MEDIA RELEASE

SINGAPORE PUBLISHES ELIGIBILITY LIST FOR INTERNATIONAL CARBON CREDITS UNDER THE CARBON TAX REGIME

This Eligibility List outlines the international carbon credits that companies may use to offset up to five per cent of their carbon tax liability.

Singapore, 19 December 2023 – The Ministry of Sustainability and the Environment (MSE) and the National Environment Agency (NEA) have published the Eligibility List under the International Carbon Credit (ICC) Framework, which will be effective from 1 January 2024.

2. The ICC Framework will allow carbon tax-liable companies to use eligible ICCs to offset up to five per cent of their taxable emissions. It was introduced in November 2022, alongside the progressive increase in carbon tax rate under the Carbon Pricing (Amendment) Act 2022 from the current S$5 per tonne of emissions to S$25 per tonne in 2024 and 2025, and S$45 per tonne in 2026 and beyond.

3. In October 2023, MSE and NEA set out the Eligibility Criteria under the ICC Framework. The Eligibility Criteria (see Annex A) requires ICCs to meet seven internationally recognised principles to demonstrate high environmental integrity and represent emissions reductions or removals that occur within the timeframe specified under Article 6 of the Paris Agreement.

Eligibility List under the ICC Framework

4. Following the publication of the Eligibility Criteria, the Government has developed a list of eligible host countries, carbon crediting programmes and methodologies that adhere to the Eligibility Criteria. NEA, as the administrator of Singapore's carbon tax regime, will review and update the Eligibility List from time to time. In particular, the Eligibility List will be reviewed annually to maintain relevance and uphold high environmental integrity standards, based on the latest science and evidence. This will include the addition or delisting of carbon crediting programmes and methodologies.

5. The Eligibility List is in Table 1 below. Please see Annex B for an illustration of some carbon credit project types based on eligible methodologies.

Table 1: Eligibility List of ICCs

Host country	Carbon Crediting Programme	Methodologies
Papua New Guinea	Gold Standard for the Global Goals (GS4GG)	All active methodologies published before 31 March 2023 except: • Those under the "Land Use and Forestry & Agriculture" category of GS4GG; • Methodology For Animal Waste Management and Biogas Application V1.1; • Methodology For Collection of Macroalgae to Avoid Emissions from Decomposition V1.0; • Carbon Sequestration Through Accelerated Carbonation of Concrete Aggregate V1.0; • Two And Three Wheeled Personal Transportation V1.0.
	Verified Carbon Standard (VCS)	All active methodologies published before 31 March 2023 except (i) VM0044 Methodology for Biochar Utilization in Soil and Non-Soil Applications, v1.1; (ii) methodologies under the "Sectoral Scope 14" category of VCS, with these allowable exceptions: • Scenario 2a and 3 of VCS Jurisdictional and Nested REDD+ (JNR) framework; • VM0012 Improved Forest Management in Temperate and Boreal Forest, v1.2; • VM0022 Quantifying N_2O Emissions Reductions in Agricultural Crops through Nitrogen Fertilizer Rate Reduction, v1.1; • VM0026 Methodology for Sustainable Grassland Management, v1.1; • VMD0040 Leakage from Displacement of Grazing Activities, v.1.0; • VM0032 Methodology for the Adoption of Sustainable Grasslands through Adjustment of Fire and Grazing, v1.0; • VM0033 Methodology for Tidal Wetland and Seagrass Restoration, v2.1; • VM0036 Methodology for Rewetting Drained Temperate Peatlands, v1.0; • VM0041 Methodology for the Reduction of Enteric Methane Emissions from Ruminants through the Use of Feed Ingredients, v.2.0; • VM0042 Methodology for Improved Agricultural Land Management, v2.0.

		Where any VCS methodology is used, the project participant will be required to demonstrate the Sustainable Development contributions or co-benefits of the relevant mitigation activity by submitting to the Joint Committee of the respective Implementation Agreement its verification report under the Climate, Community and Biodiversity Standards (CCB Standards), the Sustainable Development Verified Impact Standard (SD VISta) or another standard recognised by VCS for such purpose.
	American Carbon Registry (ACR)	All active methodologies published before 31 March 2023, except methodologies under "Sectoral Scope 3 (Land Use, Land Use Change and Forestry)" category of ACR.
	Global Carbon Council (GCC)	All active methodologies published before 31 March 2023, except the following project types or methodologies: • Nuclear energy; • HFC-23 abatement; • Reducing Emissions from Deforestation and Degradation (REDD); • Afforestation & Reforestation (A&R); • Carbon Capture & Storage (CCS); • Activities in the GCC's "Regional Positive List"; • GCCM004 Methodology for Water Grid Connected Renewable Energy Based Desalination Plant, v1.0; • GCCM005 Methodology for Desalinated Water Savings in Buildings, v1.0.

6. The publication of the Eligibility List follows the signing of an Implementation Agreement with Papua New Guinea on carbon credits cooperation under Article 6 of the Paris Agreement. The carbon crediting programmes and methodologies that are eligible may be different for each host country, as host countries also have their own criteria. The Eligibility List for each host country would be agreed under the respective Implementation Agreement, which sets out the framework and processes for the generation and international transfer of carbon credits aligned with Article 6.

