

Turkish Emission Trading System

General Information

ETS Description

Türkiye has been preparing for the use of carbon pricing instruments to help achieve its mitigation targets with efforts gathering pace in 2023. These include the submission of an Updated First NDC, which has explicit references to the Turkish Emission Trading System (TR ETS), and an announcement from the Directorate of Climate Change (DoCC) during COP28 that a pilot ETS is planned to launch in October 2024 with the publication of the National Allocation Plan. Moreover, following its publication in the Official Gazette in December, the Grant Agreement with the World Bank PMI program supporting the implementation of the pilot ETS came into force. The program will assist Türkiye in assessing various design options through modelling studies and provide support during the pilot as well as the first implementation phases of the new system.

These developments follow the advisory decisions of the Climate Council (a multi-stakeholder consultation event with broad participation) in 2022, which included the launch of the pilot ETS in 2024 aligned with the country's 2053 Net-Zero Target. The intention to develop an ETS has also been reflected in Türkiye's annual Medium-Term Programs (MTPs) since 2022. Moreover, the high-level planning outlined in the 12th Turkish Development Plan (2024 to 2028) takes the year 2053 as a long-term reference in the country's green and digital transformation agenda and considers the TR ETS as an instrument of this transformation.

In preparation for the launch of the pilot ETS, Türkiye is finalizing a draft Climate Law creating the legal basis for the main features of TR ETS. The draft law is expected to be submitted to Parliament in 2024. Although the precise details are not final yet, the announcement by the DoCC during COP28 envisions the determination of the cap and allocation approach in late 2024 with the publication of the National Allocation Plan which will ensure transparency and predictability during implementation. Thereafter, market operations will commence early in 2025.

The pilot ETS will leverage data collected under Türkiye's comprehensive mandatory Monitoring, Reporting and Verification (MRV) System which has been in place since 2015. It is expected to cover around 130 installations in energy and industry sectors with emissions greater than 500,000 tCO₂e per year. The pilot phase is expected to run for two years initially.

Türkiye is a candidate for EU accession and as a part of this process, the country is planning to commence an Instrument for Pre-Accession Assistance (IPA III) project in 2024 for the transposition of the EU ETS legislation into secondary legislation which will define national ETS' technical features following the pilot phase.

ETS Status

under development

Jurisdictions

Turkey

Emissions & Targets

Overall GHG Emissions excl. LULUCF (MtCO₂e)

564.4 (2021)

GHG reduction targets

By 2030: Up to 41% reduction from the BAU scenario (announced as a part of the updated NDC)

By 2053: Net-zero GHG emissions

Compliance

Monitoring, Reporting, Verification (MRV)

REPORTING FREQUENCY: Annual

VERIFICATION: Annual emission data reports (prepared according to the monitoring plans confirmed by DoCC) and their underlying data require independent third-party verification annually for all entities. The Turkish Accreditation Agency is the institution that accredits the verifiers.

FRAMEWORK: The Turkish MRV legislation (mainly based on the EU system) establishes an installation-level system for CO₂ emissions for approximately 740 entities. Sector coverage includes the energy sector (total rated thermal input >20 MW) and industry sectors (coke production, metals, cement, glass, ceramic products, insulation materials, pulp and paper, and chemicals over specified threshold sizes/production levels).

Entities had until October 2014 to submit their first monitoring plans. Since then, they have also submitted subsequent monitoring plans and verified annual emissions reports from 2015 to 2023 to DoCC. Entities must submit their verified annual emission reports before the end of April each year.

Enforcement

Entities that fail to comply with the Turkish MRV regulation are subject to sanctions under Turkish Environmental Law No. 2872.

Other Information

Institutions involved

Ministry of Environment, Urbanization and Climate Change (MoEUCC): Responsible for climate change policies as established and mandated by Presidential Decree in 2021.

Directorate of Climate Change (DoCC): Under the MoEUCC; responsible for determining policies, strategies and actions (including those related to carbon pricing and ETS) at national and international levels within the scope of Türkiye's efforts to combat and adapt to climate change, conducting negotiation processes, and ensuring coordination with relevant institutions and organizations.

Regulatory Framework

[Grant Agreement](#) with the World Bank PMI

[Presidential Decree](#) establishing MoEUCC

[2024-2026 Medium Term Plan](#) (2023)

[2024-2028 12th Development Plan](#) (2023)

[DoCC website](#) for other legislation and documents

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