

NOTE TO MEMBERS

2/2025

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CLIMATE CHANGE MANAGEMENT BILL, 2025

STATUS OF BILL: The draft bill has been approved by the Cabinet Committee on Legislation and is yet to go to Parliament. Therefore, it has not yet been gazetted.

OPPORTUNITIES FOR INPUT: There is still room for industry players to raise their concerns about the Bill as it is yet to be taken to Parliament for further consultations.

1.0 Background

Climate change is becoming one of the biggest threats to global development, especially for developing countries which are more vulnerable to climate change impacts due to their low adaptive capacity and reliance on rainfall for agriculture. In Zimbabwe, climate change is more evident with increased incidence of droughts, floods, more hot days and heat waves. These escalating challenges posed by climate change have led to increased local, national, and international efforts being pivoted towards sustainability initiatives aimed at mitigating impacts of climate change. It is against this background that the country has introduced the Climate Change Management Bill, 2025.

2.0 Objectives of the Bill

- The Bill seeks to provide a framework for adoption and implementation of measures for climate change adaptation and mitigation for achieving low Greenhouse Gas Emissions (GHG). Some of the objectives of the Bill includes:
- Providing for the institutional framework to coordinate, supervise, regulate, manage and mainstream all activities and actions related to climate change and its impacts by all levels of government, including local authorities, the private sector, communities and all persons,
- Providing for measures that enhance effective management of climate change impacts through interventions that build and sustain Zimbabwe's social, economic and environmental resilience and emergency response capacity,
- Ensuring that Zimbabwe develops and implements programmes for achieving long-term goals on climate change mitigation and adaptation,
- Providing a regulatory framework for monitoring, reporting and verifying the impact of climate change and the implementation of programmes on climate change.

3.0 Key Issues to note from the Climate Change Management Bill, 2025

i. Introduction of the Climate Transparency and Compliance Unit

The Bill seeks to establish the Climate Transparency and Compliance Unit. The Unit will conduct data collection and archiving of data on mitigation actions, climate finance, and adaptation actions to inform climate change response measures and reporting. The Unit will also monitor compliance with GHG emission standards and enforcement of emission control measures, mitigation and implementation of the provisions of the Climate Change Management Act, 2025 or any other applicable legislation.

ii. Introduction of the National Ozone Unit

The Bill also seeks to establish an institution within the Climate Change Management Department to be known as the National Ozone Unit responsible for implementing regulations related to ozone depleting substances. Some of the functions of the National Ozone Unit includes:

- Implementation of phase down and phase out of ozone depleting substance programmes,
- Training, capacity building and awareness on ozone layer protection,
- Data collection, archiving and sharing of data on ozone depleting substances and greenhouse gas emissions and
- Manage and fulfil Zimbabwe's ozone related reporting requirements under international and regional obligations.

iii. Introduction of the Loss and Damage Unit

The Bill also seeks to create another institution; the Loss and Damage Unit, which will be responsible for collection, archiving and sharing of data on losses and damages due to climate change related natural disasters and other events. The Loss and Damage Unit has also the responsibility of mobilising international and domestic resources for the purpose of remediating or mitigating climate change related losses and damages. This is a crucial initiative especially to the business community as this guard's business against climate change related losses.

iv. Introduction of the Carbon Trading Unit

The Bill seeks to further introduce a Carbon Trading Unit, which will be known as the Zimbabwe Carbon Markets Authority, within the Climate Change Management Department. Some of the function of the Zimbabwe Carbon Markets Authority will include:

- To implement the carbon credit trading regulations established by the Minister,
- To provide technical advice to the Minister on carbon credit trading projects and emissions trading,
- To prepare reports for the Minister in compliance with national and international reporting requirements.
- To promote, build capacity and raise awareness on carbon credit trading; and
- Establish and maintain the Zimbabwe Carbon Credit Registry and link it to international registries.
- Through a carbon trading unit, the country can establish a robust carbon trading system, which might potentially link Zimbabwe's carbon market to international markets, allowing local businesses and projects to participate in global carbon credit exchanges. This could also increase market access and trading opportunities for Zimbabwean carbon credits.

v. Introduction of the Climate Change Levy

The Bill also seeks to introduce a levy, known as the Climate Change Levy, on any person or businesses whose activities contribute to climate change. The Levy would be introduced through a separate Statutory Instrument, under which the Minister responsible for Climate Change Management would prescribe the modalities through which the Levy is collected, who pays for the Levy, the frequency of payment and penalties for non-payment.

vi. Introduction of the National Climate Fund

The Bill seeks to introduce a National Climate Fund to fund climate change mitigation and adaptation programmes and projects. The money for the fund will be collected from different sources, including:

- 15% of all the collections from the climate change levies,
- 85% of share of proceeds from carbon trading,
- 25% of carbon tax payments,
- 25% of funds generated by the National Ozone Unit; and
- 25% of the Tobacco Levy.

Some of the objectives of the National Climate Fund, which is designed to be well resourced, includes:

- Promoting public awareness, information sharing, data sharing and access to information on climate change,
- To assist in capacity building and training of persons on climate change management,
- To encourage and facilitate, for the benefit of Zimbabwe, the transfer of climate smart services or technologies from national, regional or international partners or providers of such technologies,
- To incentivise private and public entities for their efforts towards transiting to clean energy and sustaining a reduction in GHG emissions, and
- Availing funds to avert and minimise loss and damage associated with adverse impacts of climate change.

4.0 Conclusion

The Climate Change Management Bill seeks to create four new institutions under the Climate Change Management Department. These institutions are more likely to need their own secretariat and budget, which could impose additional resources on treasury. However, the Bill also seeks to ensure that these institutions are funded using other channels outside treasury. This is likely to have an impact on the cost of doing business, as business is expected to contribute through the Climate Change Levy. There is thus need for conversations around whether this Bill can be enforced to achieve climate change objectives without compromising business viability and competitiveness.