





#### Introduction of Green New Deal

#### **Korean New Deal as economic recovery**

#### President's announcement (Jul. 2020)

- → Total ₩ 114 trillion (\$ 94.5 billion)
- → Digital New Deal(₩ 44.8tn), Green New Deal(₩ 42.7tn), Strong Safety Net(₩ 26.6tn)



#### From a Fast Follower to a First-mover Economy Vision From a Carbon-dependent to a Low-carbon Economy From a Socially-divided to an Inclusive Society Green New Deal **Digital New Deal** Industrial & Accelerate Transition Promote technological towards Low-carbon and Digital Innovation and integration Eco-friendly Economy Dynamics in the Economy & innovation Increase investment in human Increase investment in human **Policy** resources to create new jobs resources to create new jobs [2+1] **Stronger Safety Net** Strengthen Basis for a People-centered and Inclusive Country Institutional Improvement Fiscal Investment Accelerate Innovation and Create New Markets & Demand Investment in the Private Sector Government of the Republic of Korea

Overview of the Korean New Deal



#### **Korean Green New Deal**

#### Focus Areas and projects of Korean Green New Deal

Green Transition of Infrastructures

- Pro. 1 Turning public facilities into zero-energy buildings
- Pro. 2 Restoring the terrestrial, marine and urban ecosystems
- Pro. 3 Building a management system for clean and safe water

2 Low-carbon and Decentralized Energy Supply

- Pro. 4 Building a smart grid for more efficient energy management
- Pro. 5 Promoting Renewable Energy Use and Supporting a Fair transition
- Pro. 6 Expanding the Supply of Electric and Hydrogen Vehicles

Innovation in the Green Industry

- Pro. 7 Fostering promising green companies and low-carbon, green industrial complexes
- Pro. 8 Creating foundation for green innovation including R&D, green finance, etc.

# Green New Deal as a growth strategy that ensures sustainability including environmental and ecological protection

- → 659 thousand jobs creation & 12.3 MtCO<sub>2</sub>eq. reduction
- → Investment of ₩ 42.7tn(\$ 37bn) by 2025: Green Transition of Infrastructures(₩ 12.1tn), Low-carbon and Decentralized Energy Supply(₩ 24.3tn), Innovation in the Green Industry(₩ 6.3tn)
- → Followed by various institutional progress, such as introduction of PPAs, the enactment of the Hydrogen Act, establishment of the 2050 Carbon Neutrality Committee

Source: Government of Republic of Korea



### **Development of Korean Green New Deal**

#### **Green New Deal 2.0** (Jul. 2021)

→ To address domestic and international policy environment changes and to correct the failings that had become apparent in the implementation process with budget increase by ₩18.3 trillion (~40%).

#### **Legislation of the Carbon Neutrality Act** (Sep. 2021)

Adoption of mid- to long-term greenhouse gas reduction targets; the establishment of the 2050
Carbon Neutrality and Green Growth Committee; and the adoption of implementation and monitoring frameworks

#### Enhancement of 2030 NDC targets (Oct. 2021)

→ Reducing GHG emissions by 40% in 2030 compared to 2018 levels (727.6 MtCO2eq): a significant improvement compared to the previous target (-26% over the same period)



## Presidential Election (Mar. 2022) and New Government (May.2022)

Building a powerful nuclear power country as one of his ten pledges



Source: Yonhap News (2022)

# Realistic carbon neutrality in the Presidential Election Campaign

- Keep the former government's climate target, but reconsideration of the reduction measures
- Referring to significant changes in energy policy
- Green New Deal framework



#### Qualitative assessment of the Korean Green New Deal

- → Very positive institutional development, but insufficient to achieve the long-term carbon neutrality goal by 2050 because of no concrete targets beyond 2025
- → KGND is yet to be sufficiently reinvigorated by the new government that took office in May 2022

|                     | Announcement | Development |           |  |
|---------------------|--------------|-------------|-----------|--|
|                     |              | Legislation | KGND 2.0  | Presidential election and new government |
| Policy priority     | Good         | Excellent   | Excellent | Poor                                     |
| Financial endowment | Fair         | Fair        | Good      | Fair                                     |
| Legal<br>competence | Fair         | Good        | Good      | Fair                                     |



# Policy Suggestions for refining the governmental Green Strategies

- → Establish the mid- and long-term transformational nature of the Green Deal framework while strengthening its linkage to the achievement of climate neutrality objectives.
- → Reinforce the Green New Deal umbrella directly under the mandate of the President, and ensure it is established as the most comprehensive policy framework, taking priority over all other governmental policies.
- → Identify and implement concrete lighthouse transformational roadmaps and projects.
- → Secure sufficient public financial resources to support the green transformation.
- → Green New Deal policies should be discussed with a wide range of stakeholders at national and regional levels to strengthen their acceptance.
- → Korea could strengthen its leading influential position in Asia through the promotion of a new Green Korea Wave.

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