

TANZANIA'S CARBON MARKET IN 2025: PROGRESS, CHALLENGES AND OPPORTUNITIES

Despite great potential, the market has yet to deliver

Carbon markets in Tanzania began gaining momentum around 2018. However, while government interest is growing and new projects are planned, active initiatives remain limited and credit issuances lag behind regional peers (see figure 1).

Tanzania's policy environment has become more dynamic since the 2022 Carbon Trading Regulations were adopted, but new financial and procedural uncertainties have slowed market momentum. A recent report by the Controller and Auditor General highlighted weaknesses in oversight and coordination across key institutions involved in carbon trading. Though Article 6 implementation is in its early stages, the Government is working to establish the regulatory framework and several development partners have stepped in to support market capacity and growth. Tanzania's carbon market holds great potential, but unlocking it will require continued, coordinated efforts from government, private sector, civil society and development partners.



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Carbon market activity in Tanzania took off in 2018

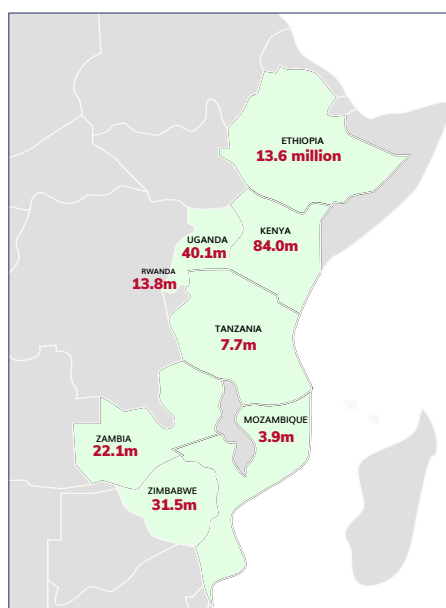


Figure 1: A comparison of carbon credit issuances across Tanzania's regional peers. Only credits issued under the most relevant standards – CDM, Verra and Gold Standard – are considered here.

International carbon trading in the region began following the launch of the Kyoto Protocol's Clean Development Mechanism (CDM). Tanzania issued its first carbon credits in 2008, but market momentum didn't really take off until a decade later (see figure 2), when activity under voluntary carbon standards increased significantly.

Issuances of 2018 vintages were more than threefold those of 2008, and rose considerably in the next two years peaking in 2020 at 1.6 million credits. Figures from 2021 onwards are represented as falling, but this does not necessarily mean that carbon activity has declined, given that there is typically a multi-year delay between the period when emissions are reduced or removed and when the corresponding credits are issued. This is also the reason why there are virtually no vintages from 2024 and 2025 yet.

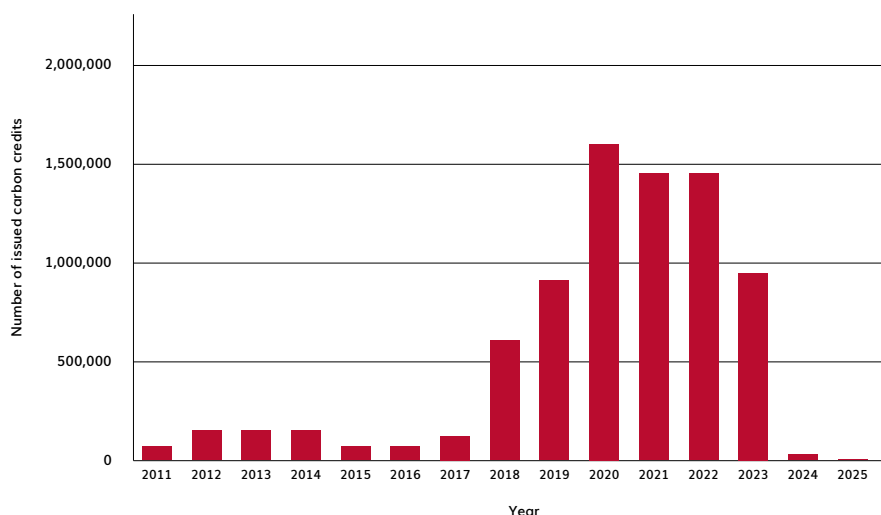


Figure 2: Carbon market activity in Tanzania escalated in 2018, with the majority of credits issued through voluntary carbon standards.

