

S. Korea mulls exceptions to overseas coal financing moratorium

After South Korea's President Moon Jae-in pledged to end public financing for overseas coal power projects at the U.S. Leaders Summit on Climate last month, today, the Korean government reveals room for dangerous exceptions.

May 17, 2021, Seoul, Korea – In a backstabbing moment for climate diplomacy, the South Korean government has indicated plans today revealing discussions on potential exceptions to its pledge to end all public overseas coal power projects made last month at the U.S. Leaders Summit on Climate.

On Monday morning, Korea's acting Prime Minister Hong Nam-ki [held](#) a meeting on international economic affairs where overseas coal financing was discussed. In the relevant Korean press release (attached, see pg. 7), the Ministry of Economy and Finance revealed plans to announce detailed guidelines in the first half of 2021 regarding Korea's new overseas coal financing moratorium, including whether Korean public financial institutions will financially support retrofitting of overseas coal power plants already in operation, which could extend their lifetimes by up to several decades, overseas coal power projects equipped with carbon capture and storage (CCS) technology, and accompanied transactions for overseas coal power projects that have already been approved.

The potential backpedalling on Korea's overseas coal financing moratorium, which was previously thought to be a clean announcement, comes in the week of President Moon's visit to the United States for the first Korea-US bilateral summit in the Biden administration, and in the month that Korea will be hosting the Partnering for Green Growth and the Global Goals 2030 (P4G) Summit, where world leaders will discuss partnerships to achieve carbon neutrality and the UN Sustainable Development Goals.

On this announcement, **Joojin Kim, managing director at Seoul-based NGO Solutions for Our Climate**, said: "The fact that the Korean government, which was entrusted by the international community to make a bold climate commitment at the Leaders Summit on Climate, officially admitted that it is deliberating such exceptions is very disappointing. If the Moon administration chooses to allow such exceptions, that would really destroy any green credibility that Korea had as host of the P4G Summit this month."

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Solutions for Our Climate (SFOC) is a South Korea-based group that advocates for stronger climate policies and reforms in power regulations. SFOC is led by legal, economic, financial, and environmental experts with experience in energy and climate policy and works closely with policymakers.

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