

지구촌 행복시대, KOICA가 함께합니다.

Korea's Experience for Promoting Low Carbon Development in Developing Countries

March 14, 2018

Dohyun Park

Climate Change Specialist, KOICA

KOICA
Korea International
Cooperation Agency



Introduction

- **Definition:** low carbon development, sustainable development, green growth... → taking climate change and environment into account while pursuing development
- **Relevant SDG goals:** goal 7 (affordable and clean energy), goal 13 (climate action), goal 17 (partnerships for the goals)

SDG 7 Energy

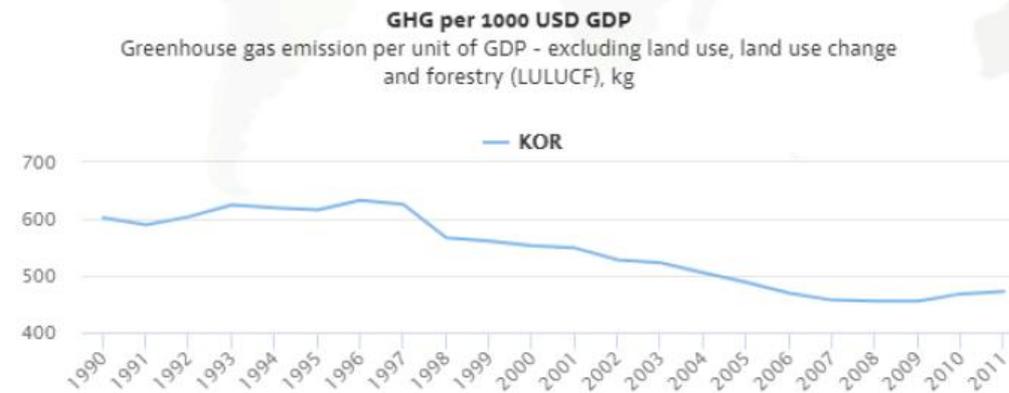
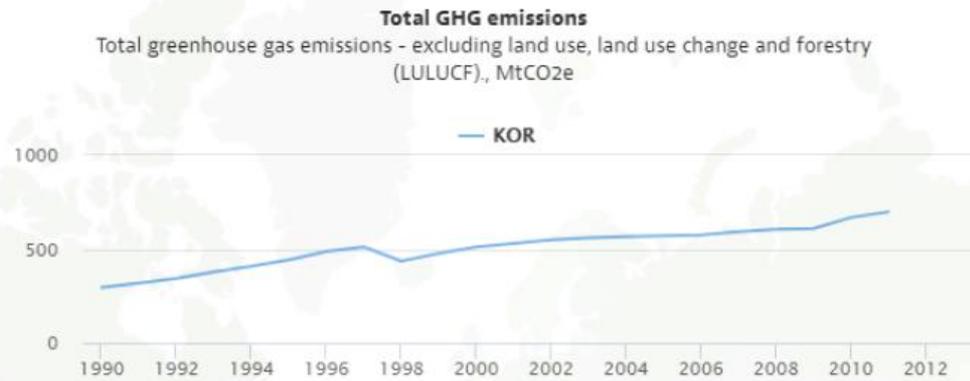
- SDG 7 to “ensure access to affordable, reliable, sustainable, and modern energy for all by 2030
- SDG 7 is composed of 5 outcome targets:
 - ✓ (1) **Energy accessibility**, (2) **renewable energy**, (3) energy conservation and efficiency, (4) international cooperation, (5) infrastructure and technology for modern and sustainable energy services

SDG 13 Climate Action

- SDG 13 aims at “taking urgent actions to combat climate change and to minimize the adverse impacts by both GHG mitigation and adaptation measures”
- SDG 13 is subdivided into 5 targets as below:
 - ✓ Enhancing national capacity for implementing climate change mitigation to minimize the effects of climate change (13.1 and 13.2)
 - ✓ Educating and empowering (13.3 and 13.b)
 - ✓ Providing climate finance (13.a)

