body reject the expression of interest in accordance with these regulations, it must notify the applicant in writing, within ten working days, setting out the grounds for the rejection. The applicant may then either appeal against the decision or amend and improve the application based on the given reasons, with the new

	<p>submission or appeal to be made within a maximum of 30 working days of receiving the notification.</p> <ul style="list-style-type: none"> - Land- and forest-based carbon projects must include: a forest management plan; an analysis of the risks posed by forest fires, pests, diseases and extreme weather events; and concrete measures to mitigate the risk of reversal of carbon removals. - Clarify points 4 and 5. Suggestion: Define evaluation and approval criteria so that applicants can better prepare their expressions of interest.
Article 12	<ul style="list-style-type: none"> - Clarify the text of paragraph 4. Suggestion: proponents of mitigation activities or carbon projects that are already underway by the time this regulation is approved, must apply for registration in the central carbon system at least six months before the carbon credit validation report is submitted. - Provide grounds for refusal, namely the failure to provide adequate safeguards for environmental and social protection; - Responses to applications must be issued within the deadlines, either digitally or via the registration platforms. - The implementation of forest carbon projects must be conditional upon the effective implementation of the approved forest management plan, as well as the continuous integration of climate and ecological risk analysis throughout the project cycle.
Article 13	<ul style="list-style-type: none"> - The platform described in paragraph 1 must be clear and accessible to all interested parties looking to register activities on the carbon market. The registration criteria must also be widely publicised. - Add an annex describing the information required for projects or mitigation activities. Registration begins by entering all information relating to the project or mitigation activity into the various input fields on the National Registration Platform. A technical annex to this regulation shall set out the complete list of information, documents and registration requirements, and this may be updated periodically by the Coordinating Entity.
Article 14	<ul style="list-style-type: none"> - Clarify paragraph 4(c). Suggestion: The community development agreement should include clauses for periodic review (e.g. every five years), to ensure that the benefits align with the needs of future generations. - Add a benefit-sharing mechanism agreed with the community. Suggestion: A definitive community development agreement should be established for mitigation activities/carbon projects derived from nature-based solutions. This agreement should include proof of Free Prior and Informed Consent (FPIC), as well as the existence of a mutually agreed benefit-sharing mechanism, the definition of responsibilities, forms of ongoing participation, and conflict resolution mechanisms, in accordance with the model set out in the annex. - Add to paragraph 5 information on the projected number of credits to be generated; the identification of the area and the communities

	<p>involved or hosting the project; as well as the governance and benefit-sharing mechanisms agreed with the communities.</p> <ul style="list-style-type: none"> - The fee schedule must be clear and well defined. Within ten working days of receiving the opinion and evaluation report from the ad hoc committee, the Coordinating Entity shall notify the applicant of the approval decision and payment order for the corresponding administrative fees. These must be specified in a separate, previously approved and published table to ensure transparency, predictability, and to avoid placing excessive financial burdens on projects.
Article 15	<ul style="list-style-type: none"> - Auditors (VVB) must validate compliance with social safeguards and community benefit-sharing mechanisms, rather than merely focusing on reducing GHG emissions. - Limit extensions. If the project does not commence within 12 months due to the proponent's fault, the authorisation must be revoked to free up the area for more serious or community-based initiatives. - Strengthen Point 1 to ensure that the description of the environmental and social safeguards applied must comply with Mozambican legislation. - Reinforce the involvement of representatives from local communities and civil society organisations in participatory monitoring in Point 3. - Define additional minimum criteria for standards used in the NBS regarding permanence, leakage and ecological additionality.
Article 16	<ul style="list-style-type: none"> - Prepare annual reports including the number of credits issued, the benefits granted to the community and any governance issues or disputes that have arisen and how they were resolved. - The proponent must submit annual performance reports on mitigation activities to the Coordinating Entity. With the exception of classified or confidential information, duly justified, the annual reports must be made available to the public via the National Registry Platform to promote transparency, accountability and access to information. - Add a new subparagraph to paragraph 2: d) information on the relevant social impacts of the mitigation activity, including positive or negative effects on children and young people in the affected communities, where applicable
Article 17	<ul style="list-style-type: none"> - Specify the acceptable certification mechanisms. - In paragraph 2(d), add the UNFCCC to specify which COP is referred to. - Specify where the list of eligible entities will be available. Suggestion: independent international carbon mechanisms, administered by non-state entities and approved by the Ministry responsible for climate change, the official list of which must be published and updated periodically on the National Registry Platform and in a specific legislative act, ensuring public access and transparency for all applicants.
Article 18	

