

CLIMATE INVESTMENT FUNDS

CTF INVESTMENT PLAN

Turkey

Turkey's Clean Technology Fund (CTF) Investment Plan aims at supporting the low carbon objectives in the country's 9th Development Plan (2007–13) and related strategies, legislation and programs. The Investment Plan is a partnership among the Government of Turkey, the World Bank (IBRD), the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD).

Turkey's greenhouse gas emissions are growing rapidly, and the energy sector is the major contributor, with energy needs continuing to grow. The CTF Investment Plan will assist the Government in promoting clean energy development from domestic renewable resources such as wind, hydro, biomass and solar, and improving energy efficiency, primarily in industry and small and medium enterprises.

Turkey's National Development Goals

For Turkey, climate change and clean energy are twin priorities. Turkey's long-term development goals focus on transforming the economic and social structure to become an influential regional economic power; improving health, education and income distribution; strengthening scientific and technological capacity; enhancing the effectiveness of infrastructure services and environmental protection.

Turkey's Energy Efficiency Initiative

The CTF Investment Plan will support the government's legislative and regulatory changes promoting energy efficiency, and several initiatives are currently ongoing in the areas of efficient lighting, industrial energy efficiency and reducing consumption in public offices and facilities.

For example, Turkey wants to expand renewable energy, particularly wind power, to help reduce CO₂ emissions and ensure security of the energy supply. The Investment Plan will help the government expand wind energy toward its target of 20,000 MW by 2020—an amount that would meet almost half of Turkey's present energy needs.

The Investment Plan identifies two priority investment areas:

Private Sector Renewable Energy and Energy Efficiency

The objective of the Investment Plan is to help increase privately owned and operated energy production from indigenous renewable energy sources in the market-

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CTF financing: **\$250 million**
Co-financing: **\$2.5 billion**

Project Approvals

Private Sector Sustainable Energy Financing Facility (TurSEFF)

CTF Approval Date: Jan '10

CTF financing: **\$50 million**

Co-financing: **\$210 million**

Partner MDBs: **European Bank for Reconstruction and Development**

Commercializing Renewable Energy

CTF Approval Date: Sep '09

CTF financing: **\$22 million**

Co-financing: **\$91 million**

Partner MDBs: **International Finance Corporation**

Private Sector Renewable Energy and Energy Efficiency

CTF Approval Date: Mar '09

CTF financing: **\$100 million**

Co-financing: **\$1.03 billion**

Partner MDBs: **World Bank**

based framework of the Turkish Electricity Market Law, and enhance energy efficiency in order to curb greenhouse gases.

The CTF co-financed projects in the Investment Plan, which will also mobilize resources from EBRD, IBRD, and IFC, aim at using local financial institutions to inter-mediate the funds to the private sector—a model expected to enable spreading the experience beyond the project’s boundaries. Turkey aims to use the CTF to help banks and industry surmount barriers, increase lending for clean energy, and create a market for energy efficiency investments.

Turkey is also launching an energy efficiency program covering industries, small and medium enterprises (SMEs), municipal facilities, as well as buildings.

Smart Grid Design

Turkey’s CTF Investment Plan aims to help the development of smart-grid solutions to better integrate renewable resources into the national transmission grid.

CTF financing will help the Turkish Electricity Transmission Corporation (TEIA) start implementation of



The Turkey CTF Investment Plan is the first-ever CTF plan approved for renewable energy and energy efficiency

a modern high-technology solution to grid problems caused by intermittent renewable energy. The project will help promote and foster large-scale integration of renewable energy resources in a manner that meets the requirements

of grid security and economic efficiency.

What is the CTF?

The Clean Technology Fund (CTF) is a multi-donor trust fund created in 2008 as part of the Climate Investment Funds (CIF) to provide scaled-up financing for the demonstration, deployment and transfer of low carbon technologies that have a significant potential for long-term greenhouse gas (GHG) emissions savings. CTF resources amount to approximately \$4.5 billion (based on exchange rates on the initial CIF pledging date of September 25, 2008) pledged by contributors (Australia, France, Germany, Japan, Spain, Sweden, United Kingdom, United States). The CTF supports a selected series of investment plans that meet the criteria of significant GHG emissions savings, demonstration potential at scale, development impact and implementation readiness.