To date, a total of 8.3 million carbon credits have been issued from 23 projects in Tanzania, with credits generated under five different carbon programmes: Verra, Gold Standard, Plan Vivo, CDM, and Carbon Standards International (CSI) – see table 1 and figure 3.

The policy landscape is evolving

Carbon trading in Tanzania is governed by the Environmental Management (Control and Management of Carbon Trading) Regulations, 2022, which were amended in 2023. The regulations require project developers to obtain government approval for all carbon trading activities, report on project implementation, share benefits with local communities, and pay fees on revenues from carbon credits.

Carbon market oversight rests with the Department of Environment within the Vice President's Office and the National Carbon Monitoring Centre (NCMC). In April 2025, through an amendment to the Environmental Management Act, NCMC was elevated to a government authority with an expanded mandate to oversee carbon trading. This new body and its leadership team are still in the process of being established.

While the existence of a regulatory framework has been broadly welcomed, there have been calls to revise the rules to better accommodate carbon projects beyond REDD+ and provide more clarity and incentives for investment.

In 2025, project developers formed the Tanzania Carbon Developers Association (TaCaDevA) to represent their interests and engage with the government on market development.



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Since the phaseout of the CDM in 2020, the Article 6 mechanisms of the Paris Agreement have established new international frameworks for trading carbon credits between countries, giving Tanzania a chance to tap into compliance markets, where credit prices often exceed those of the voluntary market.

The effective implementation of Article 6 in Tanzania has been limited, with no national framework or formal process for authorisations of Internationally Transferred Mitigation Outcomes (ITMOs). None of Tanzania's three CDM-certified projects opted to transition to the Article 6 Paris Agreement Crediting Mechanism (PACM), and UpEnergy is currently the only project developer to have obtained ITMO authorisation in Tanzania, for 272,823 credits.

Table 1: Number of verified projects and credits per standard.

Carbon Programme	# of verified projects	# of issued credits
Verra	8	6,802,576
Gold Standard	7	609,781
Plan Vivo	2	594,383
CDM	3	255,979
CSI	1	219

However, in May 2025, Tanzania signed its first agreement for Article 6.2 cooperation with Japan. This provides a foundation for future cooperation with Japan, under its Joint Crediting Mechanism (JCM), with credits from Tanzania able to contribute to Japan's Nationally Determined Contribution (NDC).

Several development partners are supporting carbon market growth

As Tanzania's carbon market evolves, international support is playing an important role in building the necessary institutional and technical foundations. Bilateral and multilateral donors are contributing to this effort, including the UK (through the UK-Tanzania Green Growth Facility and FSD Africa), Norway, and the European Union (both directly and via the UNEP Copenhagen Climate Centre). Their efforts focus on building capacity within government institutions, strengthening greenhouse gas accounting and reporting systems, and supporting Article 6 readiness.

The Tanzanian market is dominated by VCS credits

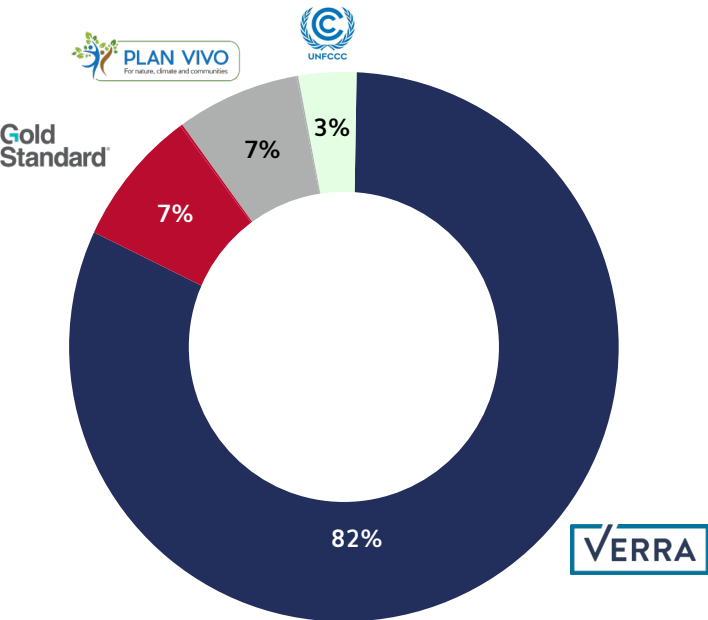


Figure 3 : Standards used by carbon projects as a percentage of total credits issued

The voluntary carbon market plays a dominant role in Tanzania. Of the 8.3 million carbon credits issued in Tanzania the vast majority (82%) have been issued under Verra's Verified Carbon Standard (VCS). Credits issued under the Clean Development Mechanism (CDM) have made up just 3%.

