

Green Transformation of Turkish Industry Programme

Third Meeting of Green & Circular Economy Working Group (GCE-WG)

Meeting Minutes

Date: 18 November 2021, 16:00-17:30

AGENDA:

1. Exchange of information on the second meeting minutes and meeting new participants
2. Briefing on developments within EU and Turkey between two meetings
3. Briefing on B4G programme activities
4. Information sharing by participating entities on their work on the European Green Deal (EGD) and Circular Economy
5. Discussion of working methodology of GCE-WG
6. Recommendations and closing

DISCUSSION OF AGENDA ITEMS:

1. Exchange of information on the second meeting minutes and meeting new participants

- It was announced that the scope of Green & Circular Economy Second Working Group was expanded by including private company representatives. The representatives of entities who participated in the WG for the first time introduced themselves.
- The call to participants was repeated to fill out the questionnaire (Expert Inventory Form) sent along with the second meeting minutes.

2. Briefing on developments within EU and Turkey between two meetings

- Başak Demir provided summative information on COP26 Summit, an important development held between two WG meetings: mention was made of Glasgow Climate Pact and that fossil fuels were recorded as the cause of climate crisis. After mentioning fund commitments by developed countries, Green Climate Fund Commitment and Losses and Damages Fund which was brought to the agenda for compensating damages caused by climate crisis, it was stated that Paris Rulebook was accepted which defined how the rules in Paris Climate Agreement would be implemented and how the country-specific changes in greenhouse gas emissions could be transparently monitored. She expressed that it was aimed to present nationally determined contributions each year rather than every five years according to the new decision. It was emphasized that Turkey declared its target to become a carbon neutral country by 2053 with its nationally determined contributions.
- Intensive public pressure was expressed. It was emphasized that the awareness was higher in COP26 Summit compared to other summits both at global scale and in Turkey. It was said that it was important to use that awareness and keep the promises made in the summit on the agenda.
- It was stated that one of the most important subjects was to provide funding for an important transformation which referred to the importance of achieving emission reduction/elimination target by directing funding. It was stated that agreements were concluded among countries to provide funds to developing countries.
- It was emphasized that commitments were also made to reduce not only carbon but also methane constituting 10% of global emissions.
- It was stated that improvement on the nationally determined contributions was essential by

countries including Turkey.

- It was indicated that it would be useful to dwell on how carbon measurement processes in Turkey would be compatible with the dynamic legislation of EU and to include a content/module or a checklist in this regard in the programme.
- It was stated that times were such that banks also set their criteria on sustainable finance. Emphasis was placed on the importance of EU Taxonomy in defining sustainability criteria in terms of funding.
- Emphasis was placed on the importance of following the process in which the companies would be held accountable for violation of rights in supply chains upon the enactment of EU legislative draft on the adaptation in supply chains expected on 9 December.
- Various coalitions were established on the Global Methane Pledge, phasing out coal, combatting deforestation. It was indicated that not only countries but also regions, cities and companies were a part of such collaboration; that particularly the private sector became prominent in terms of green finance. It was stated that it was a significant trend in terms of private sector initiatives.
- It was stated that the fact that production did not stop in Turkey even under difficult conditions proved that Turkey was a good supplier for Europe; that EGD was also considered as an opportunity by companies. It was emphasized that the motivation of companies and particularly enterprises which are the suppliers of large producers was high for transformation.

3. Briefing on B4G programme activities & contributions of participants

- Başak Demir gave information on developments in the context of B4G's Green Transformation of Turkish Industry Programme:
 - o Furthering its studies to define activities which could be undertaken for the capacity building component for businesses' adaptation to EGD, B4G activated CBA-WG in addition to GCE-WG in the context of the programme. 14 umbrella organisations and specialised organisations meet in this group including entities from energy-intensive sectors.
 - o The process of determining how we can facilitate the adaptation of green technologies to industrial processes started with the meetings held regularly every month with the Technology and Innovation Funding Programmes Directorate (TEYDEB). It is aimed to structure the adaptation of fully-fledged technologies of TUBITAK into industry and R&D project supports in a way to accelerate green transformation with the model to emerge.
 - o The initiative called New Unicorn, which was developed to easily and practically measure carbon footprint of a large number of businesses at different scales, developed a digital data collection and analysis tool. In the context of the program, it is aimed to measure carbon ratios of many business and products and to make a baseline assessment at national scale.
 - o A new cooperation was developed with Bilkent University Lecturer Banu Demir Pakel, conducting a research project of J-PAL, a global economy policies research network. In this context, the process started for designing a pilot project on EU's CBA. With technical and financial support to be provided for businesses to be included in the sample group to be determined from both energy and material intensive sectors, it is aimed to monitor green transformation process of these businesses and supply chains; to design a model for the programme after the pilot

action and make policy recommendations. In this context, negotiations were conducted with financial institutions such as EBRD and İşbank for developing cooperation. It is predicted that cooperation can be made with the Ministry of Industry and Technology or Ministry of Trade with the objective of providing technical expertise.

