

**SINGAPORE AND FIJI SIGN MEMORANDUM OF UNDERSTANDING TO COLLABORATE ON CARBON CREDITS TO ACCELERATE CLIMATE ACTION**

1. Minister for Trade and Industry Gan Kim Yong and Fiji Prime Minister and Minister for Climate Change Sitiveni Rabuka signed a Memorandum of Understanding (MOU) to collaborate on carbon credits aligned with Article 6.2 of the Paris Agreement. This was announced today, following Senior Minister and Coordinating Minister for National Security Teo Chee Hean and Fiji Prime Minister Rabuka's meeting on the sidelines of the 2023 United Nations Climate Change Conference (COP28).
2. This MOU is the first step in Singapore-Fiji collaboration on carbon markets, a critical tool to advancing global climate action to meet the goals of the Paris Agreement. Such collaborations can mobilise finance to unlock additional mitigation outcomes to meet both countries' climate targets. The collaboration will prioritise sustainable development and co-benefits to local communities and economy.
3. Minister Gan said, "As members of the Alliance of Small Island States (AOSIS), Singapore and Fiji are both vulnerable to the effects of climate change. The MOU is a step forward for both our countries to collaboratively accelerate climate action."
4. A working group comprising Singapore and Fiji government officials has been established to oversee the implementation of this MOU.

**Annex A: Factsheet on Singapore-Fiji MOU to Collaborate on Cooperative Approaches to Advance Climate Actions and Ambition**

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Factsheet on Singapore-Fiji MOU to Collaborate on Carbon Credits to Accelerate Climate Action

- The MOU signals Singapore’s and Fiji’s intent to collaborate on carbon markets aligned with Article 6 of the Paris Agreement, which allows countries to voluntarily cooperate to achieve emission targets set out in their Nationally Determined Contribution (NDC), while promoting sustainable development and ensuring high environmental integrity.
- Under the MOU, Singapore and Fiji will work towards a legally binding Implementation Agreement that sets out a bilateral framework for the international transfer of correspondingly adjusted carbon credits<sup>1</sup>. The Implementation Agreement will include the criteria and processes for trading carbon credits under Article 6 of the Paris Agreement. When completed, carbon tax liable companies in Singapore will be able to purchase carbon credits from eligible projects to offset up to 5% of their taxable emissions.
- Singapore and Fiji will work together to identify potential Article 6-compliant mitigation activities, such as nature-based projects (e.g., blue carbon) or technology-based projects (e.g., transportation), which can support both countries to achieve their respective NDCs.
- Singapore aims to achieve net zero emissions by 2050, and is committed to advancing global climate action through international collaboration with like-minded partners.
- Singapore has concluded substantive negotiations on an Implementation Agreement with Ghana and Vietnam, and have signed similar MOUs with countries such as Bhutan, Cambodia, Colombia, Chile, Kenya, Morocco, Papua New Guinea, and Peru.

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<sup>1</sup> Corresponding adjustment is the transfer of emissions reductions across countries’ greenhouse gas inventory, and prevents the double-counting of emissions reductions or removals towards both buyer and host country’s NDCs. For example, when Country X (buyer) receives five tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) of carbon credits from Country Y (host country), Country Y (host country) has to add five tCO<sub>2</sub>e to its greenhouse gas inventory while Country X (buyer) will reduce five tCO<sub>2</sub>e from its greenhouse gas inventory.