SDG 7 Brief of ROK

- *ROK's energy use per capita is ranked at 8th in the world (World Bank)*
- **Accessibility:** nearly 100% Energy accessibility since 1981
- **Renewable energy:** ROK introduced Feed-in-tariff (FiT) in 2001 and Renewable Portfolio Standards (RPS) in 2012 to promote renewable energy
- Current renewable energy share, from total electricity generation, is 6.6% (2015)
- The new gov. targets 20% share of renewable energy by 2030



Source: OECD

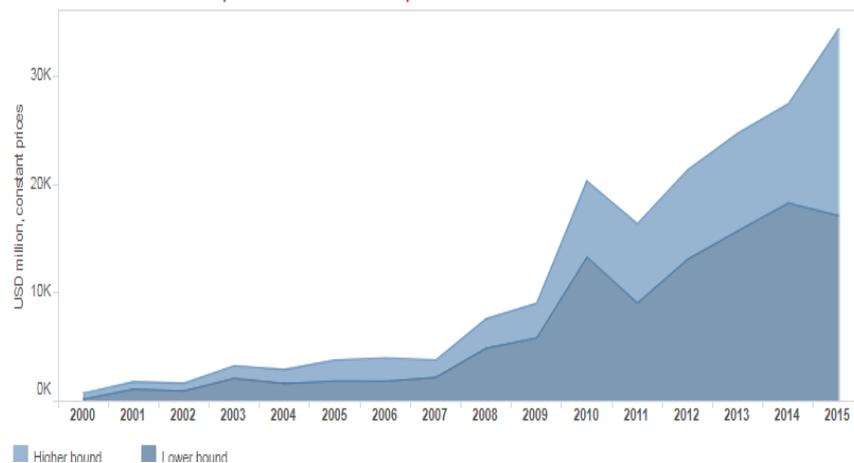
SDG 13 Brief of ROK

- *Progress has not yet been quantitatively analyzed but...*
- ROK total GHG emissions increased by 133% between 1990-2012 (OECD)
- In accordance with the Framework Act on Low Carbon Green Growth (since 2010), ROK's Nationally Determined Contribution (NDC, 2009) aims 30% mitigation by 2020, **37% mitigation by 2030** compared to BAU scenario
 - ✓ 37% mitigation by 2030 represents 22% reduction below 2012 levels
- National Emission Trading Scheme (ETS) was being operated since 2015

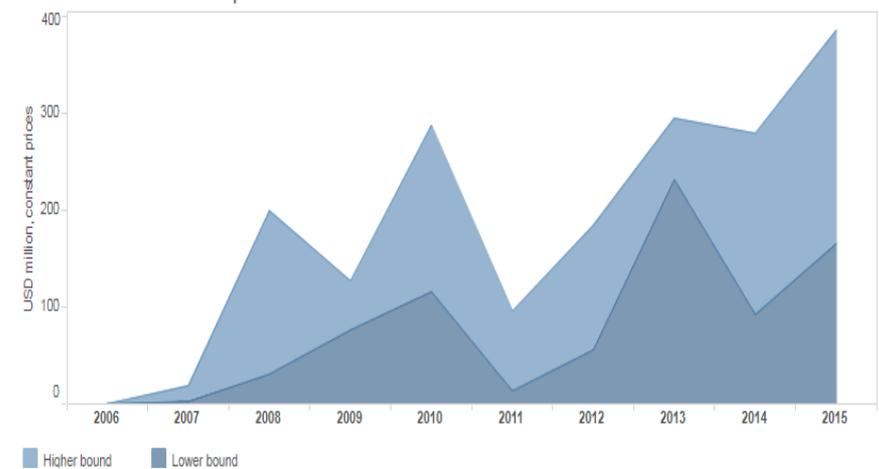
SDG 13.a Climate Finance of ROK

- Global climate-related development finance is steadily increasing (34K million USD in 2015)
 - ✓ Global total climate investment recorded highest \$437 billion in 2015 (CPI), 34% from public and 66% from the private
- Korea's climate-related development finance is also increasing (375 million USD in 2015)

