

Korea's Green New Deal Strategy

November 4, 2021

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Ministry of Economy
and Finance

1

Korea's Current Economic Structure

2

MOEF's Plan

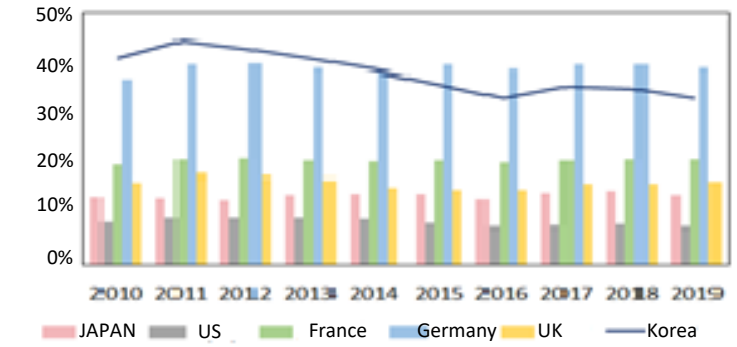
- Green New Deal
- 2022 Budget Plan to achieve 2050 Net-Zero
- Toward a Just Transition

3

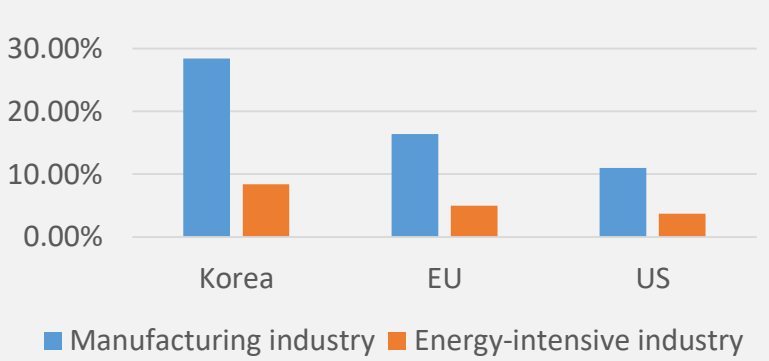
Closing

Period of great transformation to set a new global economic order toward carbon neutrality

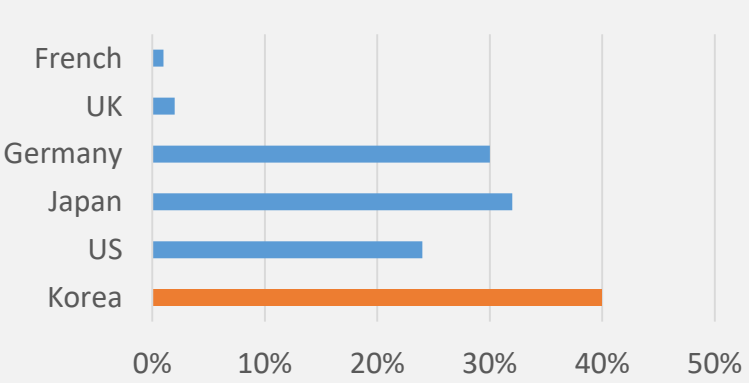
High dependence on trade



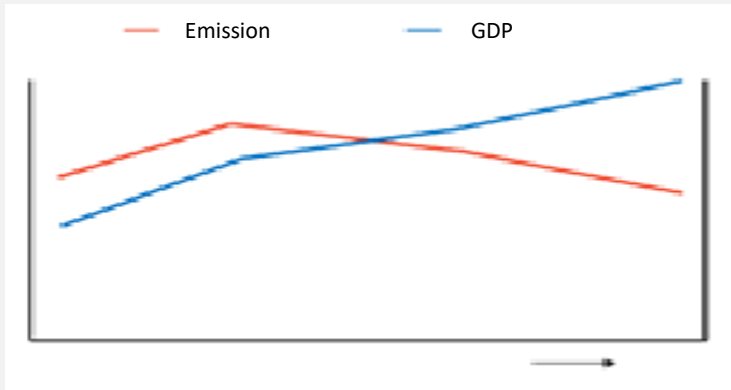
Large manufacturing + energy-intensive industries



Relatively higher use of coal-fired power (2019)

