

SINGAPORE SIGNS IMPLEMENTATION AGREEMENT WITH GHANA TO COLLABORATE ON CARBON CREDITS UNDER ARTICLE 6 OF THE PARIS AGREEMENT

1 Singapore and Ghana signed an Implementation Agreement on carbon credits cooperation under Article 6 of the Paris Agreement on 27 May 2024. The Agreement was signed virtually between Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations Grace Fu, and Ghana's Minister of Environment, Science, Technology and Innovation Ophelia Hayford.

2 After the signing, both countries will commence with the ratification process and operationalise the Agreement. This sets out a legally binding framework and processes for the generation and international transfer of carbon credits between Singapore and Ghana, aligned with Article 6 of the Paris Agreement.

3 This collaboration will advance both countries' climate ambition and channel financing towards additional mitigation efforts. The carbon credit projects authorised under the Implementation Agreement will seek to 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 Under the Implementation Agreement, project developers will be required to make a contribution equivalent to 5% share of proceeds from authorised carbon credits towards climate adaptation in Ghana, which helps Ghana prepare for and adjust to the impacts of climate change. They will also be required to cancel 2% of authorised carbon credits at first issuance to ensure additional contribution to overall mitigation of global emissions.

5 Under Singapore's International Carbon Credit (ICC) framework, eligible ICCs generated under this Implementation Agreement may be used by Singapore-based carbon tax-liable companies to offset up to 5% of their taxable emissions.

7 Minister Fu said, "Singapore and Ghana share many mutual interests in the sustainability sphere. The conclusion of the Implementation Agreement is testament to our shared commitment to advance global climate action through high-integrity carbon markets. The carbon credit projects that are implemented under this Agreement will generate climate benefits as well as benefits to our economies. Singapore will continue our efforts to work with like-minded partners like Ghana to co-create opportunities for a sustainable future."

8 This is the second Implementation Agreement for Singapore, after the first with Papua New Guinea which was signed in December 2023.

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Annex A

Implementation Agreement Factsheet

- The Implementation Agreement between Singapore and Ghana sets out a legally-binding bilateral framework for the international transfer of correspondingly adjusted¹ high-integrity carbon credits aligned to Article 6 of the Paris Agreement. The framework includes processes to seek authorisation for carbon credit projects and corresponding adjustments for implemented mitigation outcomes. These processes will be made available on <http://www.carbonmarkets-cooperation.gov.sg/> in due course.
- Correspondingly adjusted carbon credits authorised under this Implementation Agreement may be used for various purposes, such as:
 - To offset up to 5% of a company's taxable emissions under Singapore's ICC framework² from 1 Jan 2024, subject to eligibility.
 - To comply with binding mandates such as Nationally Determined Contributions (NDCs) and other international mitigation purposes e.g., the requirements under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA).
- As an additional contribution to 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 cannot be sold, traded, or counted towards any country's emission targets, and will instead contribute towards a net reduction in global emissions.
- Singapore has committed to channelling the value from 5% of the correspondingly adjusted carbon credits authorised under this Implementation Agreement towards adaptation measures such as heat resilience measures and coastal protection in Ghana.
- Singapore has also concluded substantive negotiations on an Implementation Agreement with Bhutan, 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, Senegal, and Sri Lanka, with the aim of inking similar Implementation Agreement.

¹ 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 (tCO₂e) of carbon credits from Country Y (host country), Country Y (host country) has to add five tCO₂e to its greenhouse gas inventory while Country X (buyer) will reduce five tCO₂e from its greenhouse gas inventory.

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