

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

*This is Singapore's first Implementation Agreement with a Latin American country*

1. Singapore and Peru signed an Implementation Agreement on carbon credits collaboration under Article 6 of the Paris Agreement today. The Implementation Agreement was signed virtually by Singapore's Minister for Sustainability and the Environment and Minister-in-Charge of Trade Relations, Grace Fu, and Peru's Minister of the Environment, Juan Carlos Castro Vargas. This is Singapore's first Implementation Agreement with a Latin American country and is Singapore's fourth Implementation Agreement on carbon credits collaboration following agreements with Papua New Guinea, Ghana and Bhutan.
2. After the signing, both countries will commence with the ratification process and operationalise the Agreement. The Implementation 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 Peru are close cooperation partners, and had worked on many bilateral and plurilateral initiatives over the years. This Implementation Agreement will further strengthen collaboration between our two countries and support efforts to advance climate action while unlocking new opportunities in the carbon market."
4. Minister Castro said, "Peru is one of the most biodiverse countries in the world, home to vast Amazon and Andean forests that play a crucial role in global climate stability. The Implementation Agreement between Peru and Singapore underscores our shared dedication to fostering high-integrity carbon markets as a tool to achieve our ambitious climate goals, protect our natural resources, and support local communities."
5. This collaboration will advance both countries' climate ambitions by directing financing towards unlocking additional mitigation potential in Peru. 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.

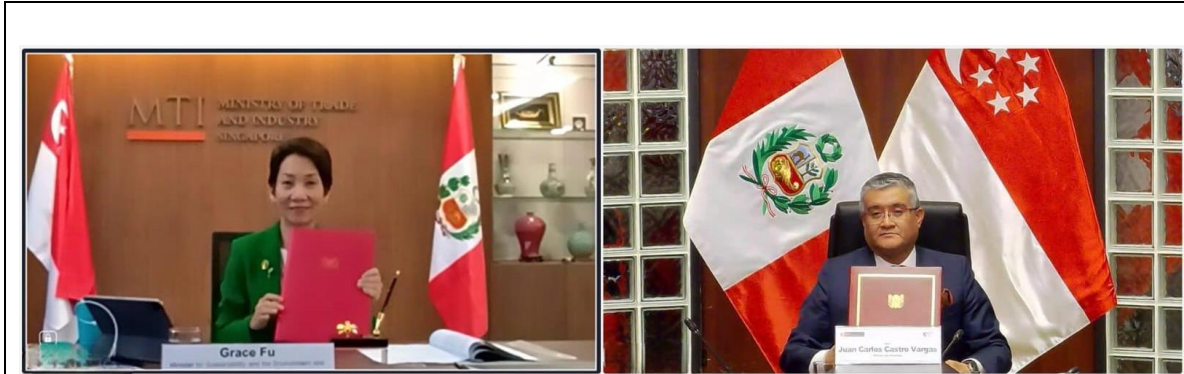
**Annex A: Photo of signing**

**Annex B: Implementation Agreement Factsheet**

**MINISTRY OF TRADE AND INDUSTRY  
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**Photo of signing**



**Caption:** Singapore Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations, Grace Fu, and Peru's Minister of the Environment, Juan Carlos Castro Vargas, 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 Peru 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.
- 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 Peru.
- 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.