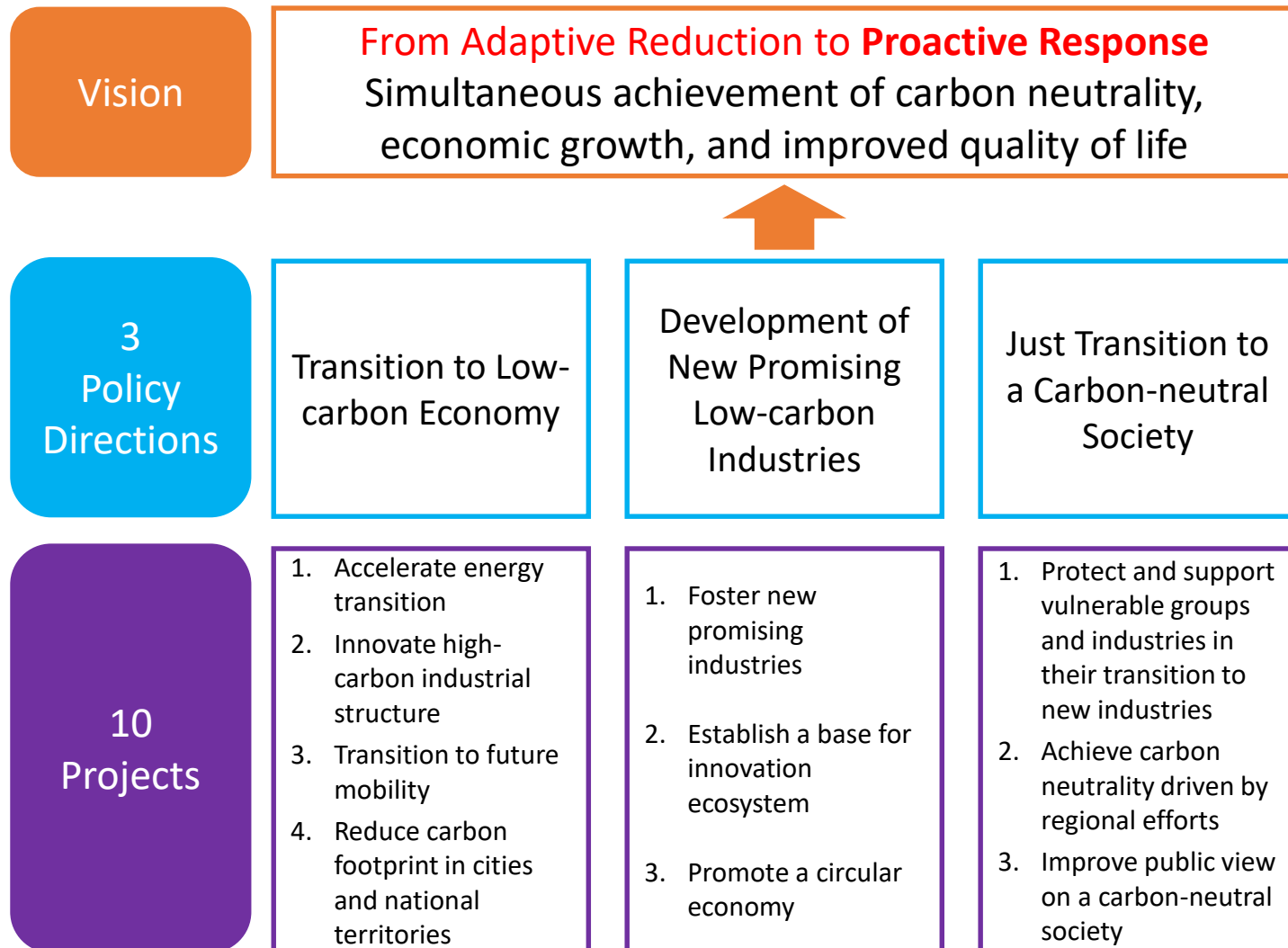


Decoupling of GHG and economic growth



Need to respond with forward-looking and proactive innovation

Strategy for 2050 net-zero and pan-government cooperation



Strategy 1: **Green Transition of Infrastructure**

Turn public facilities into zero-energy buildings

- Add renewable energy equipment to 225,000 public rental housings
- Enhance energy efficiency of 2,890 school buildings



Restore the terrestrial, marine and urban ecosystems

- Provide customized environmental solutions to 25 regions
- Create 630 ha of forest as a barrier against fine dust
- Restore the ecosystems in 16 national parks, and 4.5 km² of tidelands



