

SINGAPORE AND GHANA SUBSTANTIVELY CONCLUDE NEGOTIATIONS ON IMPLEMENTATION AGREEMENT ON COOPERATIVE APPROACHES ALIGNED WITH ARTICLE 6 OF THE PARIS AGREEMENT

1. Singapore and Ghana have substantively concluded negotiations on an Implementation Agreement on carbon credits cooperation.
2. The agreement will enable the bilateral transfer of carbon credits, aligned with Article 6 of the Paris Agreement. The Implementation Agreement is expected to be signed by both countries in early-2023. Such collaboration can unlock additional mitigation outcomes to advance both countries' climate ambitions. This is Singapore's first such agreement concluded and the first with an African nation.
3. The Agreement sets out the criteria and processes for developing carbon credit projects and trading carbon credits under Article 6 of the Paris Agreement. Companies in Singapore can purchase carbon credits from these projects to partially offset their carbon tax liabilities¹.
4. Singapore is committed to ensure the integrity, quality and transparency of carbon markets. This includes robust and independent accounting, and the avoidance of double counting of mitigation outcomes, including requirement for corresponding adjustments. The collaboration will also prioritise sustainable development and co-benefits to the Ghana local community and economy.
5. Singapore's Minister of Trade and Industry, Mr Gan Kim Yong said, "The conclusion of negotiations on the Implementation Agreement is a momentous step towards trading of carbon credits between Singapore and Ghana. This will support the development of the carbon markets to meet the climate targets of both countries."
6. Ghana's Minister for Environment, Science, Technology and Innovation, Dr. Kwaku Afriyie said, "This south-south cooperation between Ghana and Singapore on carbon markets is the first of its kind and we are hopeful our cooperation will unlock the great potential of carbon finance to businesses among countries. After nearly 12 months, we have now reached the milestone of announcing the completion of bilateral Implementation Agreement. The time is now to roll our sleeves and put it to work".
7. On the side lines of COP-27 in Sharm El-Sheikh, Egypt, Minister for Sustainability and the Environment, Ms Grace Fu met with Minister Afriyie to reaffirm both countries' commitment to advance climate action. Both Ministers

¹ It was announced at Budget 2022 that Singapore's carbon tax will be raised to S\$25 per tonne in 2024 and 2025, and S\$45 per tonne in 2026 and 2027, with a view to reaching S\$50 to S\$80 per tonne by 2030. From 2024, we will allow companies to use high-quality, international carbon credits to offset up to 5% of their taxable emissions, in lieu of paying carbon tax.

underscored the importance of collaboration to tackle climate change and agreed that the Implementation Agreement is a concrete demonstration of climate action.

8. Minister Grace Fu said, “Singapore is committed to do our part to advance global climate action through effective international cooperation. The conclusion of substantive negotiations on the Implementation Agreement is a positive step in this direction, particularly as COP-27 is an implementation COP. We look forward to build on the Implementation Agreement to further collaboration with Ghana on carbon markets.”

Annex: Implementation Agreement factsheet

MINISTRY OF TRADE AND INDUSTRY, SINGAPORE

**MINISTRY OF ENVIRONMENT, SCIENCE, TECHNOLOGY AND
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AnnexImplementation Agreement factsheet

- Singapore and Ghana concluded negotiations on the Implementation Agreement on Carbon Credits Cooperation, a framework agreement to enable the bilateral transfer of carbon credits, aligned with Article 6 of the Paris Agreement, at COP-27.
- Following the conclusion of Article 6 at COP-26 last year, this will be the first such agreement for Singapore, and the second for Ghana². This concludes almost a year of negotiations between Singapore and Ghana.
- The Implementation Agreement sets out the processes and criteria for carbon credit projects to be developed and to subsequently generate carbon credits. These carbon credits can then be transferred from Ghana to Singapore and can be used to meet emission targets set out in countries' Nationally Determined Contributions (NDC).
- A project applicant may register a carbon credit project under this Implementation Agreement, and trade the carbon credits.
- The carbon credits traded under this Implementation Agreement can be used to offset part of companies' carbon tax liability under Singapore's carbon tax. The carbon credit can also be used for other purposes, including voluntary corporate targets.
- Singapore aims to achieve net zero emissions by 2050, and Singapore is committed to advancing global climate action through international collaboration with like-minded partners.

² Ghana had signed an Implementation Agreement with Switzerland in 2021.