

2026 Green Fund to Make KRW 100 Billion in Overseas Investments in Step with Korea's Green Transformation (K-GX) Strategy

- Following Sub-Blind Funds No. 1 and No. 2 of the Green Fund, a sub-project fund was established at the end of last year (2025), bringing total investments to KRW 509.2 billion by 2029
- Cumulative KRW 146.2 billion in investment approved over two years, supporting approximately KRW 4.9 trillion in overseas orders and exports by Korean companies and linking participation by more than 100 SMEs

The Ministry of Climate, Energy and Environment (MCEE, Minister Kim Sungwhan) announced that, in line with Korea's green transformation (K-GX)*, KRW 60 billion in government funds will be invested this year (2026) in the Green Fund (Overseas Green Infrastructure Export Support Fund), which, together with private investment, is expected to generate approximately KRW 100 billion in new investment.

* A green grand transformation strategy to achieve economic growth, create new industries, and secure export growth engines based on the technologies and experience accumulated through implementing the Nationally Determined Contribution (NDC).

As a result, investment in new overseas projects related to energy transition and carbon reduction is expected to increase. The MCEE plans to continue providing policy support so that, alongside Korean companies' overseas expansion, it can also contribute to the implementation of the NDC and the strengthening of international climate cooperation.

The Green Fund, whose formation began in October 2024 as a fund of funds, will be established at a total scale of KRW 509.2 billion by 2029, combining approximately KRW 300.1 billion in government contributions* and KRW 209.1 billion in private investment.

* The fund is being established through investment in the Korea Overseas Infrastructure & Urban Development Corporation (KIND), which has experience in managing overseas investment projects in areas such as plants, infrastructure, and smart cities.

The Green Fund is composed mainly of Sub-Blind* Funds No. 1 and No. 2 (KRW 417.2 billion) and sub-project funds (KRW 92.0 billion), which will be invested in various new overseas projects.

* This is an investment approach in which investments are not predetermined but are made based on the fund manager's capabilities and strategies, and it is commonly used in the green transition and energy sectors.

This fund is a policy fund specialized in green industries such as carbon reduction, energy transition, the circular economy, and the water sector, and is the only one in Korea that invests in new overseas projects. It provides financial support, including equity investment and loans, for overseas green projects involving Korean companies.

In particular, rather than being limited to simple financial investment, it is characterized by a structure that, through consultations with overseas project owners during fund operations, can link Korean companies to project participation such as equipment and materials supply; engineering, procurement, and construction (EPC); and operation and maintenance (O&M).

Furthermore, when the Green Fund, to which the government (the MCEE) contributes capital, participates in new overseas projects, it also has the effect of enhancing project stability and policy credibility from the perspective of overseas project owners.

As of the end of last year (2025), the MCEE completed the investment fra

mework of the fund by gradually promoting actual investment approvals over a two-year period starting in October 2024.

The completion of this investment framework is also being demonstrated in actual projects. As of the end of last year, Green Fund capital amounting to KRW 146.2 billion had been invested in a total of five new overseas projects.

* △ KRW 35 billion for an eco-friendly ammonia production facility in the United States (December 2024), △ KRW 2 billion for an eco-friendly biodegradable bioplastic export company (June 2025), △ KRW 42 billion for an energy storage system in the United States (August 2025), △ KRW 43.5 billion for an eco-friendly vessel in the United States (November 2025), △ KRW 23.7 billion for an energy storage system in Japan (December 2025)

Through these investments, Korean companies are expected to achieve more than KRW 4.9 trillion in overseas orders and export performance, and more than 100 small and medium-sized enterprises are also expected to participate in the new overseas projects invested in by the Green Fund together with large corporations, creating outcomes in which both large companies and SMEs jointly participate across the global green industry value chain.

In particular, on December 31 last year (2025), a “sub-project fund” was established to invest approximately KRW 23.7 billion in a Japanese energy storage system project, completing the fund of funds–sub-fund structure. This is significant in that the investment approach of the fund was expanded by one step from the existing blind fund investments to investments at the level of individual projects.

Jung Eun-hae, Director General for International Cooperation Bureau at the MCEE, stated, “The Green Fund, with a total scale of KRW 509.2 billion, will serve as a key policy instrument for Korea’s green transformation (K-GX) strategy, which will be fully implemented starting this year, and will contribute to the decarbonization transition of domestic industries.” She added, “The government will continue to provide support not only through investment assistance but also through field-oriented policy backing so that Korean companies can more actively advance into the global green market.”