

Crooked Carbon Business

An assessment of 11 carbon projects¹

8 The World Bank Forest Carbon Partnership Facility's 'Zambezia Integrated Landscape Management Programme', Mozambique

1. About the project

The Zambezia Integrated Landscape Management Programme (ZILMP) is an 'Emissions Reduction Programme' (ERP) under the World Bank Forest Carbon Partnership Facility (FCPF). It is essentially a 'jurisdictional REDD+' project, applied to nine districts² covering roughly the eastern half of the 10.3 million hectares of Zambezia Province in Mozambique's centre (see Figure 1 below), and representing about 3.4 million hectares of forest.³ After several years of development, the programme proposal was finally submitted and approved by the Bank in December 2018. Bank funding notionally runs from February 2020 to the end of 2025,⁴ though the project crediting period is from the beginning of 2018 to the end of 2024.

Figure 1: Zambezia province, Mozambique (right), and the project area (left)



Under the FCPF, a donor-funded Carbon Fund exists to purchase 'emissions reduction units' supposedly created through actions to protect forests and/or plant new ones in the programme area. The Fund signed an emissions reductions purchase agreement (ERPA) with the Mozambiquan

¹ This briefing is part of the Crooked Carbon Business series which includes 11 briefings on specific carbon offset projects and a collection of academic and media reports documenting the flaws of carbon offsetting. The briefings have been researched and written between September 2024 and September 2025 by Simon Counsell and Jutta Kill, with financial support from the Network for Social Change.

² The districts are Alto Molocue, Gile, Gurue, Ile, Maganja da Costa, Mocuba, Mocubela, Mulevala and Pebane.

³ FCPF, undated. Mozambique <https://bit.ly/3JYTUwc>

⁴ World Bank, undated. MZ Zambezia Emissions Reductions Payment. <https://bit.ly/3yiQYYV>

government for the ZILMP in January 2019,⁵ providing for the purchase of up to 10million tonnes of emissions reductions for US\$5 per tonne. The programme was validated and its first verification (for the year 2018) was completed by US consultancy Aster Global Environmental Solutions in May 2021.⁶ In its validation report, the auditor noted that it had made no fewer than 50 Major Corrective Actions, but that all of these had been “successfully addressed”, allowing the programme to be approved.

As with other FCPF programmes, the ZILMP was linked to a separate forest sector project being run under the World Bank’s Forest Investment Program (FIP). Broadly, the FCPF would ‘reward’ contracting governments such as Mozambique with purchases (typically, at US\$5/ton CO2e) of emissions reductions achieved through a prior or concurrent FIP. (In this sense, the FIP and FCPF between them would be paying twice for the same reductions, first to implement the projects, and then to pay for the results). The Mozambique FIP (‘MOZFIP’) ran from 2017-2022, costing US\$45 million, a third of which was provided as a loan. It aimed to reduce deforestation and promote agroforestry in the same districts in Zambezia where the FCPF project was later installed (as well as in Cabo Delgado), establish new plantations, and better conserve forest areas. Whilst it reportedly achieved some of what it set out to do, the impacts were limited: 3,000 hectares of plantations, around 7,000 hectares placed under agroforestry, but only 27,000 hectares of forest conserved instead of the 850,000 hectares intended.⁷

The Mozambique FCPF ZILMP programme also built on US\$8.6 million’s worth of grants from the FCPF between 2012 and 2018 for the country to become ‘REDD-ready’.⁸

	‘Zambezia Integrated Landscape Management Programme’, Mozambique
Project owner	Government of Mozambique, National Fund for Sustainable Development (FNDS)
Project partner	World Bank Forest Carbon Partnership Facility
Notional start date	1 January 2018
Project lifetime	6.5 years
Projected volume of emissions avoided (tonnes of CO₂)	10,700,000
Validation	10 th September 2018 (? ‘Validation’ is here taken to mean World Bank Board approval of the proposed Emissions Reductions Program Document)
1st verification date	21 May 2021
Validator & verifier first verification	No validation required under FCPF. 1 st verification: Aster Global Environmental Services (USA)
Project area (hectares)	5,310,265
# of credits issued as of August 2024	-3,317,941
# of credits used by final buyer (“retired”) as of August 2024	n/a

⁵ World Bank. Emissions Reductions Purchase Agreement. 2019. <https://bit.ly/3yscPNI>

⁶ See validation and verification reports available at FCPF undated, see footnote 3.

