Korea’s **Green New Deal Strategy**

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Director for Green Climate Policy Division

Choi, Ji-Young

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
Korea’s Current Economic Structure

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

High dependence on trade

- 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

**Vision**

**From Adaptive Reduction to Proactive Response**

Simultaneous achievement of carbon neutrality, economic growth, and improved quality of life

**3 Policy Directions**

- **Transition to Low-carbon Economy**
  1. Accelerate energy transition
  2. Innovate high-carbon industrial structure
  3. Transition to future mobility
  4. Reduce carbon footprint in cities and national territories

- **Development of New Promising Low-carbon Industries**
  1. Foster new promising industries
  2. Establish a base for innovation ecosystem
  3. Promote a circular economy

- **Just Transition to a Carbon-neutral Society**
  1. Protect and support vulnerable groups and industries in their transition to new industries
  2. Achieve carbon neutrality driven by regional efforts
  3. Improve public view on a carbon-neutral society

**10 Projects**

Korean Government’s Plan
Strategy 1: **Green Transition of Infrastructure**

**MOEF’s plan: Green New Deal**

- **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
MOEF’s plan: 2022 Budget Plan to Achieve Net-Zero

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

DIGITAL NEW DEAL
D.N.A, Non-Contact, Metaverse, Digital SOC
Increase investment in human resources to create new jobs

Industrial & technological integration & innovation

THE KOREAN NEW DEAL

GREEN NEW DEAL
Net-Zero, Green SOC, Low-carbon Energy, Green Industry
Increase investment in human resources to create new jobs

HUMAN NEW DEAL
Human Resource, Safety Net, Youth Policy, Gap Mitigation

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)

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)

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)

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 !!!

Contact: channylee@korea.kr