Credits under CSI – generated by a single project – are too few to be seen in the pie chart.

REDD+ and clean cooking activities dominate the market

Most carbon credits in Tanzania originate from REDD+ (62%) and clean cooking (24%) projects. Other sectors include afforestation, reforestation and revegetation (ARR), renewable energy, waste management, clean water and biochar. Figure 4 illustrates the distribution of credit issuances by project type and identifies leading players in each category. Since carbon credit prices vary widely between project types, issued volumes should not be interpreted as a direct indicator of financial value.

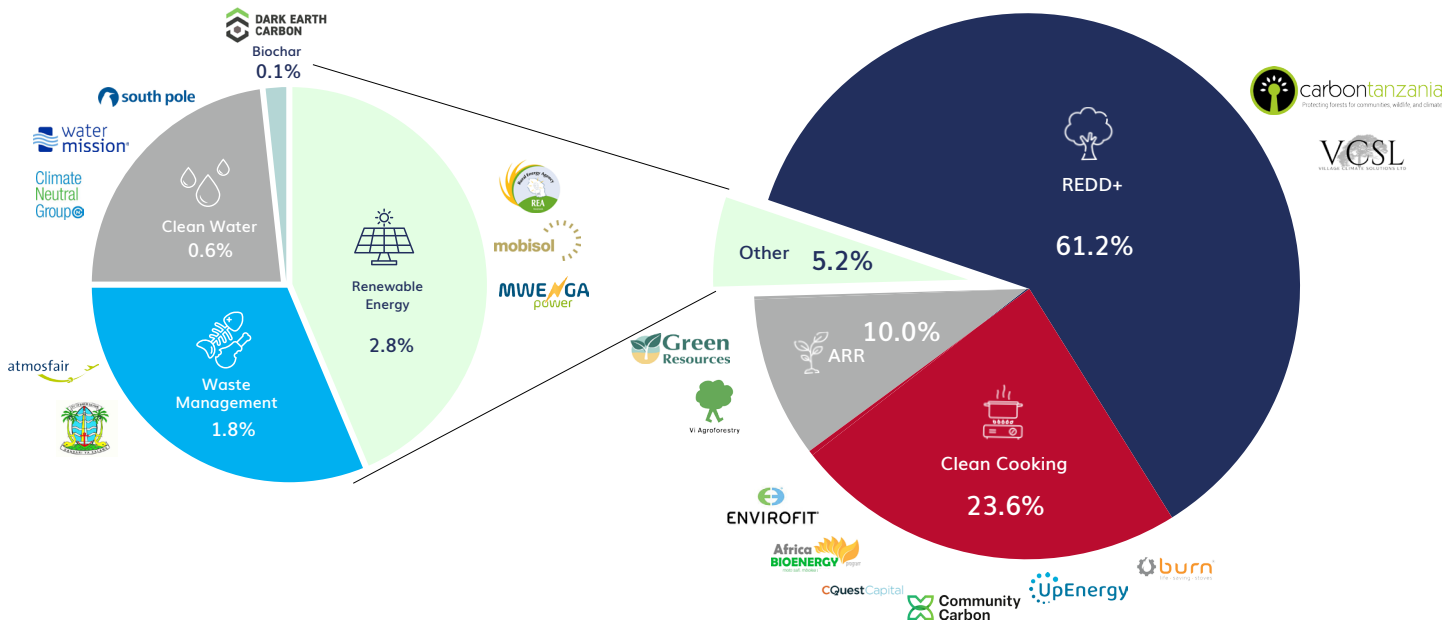


Figure 4: Breakdown of carbon credits issued in Tanzania by project type

The number of active project developers is limited

Issuance data shows that carbon credits in Tanzania have been generated by a relatively small number of actors. The largest project developer, Carbon Tanzania, accounts for 61% of the total credits issued, followed by C-Quest Capital (14%) and Green Resources (9%).