⁷ World Bank. Mozambique Forest Investment Project, Implementation Completion Report (ICR) Review. 2021a. <https://bit.ly/3MwxzYg>

⁸ World Bank. MZ-FCPF REDD+ Readiness Preparation Support. Project Information Document. 2015. <https://bit.ly/4ea4MV0>

2. What are the claimed objectives/outcomes?

Under the FCPF scheme, the facility's Carbon Fund itself (strictly speaking, its investors, which consist primarily of the governments of Norway, Germany and the UK) purchases the claimed emissions reduction units (ERUs). According to the World Bank, a payment under the purchase agreement of US\$6.4 million for supposedly reducing 1.28 million tonnes of forest carbon emissions from 2020-2021 was made in October 2021.⁹ As a Bank progress report on the programme noted in 2022, "This payment was very strategic for Mozambique, as the country was the first of 47 countries participating in the FCPF to have reached this major milestone and to receive ER payments for climate change mitigation through REDD+."¹⁰ Given that the FCPF had taken 14 years since its inception to reach the point of making a payment, it was clearly also very strategically important for the World Bank itself, and all those involved in its various carbon trading facilities. The second verification (for 2019-2020, completed in September 2022) added a further nearly 483,000 so-called 'emission reduction' units (i.e., credits), bringing the total issued to around 1.76 million.

Under the FCPF programme, 70 percent of the proceeds of sale of emissions reductions units would be distributed to communities, 20 percent would go to private sector interests, and the remainder divided amongst various authorities.

As far as is known, there have not been any ratings of the project by carbon offset ratings agencies. The Bank's own management has, since June 2023, rated the overall implementation progress of the project as "moderately unsatisfactory" (the second lowest possible rating).¹¹

3. What do project proponents claim would have happened without the offset project intervention?

The broad aim of the project was to "address a significant portion of forest-related emissions and removals" in Mozambique. Specifically, it's ambition was to achieve a total of 10.7 MtCO₂e of emission reductions between 2018 and December 2024, which would correspond to reducing deforestation in the Program area by 30 percent between 2018-2019, and by 40% from 2020-2024.¹² The implication is thus that, without the programme, emissions from forest loss would continue at the same rate as they had in the past.

4. What has been happening in reality?

According to its own documents, the programme is seriously failing in its key objectives. As shown in Table 1 below, the project's so far three monitoring reports (the most recent of which from June 2024) show that it is not stemming the area's carbon emissions resulting from deforestation.

⁹ World Bank. 2021b. Mozambique Becomes First Country To Receive Emission Reductions Payments From Forest Carbon Partnership Facility <https://bit.ly/4acrxW4>

¹⁰ World Bank. MZ Zambezia Emissions Reductions Payment (P164524), Implementation Status and Results Report. Sequence no. 5 <https://bit.ly/4ahRFim>

¹¹ World Bank. 2023, MZ Zambezia Emissions Reductions Payment (P164524), Implementation Status and Results Report, Sequence number 07 <https://bit.ly/3wxt37m>

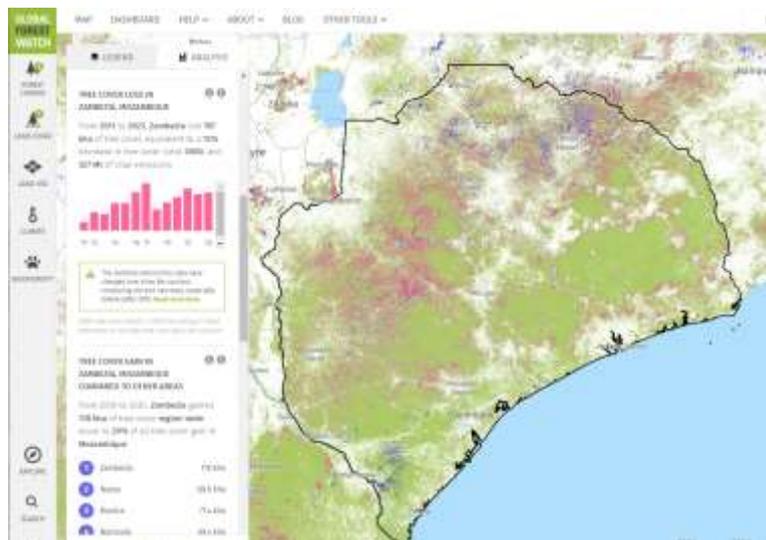
¹² FCPF. 2018. Revised Emission Reductions Program Document (ER-PD) ZILMP. <https://bit.ly/3Xt44Ni>

Year	Baseline emissions from deforestation	Actual emissions	Net balance
2018	5,253,267.99	1,982,587.68	3,270,680.31
2019	5,253,267.99	2,470,326.85	2,782,941.14
2020	5,253,267.99	7,160,631.00	-1,907,363.01
2021	5,253,267.99	11,325,034.00	-6,071,766.01
2022	5,253,267.99	6,645,702.00	-1,392,434.01
TOTALS	26,266,339.95	29,584,281.53	-3,317,941.58

Whereas the first two years show an apparent decline against the baseline (possibly because the baseline was inflated), emissions were then higher than the baseline in each subsequent year. This resulted in a total *increase* in emissions of around 3.3 million tonnes over the project’s lifespan to 2022. This major reversal seems to have completely wiped out the project ‘reversals buffer’ of credits accumulated to that point¹⁴, though this is not entirely clear as the FCPF seems have been either unable or unwilling to calculate the state of the buffer for the 2019-2020 monitoring period. The FCPF’s purchases of purported emissions’ reductions from the Mozambique government halted after this period.