7. The Eligibility List has been published on Singapore's Carbon Markets Cooperation website, at www.carbonmarkets-cooperation.gov.sg.

Publication of ICC Guidance Document

8. NEA has also published a Guidance Document for companies on the administrative processes under the ICC Framework. It covers the Eligibility Criteria of ICCs, steps on sourcing and procuring eligible ICCs, and steps on surrendering the ICCs to NEA. The Guidance Document can be found on the NEA website, at https://www.nea.gov.sg/our-services/climate-change-energy-efficiency/climate-change/carbon-tax.

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About the Ministry of Sustainability and the Environment

The Ministry of Sustainability and the Environment (MSE) is committed to providing Singaporeans with a clean and sustainable environment, and resilient supplies of safe food and water.

MSE works alongside its three statutory boards – the National Environment Agency (NEA), PUB, Singapore's National Water Agency, and the Singapore Food Agency

(SFA) – to achieve this mission through innovation, technology, and vibrant partnerships with the private, public, and people (3P) sectors.
For more information, please visit
http://www.mse.gov.sg/

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About the National Environment Agency

The National Environment Agency (NEA) is the leading public organisation responsible for ensuring a clean and sustainable environment for Singapore. Its key roles are to improve and sustain a clean environment, promote sustainability and resource efficiency, maintain high public health standards, provide timely and reliable meteorological information, and encourage a vibrant hawker culture. NEA works closely with its partners and the community to develop and spearhead environmental and public health initiatives and programmes. It is committed to motivating every individual to care for the environment as a way of life, in order to build a liveable and sustainable Singapore for present and future generations.

For more information, visit www.nea.gov.sg

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Annex A

Eligibility Criteria of ICCs

Principle	Definition
To comply with Article 6 of the Paris Agreement, the certified emissions reductions or removals must have occurred between 1 January 2021 and 31 December 2030.	
Not double-counted	The certified emissions reductions or removals must not be counted more than once in contravention of the Paris Agreement.
Additional	The certified emissions reductions or removals must exceed any emissions reduction or removals required by any law or regulatory requirement of the host country, and that would otherwise have occurred in a conservative, business-as-usual scenario.
Real	The certified emissions reductions or removals must have been quantified based on a realistic, defensible, and conservative estimate of the amount of emissions that would have occurred in a business-as-usual scenario, assuming the project or programme that generated the certified emission reductions or removals had not been carried out.
Quantified and verified	The certified emissions reductions or removals must have been calculated in a manner that is conservative and transparent, and must have been measured and verified by an accredited and independent third-party verification entity before the ICC was issued.
Permanent	The certified emissions reductions or removals must not be reversible, or if there is a risk that the certified emissions reductions or removals may be reversible, there must be measures in place to monitor, mitigate and compensate any material reversal of the certified emissions reductions or removals.
No net harm	The project or programme that generated the certified emissions reductions or removals must not violate any applicable laws, regulatory requirements, or international obligations of the host country.
No leakage	The project or programme that generated the certified emissions reductions or removals must not result in a material increase in emissions elsewhere, or if there is a risk of a material increase in emissions elsewhere, there must be measures in place to monitor, mitigate and compensate any such material increase in emissions.

Annex B

Illustration of Carbon Credit Project Types Based on Eligible Methodologies

Project Category	Project Type	Description
Technology-based solutions	Methane capture and destruction from landfill	Methane is a potent greenhouse gas that is produced and emitted from municipal solid waste landfills. The project captures and destroys methane by flaring, turning the methane gas into less potent carbon dioxide and water. Precise monitoring systems are used to measure and verify the emissions reductions from the capture and destruction of methane gas. Carbon credits are issued based on the emissions reduced. Landfill gas projects also have co-benefits for the surrounding communities, as they improve air quality and promote sustainable development through job creation.
	Provision of biogas digesters that convert organic waste into clean energy for heating and cooking	Rural households are provided with biogas digesters which ferment organic waste such as manure, offering an alternative source of clean energy in the form of biomethane. This reduces the households' reliance on firewood, and the resulting carbon emissions from deforestation. Carbon credits are issued based on the emissions reduced. Co-benefits are also delivered to local communities, such as cleaner air quality from burning biomethane, a smokeless fuel, instead of firewood.

Nature-based solutions	Jurisdictional and Nested Reducing Emissions from Deforestation and Forest Degradation (REDD/REDD+)	Unprotected forests in the host country are subject to unplanned and unsustainable rates of deforestation due to illegal logging. The project will deploy forest patrols to protect the forest from illegal logging activities, and also provide employment training to local communities so that they are able to access alternative job opportunities. This reduces the rate of deforestation and the ensuing carbon emissions. Carbon credits are issued based on the emissions reduced, quantified based on a jurisdictional-level emissions baseline. The project is also nested under a national programme. There are sustainable development and economic benefits to the local community, and biodiversity conservation.
	Mangrove Restoration	The project will restore degraded lands that used to contain a mangrove forest, by employing local communities to plant and cultivate mangrove trees. As the restored mangrove forest grows, it removes carbon dioxide from the atmosphere, and carbon credits are issued based on the carbon emissions removed. The restoration of mangrove forest also brings about co-benefits for local communities and livelihoods, such as coastal protection with stabilised shorelines that reduce flood risk and improved food security by sustaining fishery resources.