Article 19	<ul style="list-style-type: none"> - The approval of mitigation results cannot be carried out exclusively by the coordinating entity; the opinion of the multisectoral committee must be submitted.
Article 20	<ul style="list-style-type: none"> - Clarify whether these refer to transactions carried out on a national market through national carbon mechanisms. And, if so, specify what other types of controls may be exercised over such transactions.
Article 21	<ul style="list-style-type: none"> - Set out the detailed procedures for financial flows in the Regulation. - Specify the minimum conditions for accounting for results in the NDC in paragraph 4. Non-authorisation may be linked to methodological issues that could lead to double counting. - Clarify point 5. Suggestion: The minister responsible for climate change may establish a national reserve, distinct from the mandatory buffer mechanisms of international certification standards, intended exclusively for the management of aggregate risk at the national level, by means of specific regulations. The purpose, application criteria, applicable percentages and method of integration with existing mechanisms must be clearly defined to ensure that it does not result in double penalisation or impose undue additional burdens on projects.
CHAPTER V. CONSULTANTS AND AUDITORS OF MITIGATION ACTIVITIES	
Article 22	<ul style="list-style-type: none"> - Require internationally recognised training, experience and certifications as part of the registration process for consultants and auditors. - Publish the list of professionals authorised to perform these functions. - Assess the competencies of professionals periodically, at least annually. - Require continuous professional development for professionals. - Prohibit the same individual or legal entity from providing consultancy services (PDD design) and audit services (validation/verification) for the same project or for projects within the same economic group, ensuring the auditor's complete independence. - Require consultants, validators and verifiers of mitigation activities and carbon projects to be duly registered and to comply with the technical and independence requirements defined by the Coordinating Body. Entities responsible for validation and verification must be accredited in accordance with applicable international standards, such as ISO 14065 and ISO/IEC 17029, (or any subsequent replacements), to ensure the credibility, technical rigour and international recognition of mitigation results.
CHAPTER VI. SOCIAL AND ENVIRONMENTAL SAFEGUARDS	
Article 23	<ul style="list-style-type: none"> - Clarify whether it will be small projects and/or conservation areas that will be required to carry out EIA and obtain environmental licences.

	<ul style="list-style-type: none"> - Specify, in paragraph 2, who will carry out the audit. Suggestion: The audit must be carried out by an independent and duly accredited body, in accordance with the terms defined by the competent environmental authority. It must assess, at a minimum, compliance with applicable environmental and social safeguards, the actual impacts of the activity, the implementation of mitigation and monitoring measures, and compliance with commitments made to communities and other stakeholders. - Strengthen the assessment of impacts on biodiversity and ecosystem services in forest carbon projects, ensuring that carbon gains do not come at the expense of environmental degradation. - Add a new paragraph (7): 7. Social safeguards must include the identification, assessment and mitigation of specific risks and impacts on children and young people, taking into account aspects such as child labour, access to education, health, food security, protection against violence and exploitation, and the climate resilience of households.
Article 24	<ul style="list-style-type: none"> - Clarify that in conservation areas, FPIC must be consistent with the opinion of the area manager and with the respective Management Plan. - Document and publicly make available the free, prior and informed consent of communities, as described in subparagraph (c). The template for the form must be included as an annex to the regulation or in the accompanying manual, if any. - In subparagraph (d), it should be noted that the mechanism must be socially and culturally appropriate and acceptable to the communities. Suggestion: establish within the community an independent, accessible and socially and culturally appropriate mechanism for the submission of complaints and grievances relating to non-compliance with safeguards, ensuring that the process is transparent, secure, non-discriminatory and acceptable to local communities.
CHAPTER VII. SHARING OF BENEFITS FROM MITIGATION OUTCOMES OR CARBON CREDITS	
Article 25	<ul style="list-style-type: none"> - Approve and annex the standard benefit-sharing template to paragraph 2 of the regulation. The document must be written in clear, simplified language that is easy for the beneficiaries to understand. - Adopt forest management and co-management models to reduce conflicts and enhance the social sustainability of projects. - Establish a minimum of 20% of revenue from carbon sales for beneficiaries. Research suggests that the international best practice figure is between 25% 40% of sales revenue for the community. - Introduce a minimum indicative percentage for SbN and explicitly recognise coastal communities as priority beneficiaries.

