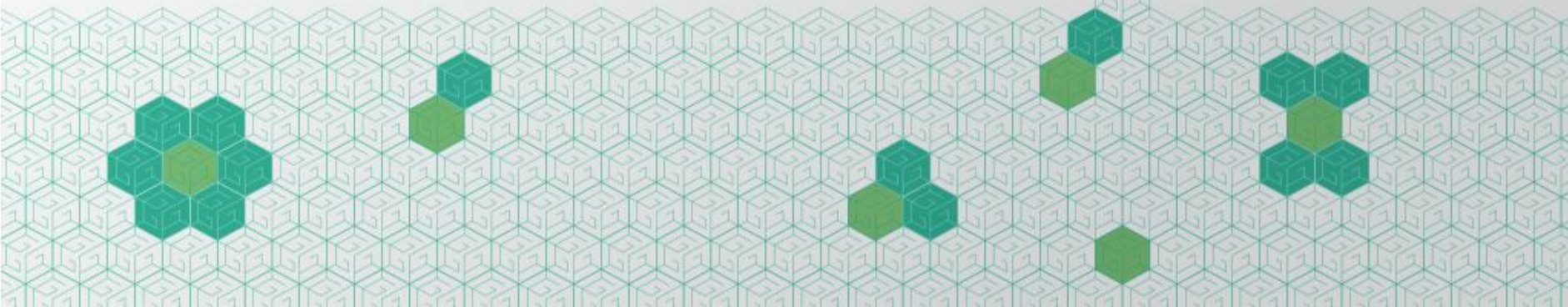


# Simple Regulatory Framework and Voluntary Participation in Green Growth

Oct. 28<sup>th</sup>, 2010