Trends in climate-related development finance: All bilateral providers



Trends in climate-related development finance: Korea



SDG 17 for Low Carbon Development –ROK

- Adopted “**Green Growth**: balanced economic growth and environmental sustainability” as a national development strategy in 2009
- Initiated establishment of the **Global Green Growth Institute (GGGI)**, which aims to promote green growth especially in developing countries in 2010

SDG 17 for Low Carbon Development – ROK

- **Climate-related ODA:** Annual ROK's climate-related ODA accounts for approximately 15% of total grant ODA volume according to the Rio Marker (*OECD*)
 - ✓ **East Asia Climate Partnership (EACP)**, the 200 million USD grant ODA program dedicated to combat to climate change between 2008-2012
 - ✓ EACP five priority areas: **(1) low-carbon energy, (2) water resources management, (3) waste management, (4) low-carbon cities, and (5) forestation and biomass**

SDG 17 for Low Carbon Development – ROK

- **Climate finance:** 100 million USD contribution to international climate finance, the Green Climate Fund
- **Climate ODA:** mainstreaming climate change and environmental impacts consideration into ODA projects
- Development agencies, KOICA, EDCE, established “**Environmental and Social Safeguards**” in 2017

KOICA Sectoral Strategy – Energy

- In 2017, KOICA announced its **Mid-term Sectoral Strategy**, including energy and climate change strategies, for 2016-2020.
- The strategic objectives of **Energy Strategy** are:
 - ✓ Improve universal access to modern energy
 - ✓ Respond to climate change by increasing the renewable energy
 - ✓ Improve energy efficiency and power quality through technological cooperation

KOICA Sectoral Strategy – Climate Change

- The strategic objectives of **Climate Change Strategy** are:
 - ✓ Expanding mitigation and adaptation projects and mainstreaming climate consideration into general projects
 - ✓ Providing capacity building and supporting national GHG inventory for developing countries
 - ✓ Enhancing developing countries' access to climate funds through international financial mechanisms such as the GCF

2018 Climate Change-related Projects of KOICA

Country	Start Year	End Year	Budget	Project
Vietnam	2018	2020	3.5mil	Project on establishing the foundation of Integrated Coastal Zone Management in some coastal provinces of Vietnam
Kenya	2018	2021	6mil	The Project for the Improvement of Water Supply Systems in Chepyuk-Kibabii Ward in Bungoma County, Kenya
Fiji	2018	2020	6mil	The project for Carbon Zero Islands of Melanesian four Countries through renewable energy pilot project and consulting program
Côte d'Ivoire	2018	2020	6mil	Social connections to the water supply network for the citizens of Abidjan, Cote d'Ivoire with KOICA Grant (2nd phase)
Bolivia	2018	2021	7mil	Establishment of the Drinking Water System in Trinidad, Beni
Azerbaijan	2018	2021	4.4mil	Integrated Rural Development for IDP Communities in Azerbaijan through Revitalization of Kahriz Water supply system

Development Partnership

- Joint Credit Mechanism (JCM) for mitigation and emission trading with seven developing countries (undergoing)
- Core funding and partnership projects with multilateral development agencies including the UN agencies, and MDBs
- Korea Development Bank (KDB) became the first GCF accredited entity(AE) in ROK in 2015
 - ✓ KDB issued **300 million USD green bonds** to invest in projects for environmental protection and response to climate change
- Mobilizing private investment (public private partnership)

Future KOICA Activities

- KOICA is expected to become the second GCF accredited entity
 - ✓ While providing capacity building in cooperation with other delivery partners
- Now developing project pipelines focusing on Asia and the Pacific region for climate mitigation and adaptation
- Developing a small-scale grant award program to promote climate technology and climate finance readiness in developing countries

Cases: Working with GCF

- Funded activity: FP001 “Building the Resilience of Wetlands in the Province of Datem del Maranon in Peru” of Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)
 - ✓ KOICA provides technical assistance for renewable energy and energy storage system
- Funded activity: FP072 “Scaling up energy efficiency for industrial enterprises in Vietnam” of the World Bank
 - ✓ KOICA provides technical assistance to energy saving companies (ESCO) and capacity building to develop pipelines for financing

Thank you for your kind attention