

**FOR IMMEDIATE RELEASE**

**SINGAPORE SIGNS FIRST IMPLEMENTATION AGREEMENT WITH  
PAPUA NEW GUINEA TO COLLABORATE ON CARBON CREDITS UNDER  
ARTICLE 6 OF THE PARIS AGREEMENT**

1. Singapore and Papua New Guinea (PNG) signed an Implementation Agreement on carbon credits cooperation under Article 6 of the Paris Agreement today. The Agreement was signed by Minister for Sustainability and the Environment Grace Fu and Papua New Guinea Minister of Environment, Conservation and Climate Change Simo Kilepa on the sidelines of the 2023 United Nations Climate Change Conference (COP28). The Agreement comes after both countries signed a Memorandum of Understanding (MOU) on the sidelines of COP27 last year to collaborate on carbon credits.
2. This marks the first Implementation Agreement for Singapore. The Agreement sets out a legally binding framework and processes for the generation and international transfer of carbon credits aligned with Article 6 of the Paris Agreement, between Singapore and Papua New Guinea.
3. This collaboration will advance both countries' climate ambition and help to channel financing towards additional mitigation efforts through carbon credit projects which would otherwise not be possible. The carbon credit projects authorised under the Implementation Agreement will also promote sustainable development and generate benefits for local communities, such as creation of jobs, access to clean water, improved energy security, and reduction of environmental pollution.
4. As part of Singapore's Article 6 cooperation, project developers will be required to cancel 2% of the carbon credits authorised under the Implementation Agreement at first issuance to ensure additional contribution to overall mitigation of global emissions. They will also be required to make a contribution equivalent to 5% share of proceeds or authorised carbon credits towards climate adaptation in Papua New Guinea. This will help Papua New Guinea prepare for and adjust to the impacts of climate change.
5. Singapore is also supporting the development of carbon markets, by enabling the demand and supply of high-quality carbon credits to be matched. Under Singapore's International Carbon Credit (ICC) framework, Singapore-based carbon tax-liable companies can source for eligible ICCs generated under this Implementation Agreement to offset up to 5% of their taxable emissions. Trading these credits through Singapore will help to unlock new business opportunities in areas such as carbon services and sustainability solutions, strengthening Singapore's position as a carbon services and trading hub.
6. Minister Fu said, "High-integrity carbon markets can contribute to much-needed climate action globally. As an alternative energy disadvantaged country, effective international cooperation, such as through carbon markets, will also help us to achieve our climate ambitions. We are delighted to sign our first Implementation Agreement with Papua New Guinea, a fellow Alliance of Small Island States (AOSIS) member.



We look forward to working with Papua New Guinea to advance climate action together.”

**Annex A: Photos of the Implementation Agreement Signing**  
**Annex B: Implementation Agreement Factsheet**

**MINISTRY OF TRADE AND INDUSTRY**  
**MINISTRY OF SUSTAINABILITY AND THE ENVIRONMENT**  
**NATIONAL CLIMATE CHANGE SECRETARIAT**

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**Annex A**

Photos of the Implementation Agreement Signing





**Caption:** Minister for Sustainability and the Environment Grace Fu and Papua New Guinea Minister of Environment, Conservation and Climate Change Simo Kilepa signed the Implementation Agreement between Singapore and Papua New Guinea to collaborate on carbon credits under Article 6 of the Paris Agreement on the sidelines of COP28.

**Credit:** COP28 Singapore Pavilion

## Annex B

### Implementation Agreement Factsheet

- Singapore and Papua New Guinea signed an Implementation Agreement for Cooperation Under Article 6 of the Paris Agreement. This is the first Implementation Agreement that Singapore has signed, and also the first Implementation Agreement signed between two countries which are part of the Alliance of Small Island States (AOSIS).
- The Implementation Agreement enables both countries to collaborate on carbon markets, aligned with Article 6 of the Paris Agreement, which allows countries to voluntarily cooperate to achieve climate targets set out in their Nationally Determined Contributions (NDC), while unlocking co-benefits such as sustainable development and climate adaptation for local communities.
- The Implementation Agreement sets out a legally-binding bilateral framework for the international transfer of correspondingly adjusted<sup>1</sup> high-integrity carbon credits to avoid double counting. The framework includes the processes to seek authorisation for carbon credit projects and correspondingly adjusted mitigation outcomes. These processes will be made available subsequently on <http://www.carbonmarkets-cooperation.gov.sg/>.
- Correspondingly adjusted carbon credits authorised under this Implementation Agreement can be used for different purposes, such as:
  - To offset up to 5% of a company's carbon tax liabilities under Singapore's ICC framework<sup>2</sup> from 1 Jan 2024, subject to meeting the principles under the Eligibility Criteria.
  - To comply with binding mandates such as Nationally Determined Contributions (NDCs) and other international mitigation purposes e.g., international civil aviation compliance scheme.
- To ensure additional contribution to overall mitigation of global emissions, Singapore has committed to having 2% of the correspondingly adjusted carbon credits authorised under this Implementation Agreement cancelled at first issuance. These carbon credits will not be sold, traded, or counted towards any

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<sup>1</sup> Corresponding adjustment prevents the double-counting of emissions reductions or removals in both buyer and host country's national greenhouse gas inventories. 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.

<sup>2</sup> The ICC Framework was introduced in Nov 2022 alongside the progressive increase in carbon tax rate under the Carbon Pricing (Amendment) Bill, from the current S\$5 per tonne of emissions to S\$25 per tonne in 2024 and 2025, and S\$45 per tonne in 2026 and beyond.

country's emission targets, and will instead contribute towards a net reduction in global emissions.

- Singapore has committed to having 5% of the correspondingly adjusted carbon credits authorised under this Implementation Agreement being used towards adaptation actions, such as heat resilience measures and coastal protection, in Papua New Guinea.
- The operationalisation of the Implementation Agreement will be overseen by a Joint Committee consisting of representatives from both countries, co-chaired by Benedict Chia, Director-General (Climate Change), National Climate Change Secretariat (Prime Minister's Office, Strategy Group) and Ruel Yamuna, Managing Director, Climate Change and Development Authority. The Joint Committee will release more information on the operationalisation of the Implementation Agreement after it comes into force.
- Singapore has concluded substantive negotiations on an Implementation Agreement with Bhutan, Ghana, Paraguay, and Vietnam, and has signed MOUs/ Letters of Intent on carbon credits collaboration with Cambodia, Chile, Colombia, Dominican Republic, Fiji, Kenya, Mongolia, Morocco, Peru, Rwanda, and Sri Lanka, with the aim of inking similar Implementation Agreements.