It is worth noting that neither C-Quest Capital nor Green Resources remain active in Tanzania's carbon sector, and that several other developers that have previously issued credits have also withdrawn from the market. Figure 5 shows all the credit vintages from 2021 onwards (that is, credits for emissions reduced or removed in 2021 or later); these have been issued by only nine project developers.

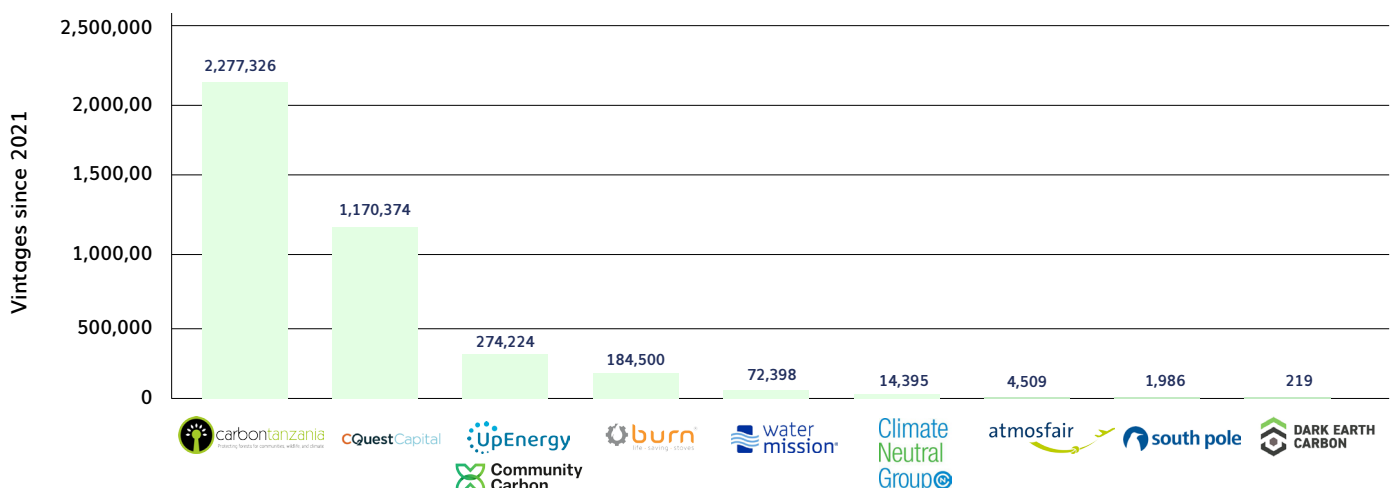


Figure 5: Total carbon credit issuances of vintages 2021 and later by project developer

That said, many new carbon projects are being developed in the country. The Tanzanian National Carbon Registry currently lists 77 projects, most of which are at an early stage of development. This figure includes several projects which are already operational but have not yet issued credits.

Carbon projects in Tanzania are attracting considerably investment

New carbon projects in Tanzania are being financed through impact investments, pre-purchases of carbon credits, and development funding. Data from twelve active developers shows that carbon projects in Tanzania have attracted over USD 100 million in total foreign investment to date. Historically, the largest investments have gone to renewable energy, REDD+ and ARR projects. However, looking at committed future investments, ARR projects – which typically have very high upfront costs – are expected to dominate.

