PRESS VERSION

Joint Statement on the Establishment of a Green Growth Alliance between the Government of the Republic of Korea and the Government of the Kingdom of Denmark

Considering that the supply of global fossil fuel resources would decline and the global energy demand would increase approximately by one third over the next 25 years;

Emphasizing that climate change is one of the greatest challenges of our time;

Acknowledging that global water demand and waste generation in the OECD alone are expected to increase by 40 percent by the year 2030 and over the next 25 years, respectively;

Recognizing that the global conflict between the desire to protect nature and the need to increase cultivated areas is increasing;

H.E. President Lee Myung-bak and H.E. Prime Minister Lars Løkke Rasmussen stress the need for a paradigm shift towards low-carbon green growth.

During H.E. President of the Republic of Korea, Lee Myung-bak's State Visit to the Kingdom of Denmark on 11 – 12 May 2011, Korea and Denmark agree to establish a Green Growth Alliance. Korea and Denmark have decided to join efforts in promoting the political, commercial and technological developments required for this paradigm shift.

Korea and Denmark have ambitious national plans for a transition to greener and more energy efficient economies with a greater share of renewable and clean energy and lesser dependence on fossil fuels. While Denmark is a 'first mover' on these issues, effectively decoupling economic growth and energy consumption since the oil crisis in the 1970s, Korea is a 'fast mover' on green growth with comprehensive national and international initiatives to establish the country as one of the foremost green economies of tomorrow.

The Korean Government's "Low Carbon Green Growth Strategy," formulated to substantiate President Lee's green growth vision, is expected to guide the nation's growth path for the next 60 years. It aims to achieve harmony between economy and environment and tackle the climate and environmental challenges of today by enhancing resource efficiency and securing a new growth engine through innovation.

The national strategy currently being implemented by means of formulation of the Green Growth Five-Year Plan delineates the economy-wide initiatives to transform Korea's entire system of resources and energy utilization practices from power generation to industries, agriculture, forestry, land use, buildings, transportation, and so on.

Of particular importance has been the adoption of the medium-term greenhouse gas emission reduction target of 30 percent relative to the BAU scenario by 2020. The strategy also sets ambitious targets for the significant enhancement of energy efficiency and the use of renewable energy. The creation of new growth engines by developing and deploying core green technologies such as new and renewable energies as well as by greening major energy-intensive industries is also a main pillar of the strategy.

Furthermore, the Korean Government unveiled a $38 billion "Green New Deal" plan to stimulate job creation and revitalize the economy. The plan involves nine core projects and 27 rotating projects which are expected to create 960,000 new jobs during 2009-2012. The Korean Government has also committed to a fiscal investment of 2 percent of GDP per year for the implementation of the five-year plan.

The Danish Government's 'Energy Strategy 2050' outlines Denmark's path to becoming fully independent of fossil fuels by 2050. The energy strategy contains a range of initiatives that will reduce the energy industry's use of fossil fuels by 33 percent in 2020 compared with 2009.

The strategy calls for a significant increase in renewable energy obtained from wind, biomass and biogas, which over the next decade will increase the share of renewable resources to 33 percent of energy consumption. Wind power alone is expected to cover more than 40 percent of overall electricity consumption by 2020, compared with about 20 percent today. By 2020 more than 60 percent of electricity consumption will be covered by renewable energy. Meanwhile, strengthened energy efficiency efforts will reduce gross energy use by 6 percent in 2020, compared with 2006 levels. The Danish Government has in 2010 and will in 2011 invest heavily in the research and development of energy resources.

The strategy offers a path to the conversion of the Danish energy supply, and includes specific initiatives, which will not damage the national competitiveness. Homeowners and companies will only experience moderate increases in the costs of heat and electricity, but will at the same time be given opportunities to lower their energy expenses through greater efficiency.

A broad range of initiatives will encourage a shift to biomass in the power plants of major cities, increase consumption of renewable energy, and promote more efficient energy use. Initiatives include biomass and biogas, wind power, intelligent energy networks, energy efficiency and research, development and demonstration activities.