- Dr. Banu Demir Pakel (Bilkent University faculty member) made a presentation on the project:
 - Goals of the Project: Make baseline assessment of carbon emissions resulting from production activities of Turkish exporters; design programmes for reducing carbon emission; prepare exporters to the EU CBAM which will impose customs tariffs on the goods which have carbon emitting production processes; replacing product composition of industrial production with less carbon intensive (green technology) and high value added products.
 - Things to do during the pilot study: Inform enterprises in CBAM and DE priority sectors affected from carbon adjustments relating to possible adverse effects which CBAM may cause for them and measures mitigating those adverse effects; guide them on the access to cheap funding (e.g. EBRD loans) which they may need for green transformation.
 - It was stated that it would be useful if sector representatives helped deliver the project and the enterprise questionnaire included in the presentation to companies under the project.
 - The importance of clarifying the outcomes and opportunities was emphasized in the context of the project; thus, it was recommended to increase the participation of enterprises.
 - Emphasis was placed on the importance of making carbon measurement tools more usable and accessible particularly for SMEs.
 - Reference was made to the importance of cooperation with public entities in terms of scaling the project.
- It was stated that EU abolished the taxes on the steel industry in the framework of Customs Union and Free Trade Agreement; that the regulations of EU on CBAM were legally uncertain and that it was important to eliminate that uncertainty. Moreover, it was stated that Turkey's advantage changed according to Scopes 1, 2, 3.

The Turkish Steel Producers' Association stated that they supported the industrial symbiosis projects. They gave information on the project of evaluating the potential of waste heat supported by World Bank under the coordination of Ministry of Energy and the projects on the use of industrial water resources undertaken by the Ministry of Agriculture and Forestry.

- It was stated that if an ETS (Emissions Trading System) compatible with EU legislation was implemented, it would not be much affected from CBAM. According to the statement made by the Ministry of Environment, infrastructure works were almost completed and they would start to implement ETS within a year.

4. Discussion of working methodology of GCE-WG & views of participants

- Response was requested regarding the questionnaire (Expert Inventory Form) sent to WG participants on the description of assignment of institution and person.
- It was stated that the Executive Board would operate as a task force and would have a co-chair. It was stressed that the Executive Board would convene at certain intervals and

inform the WG. It was stated that the participants who would like to be in/ recommended to participate in the Executive Board should contact Başak Demir (basak.demir@undp.org) and fill out the questionnaire.

- It was stated that the meetings of WG would be held every two months; that the opinions of WG participants would be received while drafting WG agenda. It was stated that the document on the methodology of WGs would be shared with the participants in addition to the meeting minutes.
- It was stated that WG members need to be guided in terms of filling out the J-PAL questionnaire.

ANNEX-1: Participants of the Meeting

Banu Demir (Bilkent University)

Başak Demir (B4G)

Başak Helen Taşkan (TAV)

Berna Aşıroğlu (DCUBE)

Can Akıncılar (İşbank)

Emre Metin (USB Certification)

Gülcan Uysalol (Assan Alüminyum)

Gülhan Özdemir (ADASO [Adana Chamber of Industry])

Güneş Aksoy (B4G)

İdil Dilan Ögüt (AKİB [Mediterranean Exporters' Associations])

İpek İşbitiren (MEYED [Turkish Fruit Juice Industry Association])

Konca Çalkıvık (BCSD Turkey)

Mediha Erdovan (AKİB [Mediterranean Exporters' Associations])

Merve Güngör (ADASO [Adana Chamber of Industry])

Merve Birdal Griessl (B4G)

Mukaddes Ersoy (TAV)

Noyan Ergül (BCSD Turkey)

Özge Yüzbaşıoğlu (İşbank)

Seda Karamanoğlu (J-PAL)

Serpil Çimen (TÇÜD)

Simay Kardeş (B4G)

Şeyda Dağdeviren Hill (BCSD Turkey)

Şükrü Ünlütürk (B4G)

Tuğba Ağaçayak (Arçelik)

Umay Yılmaz (OMÜD [Turkish Corrugated Cardboard Industrial Association])

Veysel Kalaycıoğlu (AKİB [Mediterranean Exporters' Associations])

Zeynep Sanıgök (TUSIAD-TURKONFED)