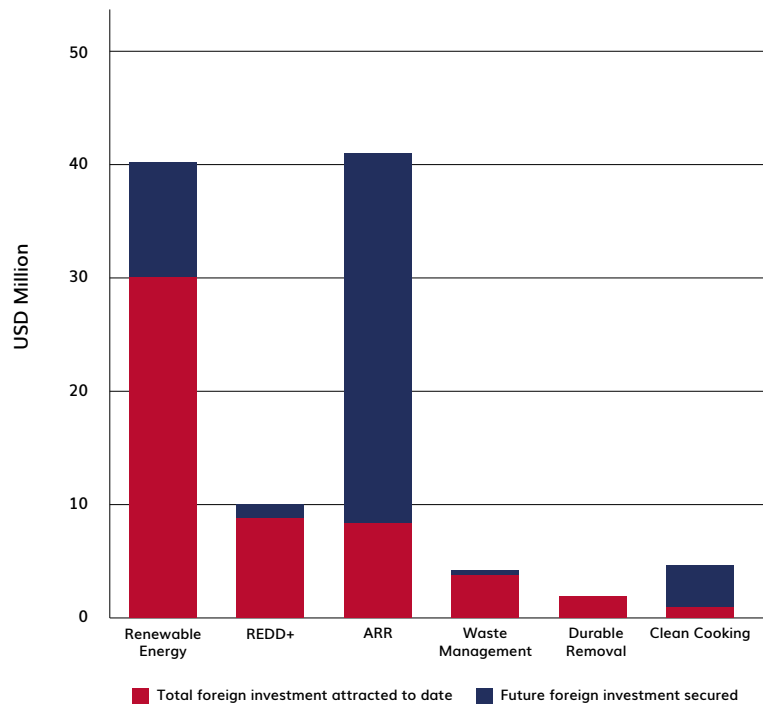


Figure 6: Foreign investment in active carbon projects in Tanzania by project type

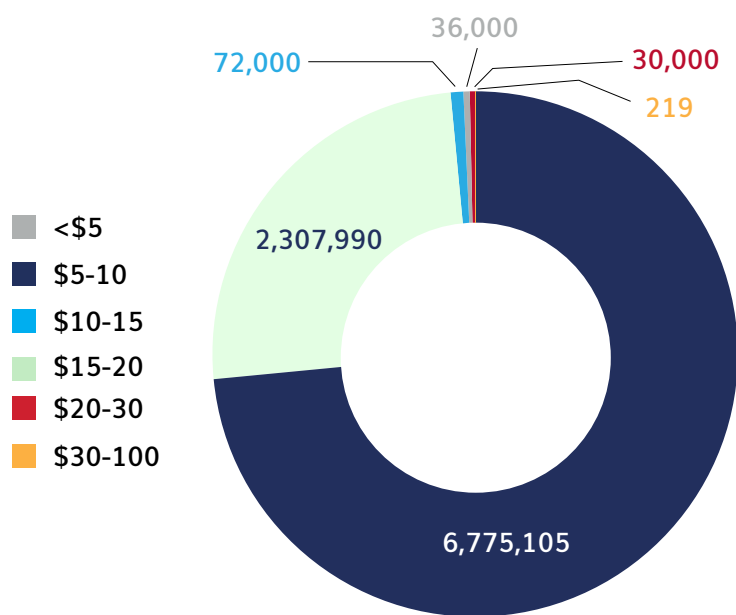


Figure 7: Price distribution for completed and expected credit transactions

Credits from Tanzania are mainly purchased by corporate buyers in Europe and North America. Carbon credit prices (as reported by project developers) vary widely, from below USD 5 to over USD 90. The higher prices are typically achieved by ARR and biochar projects, while REDD+ and clean cooking projects tend to fall into lower price brackets. Most credits from Tanzania are currently sold at USD 5–10, with a secondary cluster in the USD 15–20 range.

KEYS TO UNLOCKING TANZANIA'S POTENTIAL

Tanzania's carbon market is still nascent, with few players and relatively modest credit volumes compared to its regional neighbours. A long pipeline of projects and fresh investment signal promise, but regulatory uncertainty, limited Article 6 readiness, and barriers to access continue to hold the market back. The government is working to build the right policies and institutions, but unlocking Tanzania's potential will also take close collaboration across public, private, and development partners. With the right policies, partnerships, and investment, Tanzania could not only catch up but emerge as a leader in Africa's carbon market.

The UK-Tanzania Green Growth Facility is helping pave the way by building institutional capacity, coordinating stakeholders, and de-risking private investment in high-quality carbon projects.

