MINISTRY OF TRADE AND INDUSTRY SINGAPORE

FOR IMMEDIATE REPORTING

PRESS RELEASE

SINGAPORE AND LAO PEOPLE'S DEMOCRATIC REPUBLIC SIGN IMPLEMENTATION AGREEMENT ON CARBON CREDITS COLLABORATION UNDER ARTICLE 6 OF THE PARIS AGREEMENT

1. Singapore and the Lao People's Democratic Republic (Lao PDR) signed an Implementation Agreement on carbon credits collaboration under Article 6 of the Paris Agreement today. The Implementation Agreement was signed virtually between Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations Grace Fu and Lao PDR's Minister of Agriculture and Environment Dr. Lingham Douangsavanh. This is Singapore's 12th Implementation Agreement on carbon credits collaboration, and 4th with an ASEAN Member State.

2. 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 credit projects and eligible carbon crediting methodologies under the Implementation Agreement will be published in due course.

3. Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations Grace Fu said, "Singapore and Lao PDR share a strong and longstanding partnership. As fellow ASEAN Member States, we are committed to working together on regional and bilateral initiatives. The signing of the Implementation Agreement is an important milestone in our bilateral partnership and unlocks new opportunities in carbon markets for businesses and local communities. By working together, ASEAN can lead the way in building a low-carbon future that delivers tangible benefits across the region."

4. Lao PDR's Minister of Agriculture and Environment Dr. Pinkham Douangsavanh said, "Singapore and Lao PDR share a partnership built on trust and mutual benefit, and this Implementation Agreement takes that partnership to a new level. It gives us a transparent, high-integrity framework to develop carbon credit projects that create jobs, protect our environment, and channel climate finance towards adaptation in Lao PDR. As close ASEAN partners, we are proud to show that our region can lead in building carbon markets that deliver real, tangible benefits for our people and for the global effort against climate change."

5. This collaboration will advance both countries' climate goals by directing financing towards unlocking additional emissions reduction opportunities in Lao

PDR. The carbon credit projects authorised under this Implementation Agreement will foster sustainable development and deliver tangible benefits to local communities, including job creation, and reduction of environmental pollution.

Annex A: Photo of Signing
Annex B: Implementation Agreement Factsheet

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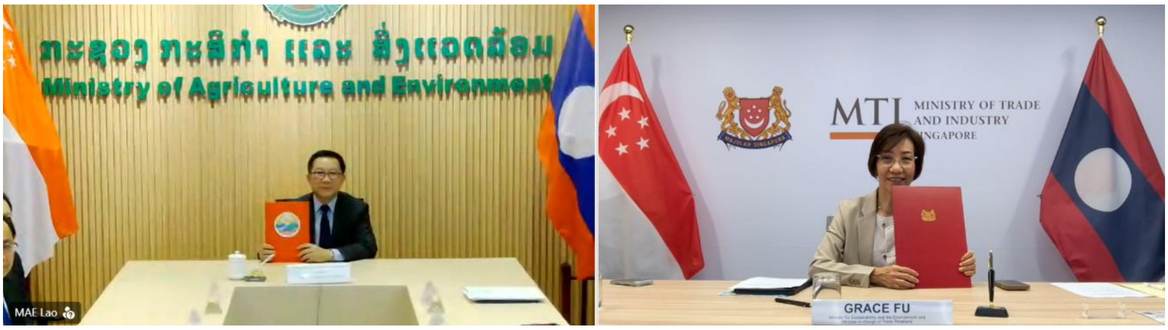
Annex A

PRESS RELEASE

Photo of Signing



Caption: Singapore's Minister for Sustainability and the Environment and Minister-in-charge of Trade Relations Grace Fu and the Lao PDR's Minister of Agriculture and Environment Dr. Linkham Douangsavanh sign an Implementation Agreement to collaborate on carbon credits under Article 6 of the Paris Agreement.

Annex B

Implementation Agreement Factsheet

- The Implementation Agreement between Singapore and Lao PDR sets out a legally binding bilateral framework for the international transfer of correspondingly adjusted[1] 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 channel 5% share of proceeds from authorised carbon credits under this Implementation Agreement towards climate adaptation measures in Lao PDR.

- 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.

- Singapore has signed an Implementation Agreement with Bhutan, Chile, Ghana, Mongolia, Paraguay, Papua New Guinea, Peru, Rwanda, Thailand, The Philippines and Vietnam.

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[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 (tCO^2e) of carbon credits from Country Y (host country), Country Y (host country) has to add five tCO^2e to its greenhouse gas inventory while Country X (buyer) will reduce five tCO^2e from its greenhouse gas inventory.