**Dr. Chanho Park**



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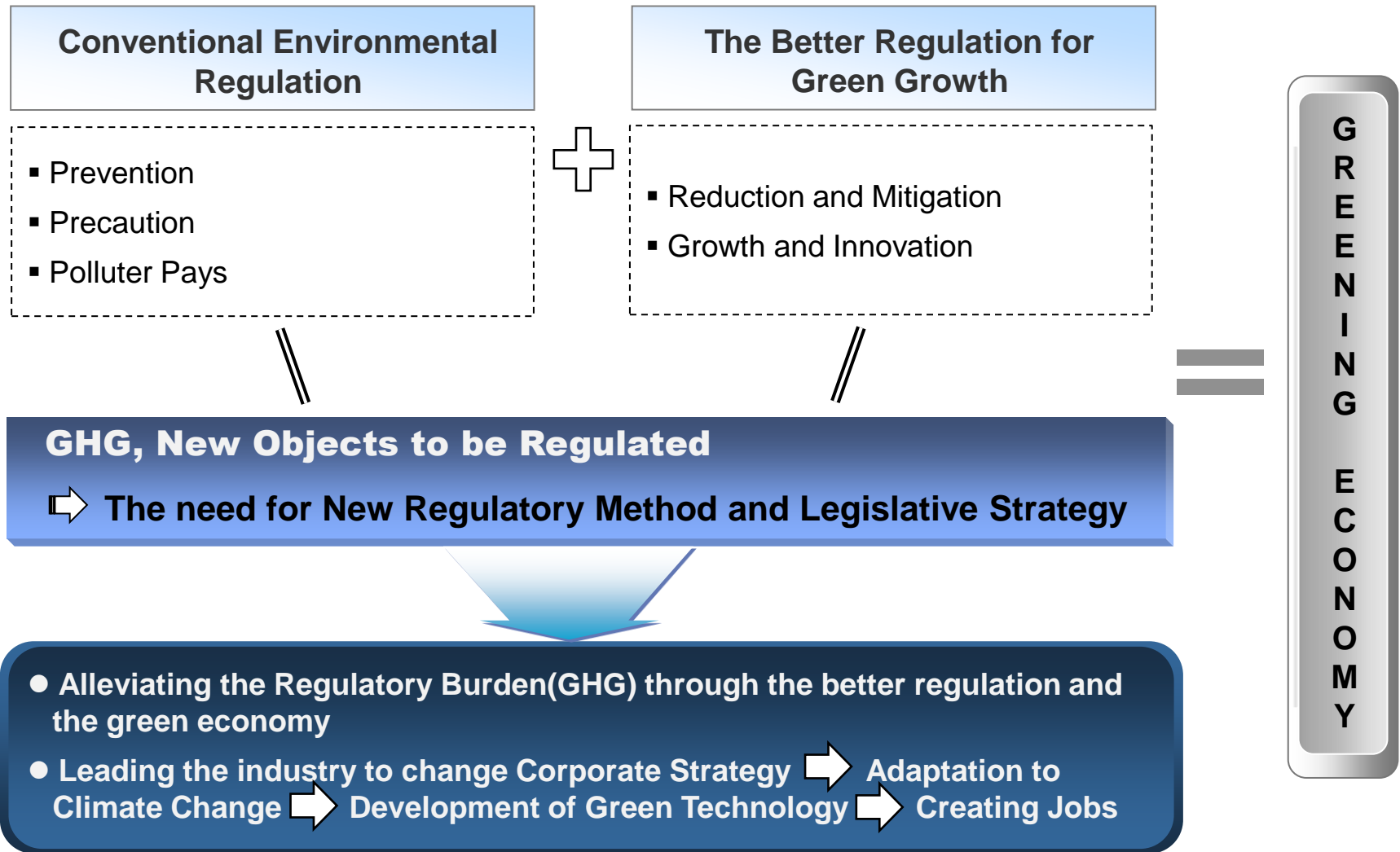
**II. The Regulatory Authority**

