

Singapore's climate ambition

Among the first 20 countries to enhance 2030 Nationally Determined Contribution (NDC) and submit a Long-Term Low-Emissions Development Strategy (LEDS) in March 2020



Singapore Green Plan and carbon pricing

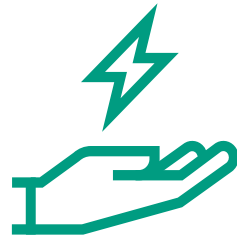


A national sustainability movement to rally bold and collective action

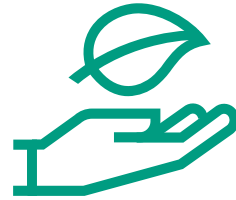
*More information at
www.greenplan.gov.sg*



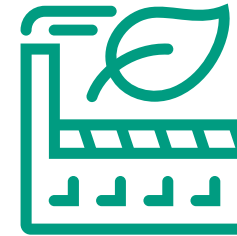
City in Nature



Energy Reset



Sustainable Living



Green Economy



Resilient Future

Carbon pricing a key enabler of the Green Plan and provides the **appropriate price signal** to incentivise the low-carbon transition

- Introduced a carbon tax of **S\$5/t (~US\$4)** on large direct emitters since 2019, covering **around 80%** of national GHG emissions
- Carbon tax review ongoing; post-2023 tax level and longer-term trajectory to be announced at Budget 2022

Article 6 implementation can enhance global climate ambition

Lowers the cost of emissions reduction

- Carbon markets creates framework to access cost-effective mitigation opportunities
- Effective carbon markets could **save US\$250b** in annual costs for climate action by 2030 (IETA/CPLC)
- Reinvesting savings → **5 bil tonnes annual additional abatement** by 2030
- Unlock financing for green projects, spur innovation and bring down technology costs to enable green growth opportunities

Offers a concrete way to reach net zero

- Offset residual emissions in hard-to-abate sectors or countries with limited domestic mitigation opportunities

Policy and institutional arrangements

Exploring Article 6 pilots

- Learning-by-doing to build capabilities and infrastructure for international cooperation
- Formalise cooperative approaches and put in place processes
 - Authorisation – corresponding adjustments and scope of activities
 - Mutual advancement of NDC – benefit sharing and SDG/non-carbon benefits
 - Environmental integrity – Article 6 compliant
 - Supporting infrastructure – World Bank Climate Warehouse

Carbon pricing framework

- Fixed-price credit based approach – designed with flexibility to use international carbon credits when available
- Studying option for tax-liable entities to meet part of their liabilities using eligible carbon credits

Capacity building to facilitate implementation

1. Policy support to flesh out LEDS/decarbonisation pathways

- Host Parties require confidence and assurance to meet their NDCs to be willing to participate in Article 6 activities

2. Clarity on environmental integrity criteria

- Ensure high quality activities – A6.4 rules, international guidelines e.g. IC-VCM

3. Clarity on policy additionality

- Identifying activities above and beyond Host Party's NDCs
- Leave low-hanging fruits for Host Party; activate activities that would otherwise not be possible in absence of cooperation

4. Support on developing Host Party authorisation framework

- Clear process to authorise international transfers + secure corresponding adjustments, for all ITMOs definitions
- Registry infrastructure to enable transfers

5. Clarity on reporting and accounting

- Navigating Initial Reports, Annual Information, Regular Information