Reconfirming their commitment to continue to effectively implement the Copenhagen Accord and the Cancun Agreements, the two countries will make efforts to promote progress in the global efforts to curb climate change through the UNFCCC process. In order to contribute to the endeavours to hold the increase in global average temperature below the 2 degrees Celsius target, the two sides agree to consult on climate change and energy issues in the context of UNFCCC, G20, MEF, ASEM and the RIO+20.

Sufficient access to modern energy for the 1.5 billion people currently living without electricity across the world is pivotal for inclusive and broad-based economic development. To enable continued economic growth and development without jeopardising the livelihood of future generations, energy efficiency and renewable energy have to be integral parts of the solution to secure access to energy for all.

Beyond energy and climate change the two leaders also confirm their commitment to further explore areas of cooperation towards a comprehensive green economy including the sustainable management of fundamental natural resources such as fresh water, clean air and natural ecosystems through a combination of resource efficiency and pollution prevention efforts.

Korea and Denmark agree that the upcoming UN Conference on Sustainable Development, Rio+20, should promote the green economy agenda including the 'Access to Energy for All' Agenda. Korea and Denmark will work actively together to encourage countries, institutions and the private sector to set ambitious targets and to contribute actively to ensure access to sustainable and reliable energy for all.

Shipping is one of the most energy efficient and environmentally friendly modes of transportation. Korea and Denmark are committed to enhance this benefit, and are backing efficient implementation of IMO regulation for preventing air pollution and the IMO Convention on Ballast Water.

Recognizing that developing countries are most affected by the negative impacts of climate change and least equipped to address the ensuing challenges, the two sides stress their commitment to support the transition of these countries towards a green economy. To this end, the Global Green Growth Institute (GGGI), established under the leadership of H.E. President Lee Myung-bak with the support of the Government of Denmark, is dedicated to supporting the creation and diffusion of a new economic development paradigm - green growth.

GGGI is founded upon the belief that economic growth and environmental sustainability are not merely compatible objectives, but are mutually necessary for the future of humankind. Based on this principle, GGGI aims to support emerging and developing countries in their efforts to create and implement national and local-level strategies, policies and institutional mechanisms for green growth that integrates objectives for poverty reduction, job opportunity creation and social development, with objectives for environmental sustainability and climate and energy security.

This year the OECD, celebrating its 50th anniversary, will pronounce the Green Growth Strategy Synthesis Report for the OECD countries. In this vein, the Korean Government and the OECD with knowledge support from GGGI will host an international conference entitled "Global Green Growth Summit" in Seoul on 20-21 June. The Summit will bring together prominent figures from the governments, international organizations and academia to mobilize global support for green growth.

Under the agreement with GGGI, the Danish Government contributes to GGGI's activities for the next three years with an amount of $5 million USD per year. Expertise from the Danish Energy Agency, the UNEP Risoe Centre on Energy, Climate and Sustainable Development and other Danish institutions will further contribute to the knowledge base and research efforts of GGGI. H.E. President Lee Myung-bak has officially launched GGGI's Regional Office at the Technical University of Denmark (DTU) / Risoe during his visit to Denmark.

Korea is the first nation to join the Danish global public-private initiative, "Global Green Growth Forum" (3GF). The objective of 3GF is to stimulate economic growth globally, while reducing greenhouse gas emissions and preventing unsustainable resource use, through the promotion of regulatory frameworks, investments and industry commitments. 3GF will do this in

association with GGGI through an innovative and action-oriented public-private partnership, which will convene key stakeholders in a process of annually recurring high-level deliberations in Denmark. The global public-private partnership was constituted during a high-level meeting on 12 May in the presence of the H.E. Prime Minister Lars Løkke Rasmussen and H.E. President Lee Myung-bak.

On 11-12 October 2011, the Forum will for the first time convene 200 leading decision-makers facing these transition challenges. Participants will include leaders of global corporations, policymakers and regulators, private and institutional investors, and leading researchers and opinion-makers.

The two countries have broadened their cooperation during President Lee Myung-bak's visit to Denmark as follows:

The Ministry of Climate and Energy and the Ministry of Knowledge Economy signed an MOU regarding the promotion of low-carbon green growth.

The Ministry of Foreign Affairs and GGGI signed an MOU for green growth cooperation on Global Green Growth Forum (3GF).