**III. The Regulation Methods for Green Growth**

**IV. Green Growth Regulation in Korea**

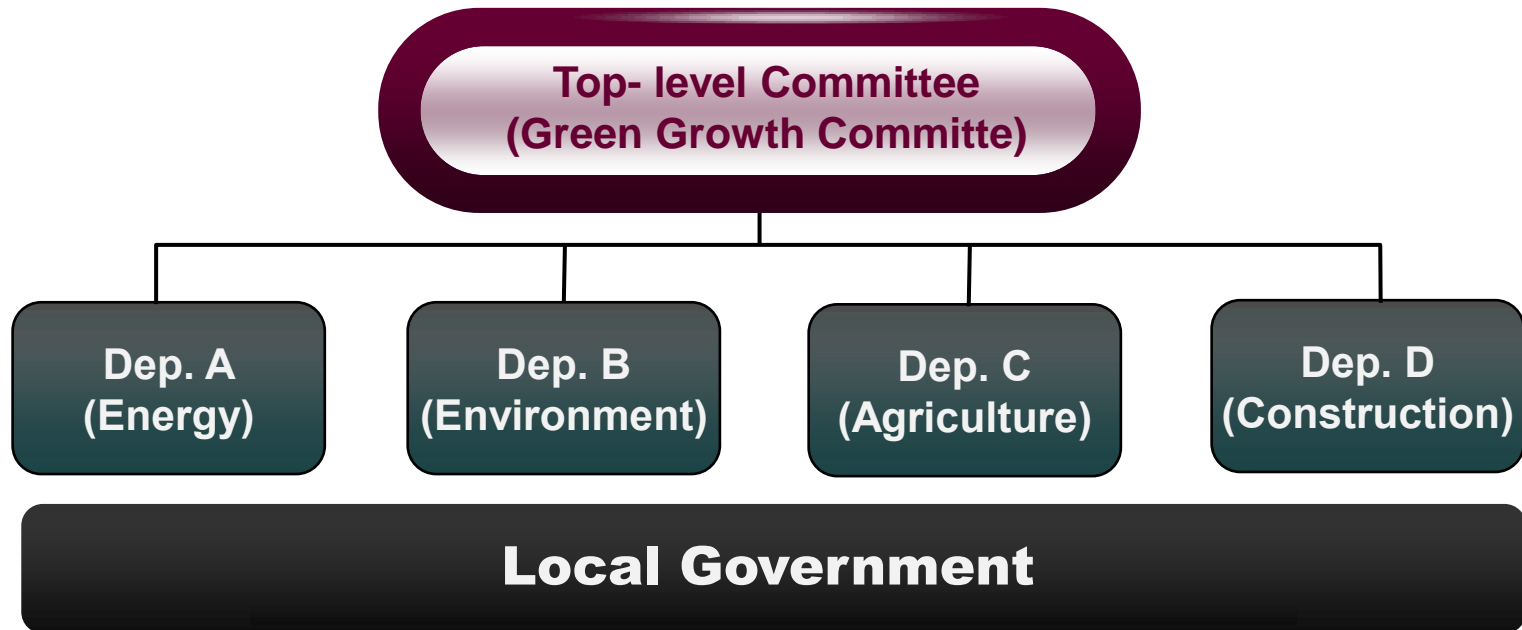
**VI. Future Issues**

# I. Why we need the New Regulation Framework for Green Growth?



## II. The Regulatory Authority

### - One Control Tower in the Departments



- Improving the Efficiency of Implementing policy
- Prevention of Overlap and Vacuum (or Gap) among the Governmental Bodies' Policies  $\implies$  Reconciliation of Local Government's Policies
- Appropriate Budget Allocation
- Preventing Double Regulations

### III. The Regulation Methods for Green Growth

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#### 1. Less Penalties, More Incentives

##### Regulatory Framework

Designing the Government Support System to Convert Smokestack Industry to Green Industry by Incentive System

##### Support Part

Green Financing and Establishing Fund from Public and Private Sector

##### Effect

Principle Based Regulation for Green Growth → Balancing between Regulations and Incentives → Encouraging or Leading Emitter's Voluntary Participation in Green Growth Area



➡ Incentive not only by Government, but also by Market

# III. The Regulation Methods for Green Growth

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## 2. New Regulatory Method for GHG Reduction

- Non- Discrimination within Same Industrial Sector
- Differentiating Industrial Sectors according to Annual or Phase Reduction Target
- Setting an Attainable GHG Reduction Target
- Application of Differential Regulatory Methods to Controlled Entities
- Linking the International Carbon Market

## 3. The Consideration for Industry or Company

- Flexible Implementation ► Open Legitimacy Exit for the Complete Adaptation to Climate Change  
ex) M.R.V. System, National GHG Inventories, Civil Penalties, ETS etc
- Make up for the Weak Point in Unilateral Administrative Orders from Government
- Consideration for each Industrial Sector, such as International Trade and Carbon Intensity

