Early Warning System

EBRD-162876

Turkiye: Technical Assistance for Establishing an Enabling Environment for CCUS

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Quick Facts

Countries	Turkiye
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of Turkiye
Sectors	Climate and Environment, Energy, Industry and Trade, Law and Government, Technical Cooperation
Investment Type(s)	Advisory Services

Turkiye: Technical Assistance for Establishing an Enabling Environment for CCUS

Project Description

As stated by the EBRD, Turkiye has committed to achieving net-zero greenhouse gas emissions by 2053, as set out in its 2053 Long-term Climate Strategy (LTS) and Nationally Determined Contribution (NDC3.0). According to its LTS, the industrial sector is accountable for 24.2% of Turkiye's total emissions and is faced with the imminent challenges of the EU's Carbon Border Adjustment Mechanism (CBAM).

In this context, the CCUS is gaining tractions as a cornerstone of Turkiye's long-term industrial decarbonisation strategy. With its LTS and the LCPs, Turkiye declared that it will explore the use of CCUS in the manufacturing sector, including cement, steel and aluminium sectors, integrating the technology to reduce process emissions. In the cement sector, in particular, CCUS is crucial for decarbonisation, with investments of about US$27 billion making up 90% of the US$29.8 billion required for carbon-neutral production.

However, Turkiye currently lacks a comprehensive and coherent policy, legal, and regulatory framework to support CCUS deployment. Key gaps include the absence of a clear permitting regime, storage site characterisation and liability rules, CO2 transport network regulation, robust monitoring and verification standards, and a support framework to attract investment. Addressing these gaps is essential to reduce uncertainty for investors, enable projects, and integrate CCUS into national decarbonisation strategies

Against this backdrop, the Government of Turkiye, acting through the Directorate of Climate Change (DoCC) of the Ministry of Environment, Urbanisation and Climate Change (MoEUCC), requested support to analyse and establish an enabling environment for Carbon Capture, Utilisation and Storage (CCUS). Following EBRD's submission of Expression of Interest in supporting the Project, the Government of Turkiye selected the Bank to help develop a robust enabling environment for CCUS in Turkiye, in a four-phase approach, including:

(i) analysing legal and regulatory framework on CCUS;
(ii) market study on the CCUS Hubs and Industry Clusters;
(iii) National CCUS Strategy for Turkiye; and
(iv) development of pre-feasibility studies for the CCUS applications in cement plants.

In light of this, EBRD is seeking to engage with a "Consultant" to provide targeted technical assistance to the Government of Turkiye, through MoEUCC. The Project will lay the foundations for the effective deployment of CCUS projects in Turkiye in close coordination with the TIDIP, enhance investor confidence, and enable the country to accelerate its industrial decarbonisation in cement sectors and beyond, as set out in its 2053 long term climate strategy.

The expected outcomes of this technical assistance include the following:

- Strengthen Turkiye's CCUS legal and regulatory framework by identifying gaps, benchmarking against EU and international best practice, and proposing actionable recommendations for authorities.
- Identify CCUS industrial clusters, hubs, and source-sink opportunities considering technical, economic and environmental and social (E&S) considerations through a comprehensive market and emissions-mapping study, identifying optimal sites for CO2 storage, existing and potential pipeline routes, locations of CO2 emitters and users and focusing on commercially viable business models.
- Develop a national CCUS strategy that confirms Turkiye's theoretical storage potential, prioritises sectors and pilot projects, and outlines a phased roadmap with a step-by-step action plan for CCUS development.
- Prepare feasibility studies for two cement plants selected among the highest emitters, factoring in strategic considerations such as proximity to potential CO2 transport corridors, storage locations or ports, as well as emissions levels. The studies will cover technical, economic, financial, environmental and MRV aspects, with the aim of enabling future investment preparation

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Information on the investment amount not provided at the time of disclosure.

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

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You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html