	<ul style="list-style-type: none"> - Include non-financial benefits such as local employment opportunities, sustainable access to forest resources and capacity building in technical and organisational areas. - Clarify that benefit-sharing should comprise direct monetary payments and investments in social infrastructure, such as schools, health centres and water boreholes, decided through a participatory process led by the community itself. - Establish, in a participatory manner, a timetable for the implementation/fulfilment of the defined benefits. - Set a maximum limit in paragraph 3. Suggestion: “It is the responsibility of the ministers overseeing the areas of finance and climate change, by joint decree, to review and update the rates indicated in the preceding paragraphs”, ensuring that any applicable rate does not exceed a pre-defined maximum limit of 20% of the total revenue generated by the project, thereby guaranteeing the predictability, proportionality and financial sustainability of mitigation activities. - Add a new paragraph or article that complies with the economic regime of the Conservation Law Regulations to avoid conflicts between regimes and legal uncertainty regarding carbon revenues. Suggestion: In Conservation Areas and buffer zones, benefit-sharing mechanisms for mitigation outcomes must comply with the economic regime set out in specific conservation legislation, including the rules for allocating revenue to the managing body, local communities and the State. - Add a new paragraph (4): 4. Benefit-sharing mechanisms should, where applicable, provide for social investments with a direct or indirect impact on the well-being of children and young people in beneficiary communities, including, but not limited to, education, health, nutrition, water and sanitation, youth empowerment, and climate-resilient livelihoods. - Empower grassroots stakeholders, who will directly host the carbon projects.
Article 26	<ul style="list-style-type: none"> - Define clear benefit-sharing requirements and reduce the power of the proponent. The Authority shall define the requirements based on the project document received from the proponent. - Free, Prior and Informed Consent must result in minutes that are accessible to the public. - Establish a minimum of 20% of revenue from carbon sales for beneficiaries. Research suggests that the international best practice figure is between 25% and the community's share of 40% of sales revenue. - Replace the following point 4 “The proponent of the mitigation activity must ensure that the design and implementation of a benefit-sharing mechanism is transparent and includes the effective participation of stakeholders” with “The proponent of the mitigation