 **Cost Effective Regulation**

# IV. Green Growth Regulation in Korea

## 1. Milestone

**Green New Deal was announced ('09.1)**

- A recovery package of \$38.5 billion for 2009-2012 on 9 key green projects

**Nat'l GHG Emissions Reduction Target('09.11) was established**

-30 % from BAU

**Global Green Growth Institute was launched ('10.6)**

-Provision of Support to Developing Countries in their green growth efforts

**Nat'l Strategy for Low Carbon, Green Growth & its 5 Year Implementation Plan were established ('09.7)**

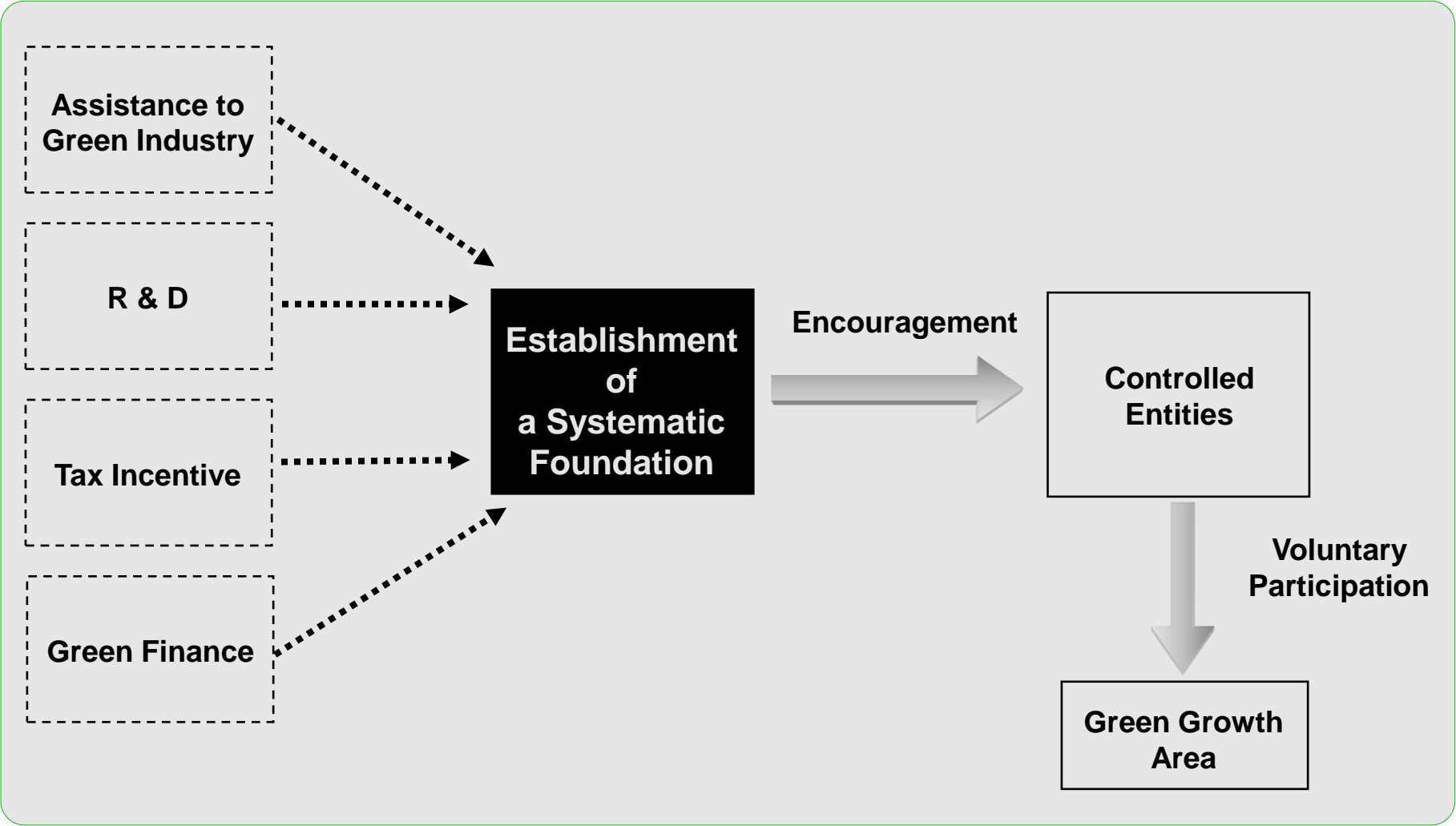
-Public Investment of \$86 billion for 2009-2012

**The Framework Act on Low Carbon, Green Growth and its Enforcement Decree took effect ('10.4)**

-Introduction of the Greenhouse Gas Target Management System & Green Certificate Program