As can be seen from Figure 1 below, analysis using Global Forest Watch (GFW) broadly confirms this pattern, with deforestation across the whole of Zambezia Province returning to roughly 70,000 to 80,000 hectares per year following a dip in 2018 and 2019. According to GFW, the province lost some 398,000 hectares of forest from 2018to the end of 2023.¹⁵

Figure 1: Zambezia Province. Deforestation 2011-2023 (shown in pink) and tree cover gain (dark blue). 2000-2020.



¹³ FCPF. 2024. Zambezia Integrated Landscape Management Program, First, Second and Third ER Monitoring Reports. Available at <https://bit.ly/3JYTUwc>

¹⁴ Buffer pools are used in carbon offset projects as a means of compensating if something goes wrong, such as large unexpected emissions of carbon, which otherwise could result in actual credits having to be cancelled or somehow reclaimed. A certain amount of ‘emissions reductions’ are held back from sale and kept in the buffer pool, and cancelled to account for any such unexpected emissions.

¹⁵ GFW. <https://bit.ly/3QKR05>

The June 2024 World Bank implementation status report noted that a Mid Term Review (MTR) mission of the project was undertaken in March 18-29, 2024. The full report of this review has not been made publicly available, but the status report stated that:

“The MTR recommendations include: reducing the scope of the project through a project’s restructuring; intensifying the implementation of the BSP; identifying lessons learned through the implementation to develop approaches for more effective and coordinated response to deforestation; and introduce activities enhancing inclusion of beneficiary marginalized communities and disadvantaged groups.”

In other words, the project was facing serious structural and implementation deficiencies.

A 2024 investigation into the programme by Mozambique’s Centro de Integridade Publica found, among other things, that only around three percent of the originally estimated program benefits have so far been shared with communities, the private sector, district and provincial authorities¹⁶.

5. Key ‘takeaways’ from this project

As has plagued the entire FCPF from the outset, the Mozambique programme appears to be characterised by very poor, and possibly entirely unrealistic programme design. This probably reflects an underlying lack of expertise on land use change, rural tenure and livelihoods, and a fixation on tree planting and prevention of deforestation as a mostly technical exercise, with carbon storage as the primary motivation and ‘currency’ of the project. It was predicated on success in another project (MOZFIP) which in itself was never likely to have achieved the scale of results necessary to materially reduce forest emissions in Zambezia. As has been noted for other FCPF programmes, the ‘REDD-readiness’ of Mozambique, supposedly assured by a still earlier World Bank/FCPF investment, would turn out to be almost entirely illusory.

One among many of the key failures (also common to other FCPF projects) has been an inability to obtain meaningful government ‘buy-in’. None of the key project documentation was available in Portuguese.

As with other offset schemes, there seems to be little provision, other than a limited ‘buffer stock’ of ‘credits’, in the event of major ‘reversals’. By the time the FCPF Carbon Fund had purchased the first tranche of ‘reductions’ in 2021, deforestation and carbon emissions had already increased beyond the baseline level. With the payments stopped, and emissions last known to be still well above the baseline, it is clear that the entire structure of payments and government’s ability to implement the necessary measures is fundamentally flawed.

Also, as with other FCPF projects, the Mozambique case points to staggering inefficiency of the FCPF scheme. Taking into account prior FIP and ‘Readiness Fund’ investments, the claimed 1.28 million tonnes of emissions reductions have cost around US\$60 million, or nearly US\$47 each, even without accounting for the FCPF’s very high central administration and fund management costs.

Given the examples from Mozambique and elsewhere,¹⁷ it is particularly troubling that the FCPF was approved for the testing phase of the Carbon Offsetting and Reduction Scheme for International

¹⁶ CIP. 2024. Mozambique’s Carbon Credits: Low Revenues, Rising Deforestation, and Limited Benefits for Communities.

¹⁷ See for example: RFUK. 2020. REDD-MINUS: The Rhetoric and Reality of the Mai Ndombe REDD+ Programme, <https://bit.ly/3cnncFd>; REDD-Monitor. 2022. Congo’s forest ‘emissions reductions programme’: Germany, Norway and UK taxpayers paying for nothing. <https://bit.ly/3AQ6P2e>

Aviation (CORSIA) and might well be approved for the live system which is now in force. As it happens, Mozambique is unlikely now to generate any credits for the CORSIA system but, despite the FCPF's clearly serious methodological problems, this will probably not be the case for other countries.

6. Where to find more information?

The Carbon Fund-related documents, including the Emissions Reduction programme document and Emissions Reduction Purchase Agreement are available at <https://bit.ly/3JYTUwc>

World Bank project implementation status reports (to date, eight of them), together with the Project Information and Integrated Safeguards Data Sheet and Benefits Sharing Plan are available at <https://bit.ly/3JYTUwc>

Information on the Mozambique Forest Investment Project can be found at <https://bit.ly/3MwxzYg>

The report from the Centro de Integridade Publica on the Mozambique FCPF programme can be found at <https://bit.ly/3U4BPIW>
