Asia Clean Energy Forum 2022 Track: Financing NDC Action Session 4.1: Paris-aligned Public Finance

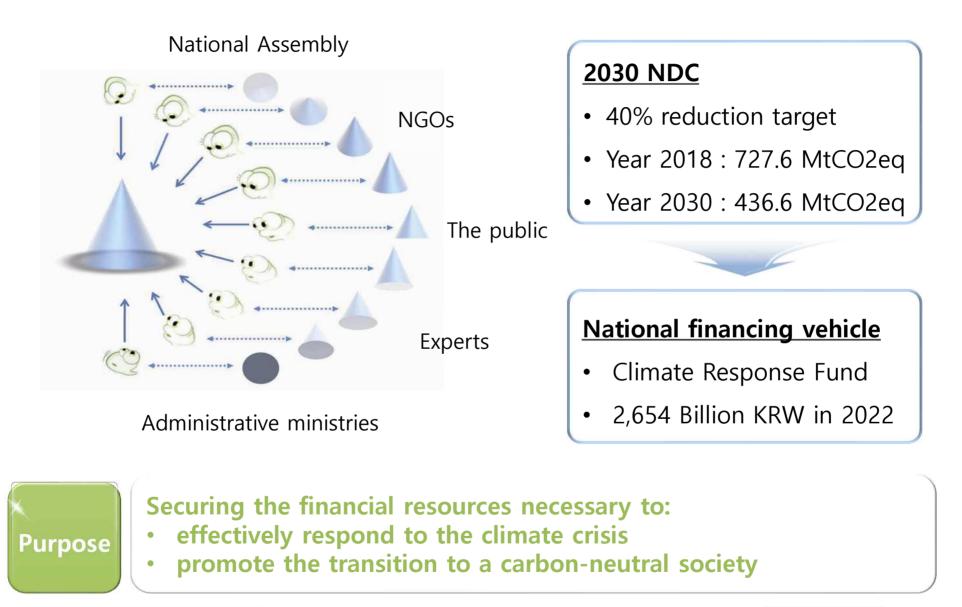


National climate financing vehicle and ESG investing in Korea



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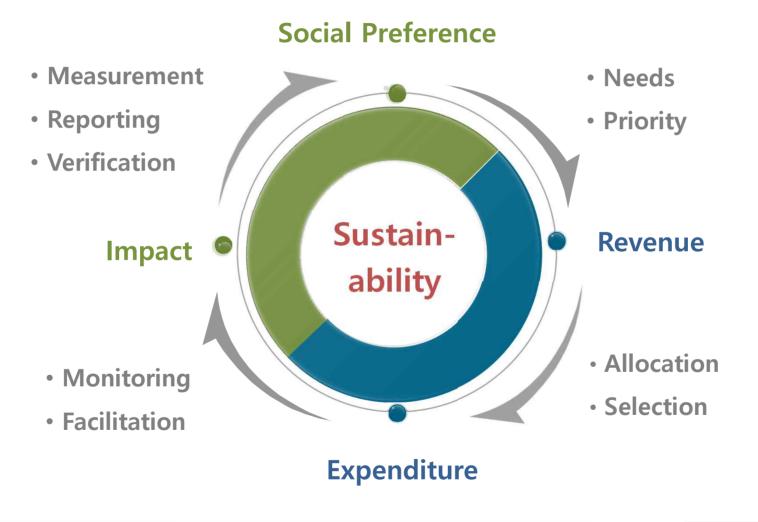








Virtuous cycle Sustainability beyond initial capitalization

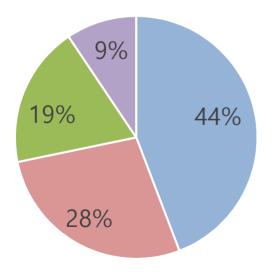






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- Framework Act on Carbon Neutralization (Article 692): Financial resources)
 - 1. Government contributions
 - 2. Contributions and donations from non-governmental persons
 - 9. Other revenues prescribed by Presidential Decree
- Fund Management Plan for 2022 (Revenue plan)



- Transfer from general account under Article 71
- Income arising from the allocation of emission rights
- Transfer from other accounts and funds
- Deposits from the Public Fund Management Fund

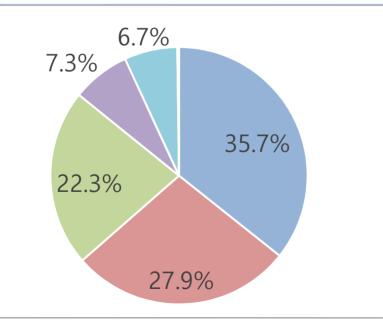




Framework Act on Carbon Neutralization (Article 70: Use of Fund) 1. Establishment and operation of the government's foundation for greenhouse gas reduction

11. Other purposes prescribed by Presidential Decree for responding to the climate crisis

Fund Management Plan for 2022 (Spending plan)



- Greenhouse gas reduction
- Low-carbon ecosystems
- Institutional foundation
- Surplus funds
- Fair transition









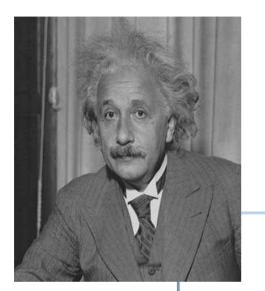


Correlation	ESG consideration when making investment decisions The economics of climate finance all about ESG consideration
Direction	ESG investments (\$41 trillion) \gg Climate finance (\$632 billion) NFV as a local hub credit creation, screening, monitoring, etc.
E&S	Externality (Private cost-benefit) \neq (Social cost-benefit) Observability Measurement, reporting, and verification
G	Principle-agent problem between ESG investors and NFV Monitoring Mitigating asymmetric and hidden information





ACEF 2022 : NFV & ESG



We cannot solve our problems with the same thinking we used when we created them.

- Albert Einstein -





Thank you for listening!