	activity must ensure that the design and implementation of the benefit-sharing mechanism are transparent and include the effective participation of stakeholders, whilst also requiring the acceptance and formal approval of the plan by all affected community groups, in accordance with Free, Prior and Informed Consent (FPIC)”.
Article 27	<ul style="list-style-type: none"> - Clarify that Mozambique is protecting its NDC and that <i>blue carbon</i> can generate revenue without compromising national targets. - Recognise the existence of a national legal framework for forests, mines, the sea, conservation, among others.
CHAPTER VIII. SUSPENSION AND REVOCATION	
Article 28	<ul style="list-style-type: none"> - Add the following to subparagraph (e) of paragraph 1: legal or regulatory instruments must provide for exemption clauses in cases of “force majeure”, allowing the competent authorities to carry out a documentary and factual verification of the impediment whenever factors beyond the applicants' control occur (such as natural disasters, armed conflicts or epidemics), rather than automatically applying punitive measures such as the suspension or revocation of licences.
CHAPTER IX. INSPECTION, INFRINGEMENTS AND SANCTIONS	
Article 30	<ul style="list-style-type: none"> - Specify the Competent Authority and the verification mechanism (there should be further details on how this unrestricted access for inspection can be arranged).
Article 31	<ul style="list-style-type: none"> - Provide an annex in paragraph 1(a) setting out the requirements necessary for the implementation of the mitigation measure. - Specify, in paragraph 1(f), which consultancy services or audits require authorisation and which do not.
Article 32	
CHAPTER X. FEES AND FINES	
Article 33	
Article 34	<ul style="list-style-type: none"> - State the licensing authority.
Article 35	<ul style="list-style-type: none"> - Define the categories of fees, such as registration of bidders, submission of project documents, issuance of certificates, validation and verification, monitoring fees, fees per transaction/per credit traded, administrative costs, and annual registration renewal. - Provide a detailed table of applicable fees and fines to promote transparency, predictability and control over the amounts charged. - Differentiate fees for VCMs and ITMOs in community and commercial projects. - Provide for exemptions or partial exemptions for projects in Conservation Areas for conservation purposes.
CHAPTER XI. FINAL AND TRANSITIONAL PROVISIONS	

Article 36

- Extend the regulatory period for projects undergoing the licensing process (from 6 to 12 months).
- Use clearer language in subparagraph (a), for example:
 1. Mitigation activities which, on the date of entry into force of this Regulation, are in the process of certification must be registered in the Central Register within a maximum period of 6 (six) months.

2. For the purposes of the preceding paragraph, an activity is considered to be in the process of certification when it has already been validated by a certification mechanism but has not yet been registered in the Central Register.
 3. Mitigation activities that have been registered with an international certification mechanism prior to the entry into force of this Regulation must submit proof of registration and the relevant documentation to the Coordinating Entity within a maximum period of 1 (one) year following the entry into force of this Regulation, for the purposes of inclusion in the Central Register.
- Add explanatory text to subparagraph (b) regarding the difference in deadlines. The varying complexity of the integration processes is reflected in the set deadlines, with shorter deadlines applying to activities not yet registered and longer deadlines applying to activities already integrated into international certification mechanisms, which require more time to align with the new regulation.

3. FINAL CONSIDERATIONS

The contributions described in this document provide input for the drafting of the Mozambique Carbon Market Regulation. Contributions from civil society and youth groups via this channel primarily aim to address three issues that are *undermining* the performance of this market, specifically:

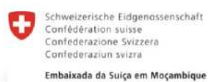
- i. Facilitating access for stakeholders and investors to combat information asymmetry in the national carbon market, which also generates revenue for the State.
- ii. Stimulating competition to develop the necessary capacities for carbon credit-generating projects and enhance the credibility of the market, particularly with regard to the scope of MRV (*measurement, reporting and verification*) and the acceptability of NDCs (*Nationally Determined Contributions*).
- iii. Empower grassroots stakeholders, particularly communities affected by carbon credit-generating projects, to participate more effectively in this emerging carbon market and enjoy their rights.

The Government is expected to determine the most suitable method of incorporating the contributions outlined herein into the regulations for the Decree.



CENTRO DE INTEGRIDADE PÚBLICA
Boa Governação - Transparência - Integridade

Partners:



Norwegian Embassy



Informação editorial

Director: Edson Cortez

Peer Review: CIP and YCAC MOZ

Language Review: Samuel Monjane

Propety: CIP and YCAC MOZ

Rua Fernão Melo e Castro,
Bairro da Sommerschild, nº 124
Tel: (+258) 21 499916 | Fax: (+258) 21 499917
Cel: (+258) 82 3016391
www.cipmoz.org | [@CIP.Mozambique](https://www.facebook.com/CIP.Mozambique) | [@CIPMoz](https://www.instagram.com/CIPMoz)
www.cipmoz.org | Maputo - Moçambique