Enhance the management system for clean and safe water

- Make 48 inter-regional and 161 local water supply systems smart
- Remodel 12 water purification plants for inter-regional supply



Strategy 2: Reinforcement of Carbon-Neutral Infrastructure

Establish the foundation for reducing GHG emissions

- Maintenance evaluation systems and ETS to achieve 2030 NDC goal
- Development of a carbon impact calculation method that meets international standards

Activating the Net Economy and expanding carbon absorption sources

- Establishment of a Digital-Based resource circulation system
- Supporting private-sector by discovering new business models for fuel conversion of waste
- Utilizing Big-Data system for carbon absorption source management

Raising Awareness of carbon neutrality

- Providing Carbon neutral guidance for public
- Establishment of a Carbon neutral Portal(website)
- Building adaptation infrastructure for the vulnerable

Strategy 3: Expansion of low-carbon and distributed energy

Set a foundation to promote renewable energy

- Expand solar and wind-power facilities to 3 times 2020 level by 2025
- Focus on developing the technologies for the hydrogen industry
- Make 6 pilot hydrogen cities by 2025

Build smart grids and efficient energy management system

- Supply power meter to 5 million households in apartments
- Build eco-friendly generation systems in 42 island areas
- Replace overhead cables with underground cables in school zones

Expand the supply of green mobility

- Provide 1.13 million EVs, 0.2 million hydrogen vehicles by 2025 and more charging facilities
- Invest in the development of autonomous driving technology
- Develop technology for eco-friendly fuel mix for ships

Strategy 4: **Innovation in the Green Industry**

Support businesses in the green industry

- Support 123 SMEs develop green business items
- Create smart energy platforms in 10 industrial complexes
- Set up 100 smart ecological plants and 1,750 clean factories



Lay the foundation for green innovation via R&D and the financial sector

- Support development and commercialization of GHG-reducing technology
- Introduce a loan of 1.9 trillion won for the green sector



Bold government spending of 12 trillion won for 2050 net-zero

Transition to low-carbon economy (8.3 trillion won)

- Energy and mobility
- Industrial structure and national land

Low-carbon Ecosystem (0.8 trillion won)

- New, promising industries
- Circular economy

Just Transition (0.5 trillion won)

- Vulnerable groups/industries
- Adaptation against climate change

Institutional Base (2.3 trillion won)

- Green finance, R&D
- International cooperation

Climate Response Fund (2.5 trillion won)

(Objective) Active action against climate crisis + efficient implementation of projects toward a net-zero society

(Fund) Revenue from carbon emission sales and spending on projects that reduce emissions to set a positive mechanism for reduction

Tax Revenue

- Auction revenue (0.7tn won)
- Transportation, energy, eco tax (1.2tn won)
- Transfers from other accts, funds (0.8tn won)

Spending

- GHG Reduction (0.9tn won)
- New promising low-carbon industry (0.8tn won)
- Just transition of vulnerable groups (0.2tn won)
- Foundation for net-zero (0.6tn won)

Korean New Deal 2.0: Digital + Green + Human



Fiscal Investment

Create new markets & demand



Institutional Improvement

Accelerate innovation and investment in the private sector

Korean New Deal 2.0: **Human New Deal**

WHAT TO CHANGE

Solid labor safety net & investment in human resources to create a **“people centered and inclusive country”** where livelihood, jobs & second chances are guaranteed



MAJOR TASKS

01 Investment in human resources

- Provide AI & SW training for 100k individuals, training in green tech for 20k individuals
- Restructure the job-training system (training in innovative new tech for 180k individuals)

03 Youth Policy

- Provide Asset Building support program for Youth generation
- Reinforce Housing Financial Aid for the youth (e.g. interest-waived monthly rent loan)
- Relief Educational expenses (e.g. state scholarship limit increase)

02 Employment & social safety net

- Establish universal employment insurance system
- Abolish the family support obligation clause from the livelihood benefit eligibility standards
- Introduce the sickness benefit (pilot project by 2022)

04 Gap Mitigation

- Introduce ‘Master Plan for Education Recovery’ to mitigate educational gap
- Develop support system to mitigate the care gap (establishment of Public Social Service Agencies)
- Strengthen support for cultural activities for low-income bracket

Thank You !!!

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