# IV. Green Growth Regulation in Korea

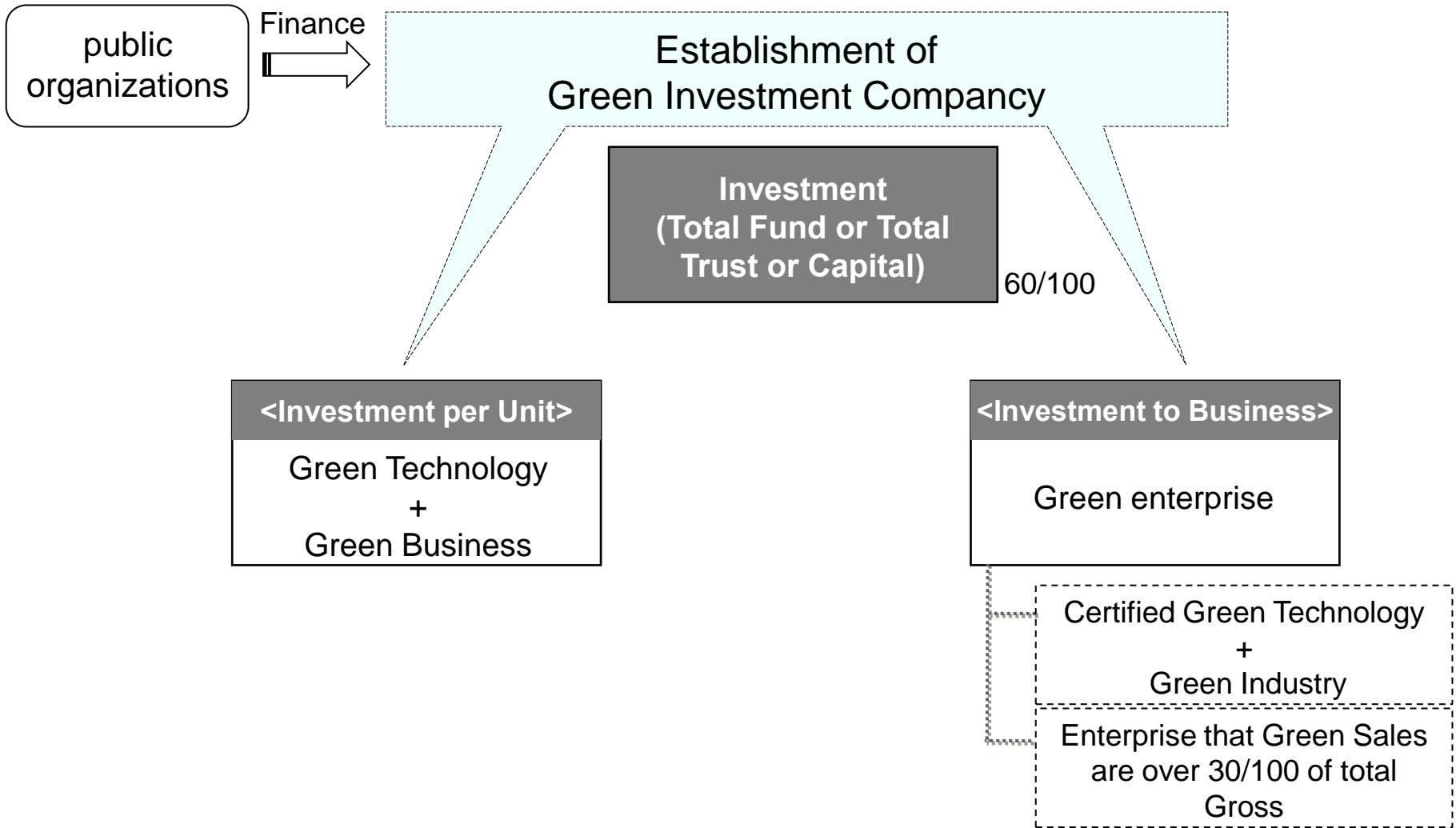
## 2. The Support Part for Green Growth





# IV. Green Growth Regulation in Korea

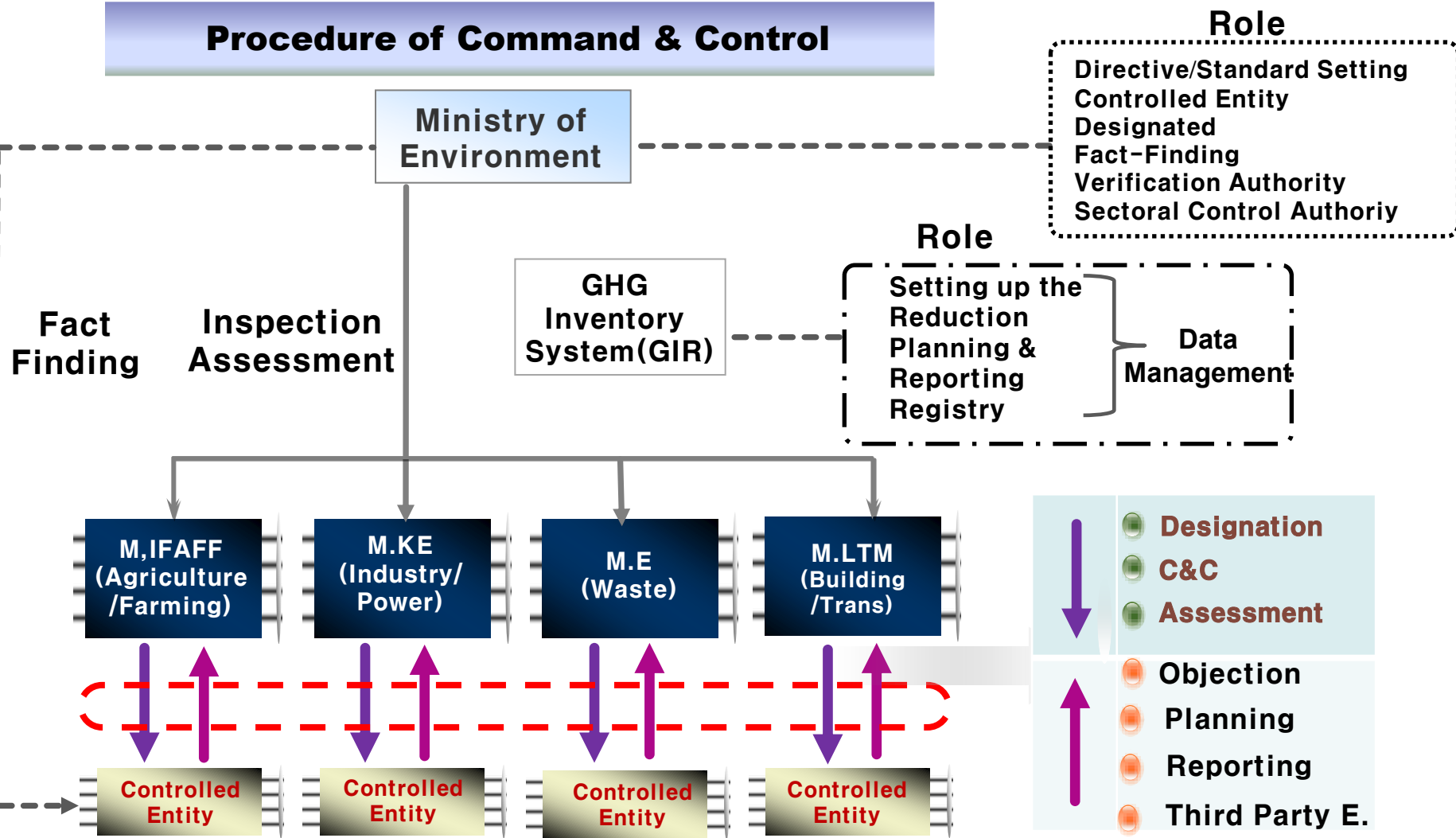
## 3. The Prevention of Green Bubble



# IV. Green Growth Regulation in Korea

## 4. M.R.V. System in Korea

### Procedure of Command & Control



# V. Future Issues

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## 1. Credibility

- The GHG Emission Data from each Entity(Business and Facility)
- Public Verification or Third Party Verification
- Attainable Monitoring and Reporting Process

## 2. Establishment of Global Standard

- Principle Based Regulation
- Assisting all Countries to participate voluntarily in Green Growth Regulation
- Optimized Regulatory Method for each State's Situation
- Automatic Convergence toward Green Growth(Simple Regulation and More Incentive), Not Compulsory Unification of GHG Regulation

 **Final Goal : The Reduction of GHG, The Improvement of Energy Efficiency, The Prevention of Global Warming**