Recognizing the close cooperation in the areas of renewable energy and energy efficiency based on the MOU signed in September 2009 between the Danish Energy Agency and the Korea Energy Management Corporation, both Parties signed a joint statement in the field of green growth policies for further cooperation. The areas of focus will be energy efficiency in buildings, electric appliances, and efficient solutions related to the transportation sector and the industrial sector. Furthermore, cooperative activities in the field of renewable energy sources like wind, biomass and solar will be enhanced by the two parties.

The two leading technical universities of Korea and Denmark, the Korea Advanced Institute of Science and Technology (KAIST) and the Technical University of Denmark (DTU) agree to jointly establish a Korean-Danish/Danish-Korean Green Technology Research Centre, which will be established at KAIST and DTU respectively. The centre will utilise the complementary strengths of the two universities and cooperating institutions and be a platform for joint research within the area of green technologies. The first two research topics will be Integrated Water Technology and Bio Technology. The collaboration will add value to the local research groups, universities, and the Korean and Danish societies in general.

The Korean Ministry of Education, Science and Technology and the Danish Ministry of Science, Technology and Innovation agreed to work together to investigate the possibilities of signing a Korean-Danish MOU on research and innovation with a view also to promote mutual cooperation in green technology - a key driver of green growth.

In the meantime, the Danish Ministry of Science, Technology and Innovation undertake to work to facilitate the utilization of existing programs under the Danish Council for Strategic Research, The Danish Council for Independent Research and The Danish Council for Technology and Innovation with a view to achieving research collaboration on green growth issues and technologies between Danish and Korean research institutions in line with the stated policy of a further internationalization of the Danish research and innovation. To encourage further cooperation the Danish Ministry for Science, Technology and Innovation as an initial step decided to expand the International Network Programme to enable applications

from Danish and Korean partners for funds to networking activities with a focus on green technologies.

In addition, the Korean Ministry of Education, Science and Technology and the Danish Ministry of Science, Technology and Innovation will work together to encourage and facilitate applications for joint Industrial PhDs under the Danish Industrial PhD-programme, which will allow PhD-candidates from Korea and Denmark to conduct their research under a consortium consisting of a Danish company and a Korean research institution and vice versa.

Korean and Danish companies and research institutions are also encouraged to make necessary efforts in accordance with the framework laid out in the Korean-Danish Green Growth Alliance. Through EUREKA member and associated country status, Korean and Danish research collaborations corresponding with the Green Growth Alliance would be eligible for support for research, development and innovation projects within this framework, not least under the EUREKA Clean-Tech Action Initiative.

The Danish National Advanced Technology Foundation welcomes joint research and development activities within the framework of the Korean-Danish Green Growth Alliance as an international dimension to future activities in this area, and encourages the partners to consider the funding possibilities under its auspices in this regard.

Copenhagen Municipality, H2 Logic and Hyundai Motors signed a joint MOU to foster collaboration on development, demonstration and market deployment of hydrogen and fuel cell technologies for sustainable transportation in the Republic of Korea and Denmark.

Furthermore, the following agreements were signed by private Korean and Danish companies and industry associations;

- Danfoss and Samsung Construction & Technology
- Topsøe Fuel Cells and SK Innovation
- DONG and KEPCO
- Korea Wind Energy Industry Association (KWEIA) and Danish Wind Industry Association (DWIA)

Along with the Minister of Foreign Affairs and Trade and the Minister of Knowledge Economy of the republic of Korea, the Minister for Climate and Energy and the Minister for Science, Technology and Innovation of the Kingdom of Denmark, more than 70 top-executives from leading Korean and Danish green companies, presidents of Korean and Danish research institutions and senior officials joined the two leaders at the meeting launching the Green Growth Alliance and participated in the discussion on future commercial cooperation and R&D partnerships for green growth. Cooperation on energy efficiency, renewable energy, electrical and fuel cell vehicles and hydrogen infrastructure, green shipping, smart grids and storage of energy, reduction of air pollution and water resource management were among the topics that were discussed at the meeting. The two sides agreed to hold the second meeting on the Green Growth Alliance on the occasion of Expo 2012, which will be held in Korea from 12 May to 12 August 2012.