

**For Immediate Reporting**

## **SINGAPORE SIGNS IMPLEMENTATION AGREEMENT ON CARBON CREDITS COLLABORATION WITH PARAGUAY**

PRESS RELEASE

1. Singapore and Paraguay signed an Implementation Agreement on carbon credits collaboration under Article 6 of the Paris Agreement today. The Implementation Agreement was signed by Singapore's Minister for Sustainability and the Environment and Minister-in-Charge of Trade Relations, Grace Fu, and Paraguay's Minister of Environment and Sustainable Development, Rolando de Barros Barreto. This is Singapore's seventh Implementation Agreement on carbon credits collaboration following agreements with Papua New Guinea, Ghana, Bhutan, Peru, Chile, and Rwanda.

2. The Agreement establishes a framework for the generation and transfer of carbon credits from carbon mitigation projects aligned with Article 6 of the Paris Agreement. Project developers can leverage this framework to develop high-quality carbon credit projects that are aligned with the Article 6 rulebook. Information on the process for authorisation of these carbon credits projects and eligible carbon crediting methodologies under the Implementation Agreement will be published in due course.

3. Minister Fu said, "Singapore and Paraguay share warm and growing trade relations, with both countries committed to fostering sustainable development and economic cooperation. This Implementation Agreement marks a significant milestone in our partnership, as we work together to address the global challenge of climate change. I look forward to seeing companies leverage this Agreement to develop tangible projects that drive real emissions reductions."

4. Minister Barreto said, "The signing of this agreement with Singapore represents a strategic step in positioning Paraguay as a key player in international carbon markets. This mechanism not only reaffirms our commitment to environmental integrity and the goals of the Paris Agreement, but also opens new opportunities to generate green jobs, attract sustainable investments, and improve the quality of life of our people—demonstrating that economic development can and must go hand in hand with climate action."

5. This collaboration will advance both countries' climate ambitions by directing financing towards unlocking additional mitigation potential in Paraguay. The carbon mitigation projects authorised under this Implementation Agreement will promote sustainable development and deliver tangible benefits to local communities, such as creation of jobs and reduction of environmental pollution.

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**ANNEX A: PHOTO OF SIGNING  
ANNEX B: IMPLEMENTATION AGREEMENT FACTSHEET**

**MINISTRY OF TRADE AND INDUSTRY  
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PRESS RELEASE

**PHOTO OF SIGNING**



**Caption:** Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations, Grace Fu, and Paraguay's Minister of Environment and Sustainable Development, Rolando de Barros Barreto, sign an Implementation Agreement to collaborate on Carbon Credits under Article 6 of the Paris Agreement. The signing was witnessed by Singapore's Prime Minister and Minister for Finance, Lawrence Wong, and Paraguay's President, Santiago Peña Palacios.

*Photo credit: Ministry of Digital Development and Information.*

## IMPLEMENTATION AGREEMENT FACTSHEET

1. The Implementation Agreement between Singapore and Paraguay sets out a legally binding bilateral framework for the international transfer of correspondingly adjusted<sup>1</sup> high-integrity carbon credits aligned to Article 6 of the Paris Agreement. Both countries will set out the process to seek authorisation for carbon credit projects and corresponding adjustments for implemented mitigation outcomes. Information will be made available on <https://go.gov.sg/article6> in due course.
2. Correspondingly adjusted carbon credits authorised under this Implementation Agreement may be used for various purposes, such as:
  - a. To offset up to 5% of a company's taxable emissions under Singapore's International Carbon Credits (ICC) framework from 1 Jan 2024, subject to eligibility.
  - b. 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 (CORSIA).
3. Singapore is committed to channelling the value equivalent to 5% share of proceeds from authorised carbon credits towards climate adaptation measures in Paraguay.
4. As a contribution towards a net reduction of global emissions, Singapore is committed to having 2% of the correspondingly adjusted carbon credits authorised under this Implementation Agreement cancelled at first issuance. These carbon credits that are cancelled cannot be sold, traded, or counted towards any country's emission targets.

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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.