

SINGAPORE SIGNS IMPLEMENTATION AGREEMENT ON CARBON CREDITS COLLABORATION WITH MONGOLIA

This is Singapore's 10th Implementation Agreement on carbon credits collaboration.

1. Singapore and Mongolia signed an Implementation Agreement on carbon credits collaboration under Article 6 of the Paris Agreement today. The Implementation Agreement was signed between Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations Grace Fu and Mongolia's Minister of Environment and Climate Change Batbaatar Bat. The Implementation Agreement was also signed by Singapore's Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong and Mongolia's First Deputy Prime Minister and Minister of Economy and Development Uchral Nyam-Osor.
2. This is Singapore's tenth Implementation Agreement on carbon credits collaboration following agreements with Papua New Guinea, Ghana, Bhutan, Chile, Peru, Rwanda, Paraguay, Thailand and Vietnam.
3. The Implementation Agreement establishes a legally binding 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.
4. Singapore is committed to channelling the value equivalent to 5% share of proceeds from authorised carbon credits towards climate adaptation measures in Mongolia. Singapore is also committed to having 2% of the correspondingly adjusted carbon credits authorised under this Implementation Agreement cancelled at first issuance. The carbon credits that are cancelled cannot be sold, traded or counted towards any country's emission targets, and serves as a contribution towards a net reduction of global emissions.
5. Minister Fu said, "I am delighted that we are marking the 55th anniversary of the establishment of diplomatic relations between Singapore and Mongolia with the signing of the Implementation Agreement. It reflects our shared ambition to build a sustainable, low-carbon future, and signals our commitment to work together to drive meaningful climate action and open up pathways towards sustainable development."
6. Minister Batbaatar said, "Mongolia is proud to be among Singapore's partner countries in this endeavour, paving the way for a new model of international cooperation that benefits both people and the planet. This partnership will not only advance Mongolia's transition toward green and sustainable development but also contribute to global climate neutrality goals."

7. This collaboration will advance both countries' climate ambitions by directing financing towards unlocking additional mitigation potential in Mongolia. 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, improved access to clean water, enhanced energy security, and reduction of environmental pollution.

Annex A: Photo of signing

Annex B: Implementation Agreement Factsheet

MINISTRY OF TRADE AND INDUSTRY

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For media enquiries, please contact:

Naadiah Badib

Assistant Director, Communications and Engagement Division

E-mail: Naadiah_Badib@mti.gov.sg

Photo of signing



Caption: Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations Grace Fu and Mongolia's Minister for Environment and Climate Change Batbaatar Bat sign an Implementation Agreement to collaborate on carbon credits under Article 6 of the Paris Agreement.

Implementation Agreement Factsheet

- The Implementation Agreement between Singapore and Mongolia 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. 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.
- 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 International Carbon Credits (ICC) framework 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 (CORSIA).
- Singapore is committed to channelling the value equivalent to 5% share of proceeds from authorised carbon credits towards climate adaptation measures in Mongolia.
- 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.

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.