At a glance: Tanzania's carbon market in 2025

8.3 million

carbon credits from 23 projects issued to date

61%

of credits are from REDD+ projects

82%

of credits were issued under the VCS

74%

of credits sold for less than \$10[†]

9

Project developers have issued recent-vintage credits (since 2021)

May 2025

Tanzania signed its first Article 6.2 cooperation agreement with Japan

77

projects are currently in the NCMC registry, most in an early stage of development



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External sources and further reading:

- [National Carbon Monitoring Centre](#)
- [Berkeley Voluntary Registry Offsets Database](#)
- [UNEP-CCC CDM Pipeline](#)
- [Carbon Standards International](#)
- [CAG report on carbon trade in Tanzania](#)

[†] According to reported data from 12 developers

Table 2: List of all certified carbon projects in Tanzania that have issued carbon credits, in order of volume

	Project Name*	Project developer**	Carbon programme	Project type	Total credits issued	Year of last issued vintage	Year of last issuance
1	Ntakata Mountains REDD	Carbon Tanzania	Verra	REDD+	3,565,155	2023	2025
2	Installation of High Efficiency Wood Burning Cookstoves	C-Quest Capital Stoves Asia Ltd.	Verra	Clean Cooking	1,041,714	2023	2023
3	Makame Savannah REDD	Carbon Tanzania	Verra	REDD+	977,955	2023	2025
4	Reforestation of Degraded Grasslands in Uchindile & Mapanda	Green Resources Tanzania Ltd	Verra	ARR	753,975	2020	2021
5	Yaenda - Eyasi REDD Project	Carbon Tanzania	Plan Virro	REDD+	513,630	2023	N/K
6	Community Carbon Efficient Cooking Programme	Community Carbon	Verra	Clean Cooking	272,823	2023	2024
7	Dissemination of Fuel-efficient Biomass Stoves and Water Purification Systems	Envirofit International Ltd.	Gold Standard	Clean Cooking & Water	194,902	2016	2018
8	GS10789 VPA42: Efficient and Clean Cooking for Households in Tanzania	ECO Climate Capital	Gold Standard	Clean Cooking	184,500	2023	2024
9	African Biogas Carbon Programme (ABC) - Tanzania - CAMARTEC - VPA002	Africa Bioenergy Programs Ltd.	Gold Standard	Clean Cooking	142,130	2020	2021
10	Installation of High efficiency Wood Burning Cookstoves - Project 3	C-Quest Capital CR Stoves Pte. Ltd.	Verra	Clean Cooking	129,583	2023	2023
11	Tanzania Renewable Energy Programme	Rural Energy Agency (REA)	CDM	Renewable Energy	96,584	2020	2023
12	Landfill Gas Recovery and Electricity Generation at Mtoni Dumpsite, Dar Es Salaam.	D.S.M City Council, Consorzio Stabile Globus	CDM	Waste management	93,465	2012	2013

13	<u>Emiti Nibwo Bulora</u>	Vi Agroforestry	Plan Vivo	ARR	80,753	2011	N/K
14	<u>GS 12030 VPA 1 Safe Water Project in Kigoma and Dodoma</u>	Water Missions International	Gold Standard	Clean Water	72,398	2024	2025
15	<u>Mwenga Hydro Power Project</u>	Mwenga Hydro Ltd, Swedish Energy Agency	CDM	Renewable Energy	65,930	2020	2021
16	<u>GS2527 - Mobisol Solar Home Systems in Tanzania – VPA 1</u>	Mobisol	Gold Standard	Renewable Energy	45,447	2020	2024
17	<u>Village Climate Solutions</u>	Village Climate Solutions Limited	Verra	REDD+	36,171	2013	2022
18	<u>CER Conversion of Project 12</u>	Credits transferred from approved GHG program	Verra	Waste Management	25,200	2012	2016
19	<u>GS4503 - Sustainable Safe Water Program- Tulip Filters in Tanzania VPA 1</u>	South Pole Carbon Asset Management Ltd.	Gold Standard	Clean Water	21,540	2022	2024
20	<u>Zaidi Bomba Maji Arusha</u>	Climate Neutral Group	Gold Standard	Clean Water	16,753	2023	2024
21	<u>Mabwepande Composting Facility for Market Waste</u>	atmosfair gGmbH	Gold Standard	Waste Management	4,509	2023	2023
22	<u>Beyond Biomass: UpEnergy Electric Cooking–VPA 9</u>	UpEnergy Group	Gold Standard	Clean Cooking	1,401	2024	2025
23	<u>Sifuri Halisi Biochar Project</u>	Dark Earth Carbon	CSI	Biochar	219	2025	2025

*These have been shortened slightly in places to save space.

**The "Project Developer" column refers to the organisation that holds the project's registry account in the relevant carbon programme. This is not necessarily the same as the local Tanzanian entity or entities implementing the project.