



FINANCIAL AND ADVISORY SUPPORT FOR CLIMATE GOVERNANCE IN TÜRKİYE



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Türkiye faces escalating climate risks, which it is proactively trying to address through institutional and regulatory reforms and ambitious climate policies. The European Bank for Reconstruction and Development (EBRD) plays a dual role in supporting Türkiye's transition to a green economy, combining substantial green financing with strategic advisory services. This article provides an overview of the EBRD's financing projects in Türkiye and highlights the Bank's advisory and policy support, with a particular focus on corporate climate governance. The article takes a detailed look at a successful climate governance-related advisory engagement with a key company in the Turkish healthcare sector and concludes with a call for broader adoption of sustainability practices at both sector and entity level.



A SNAPSHOT OF TÜRKİYE'S STRATEGIC APPROACH TO CLIMATE-RELATED CONSIDERATIONS¹

Türkiye is a transcontinental country strategically positioned at the crossroads of Europe and Asia. Its diverse topography includes extensive mountain ranges, fertile river valleys and a complex coastline. In light of its unique geographical and climatic diversity, Türkiye faces multiple climate risks, which seem to have intensified over the past decade.² Some of the most pressing risks that have already materialised include prolonged droughts and more frequent and intense wildfires. Climate projections for the next 20 years indicate a significant rise in average temperatures, reduced availability of freshwater, increasing risk of desertification, rising sea levels threatening coastal areas and heightened vulnerability to agricultural productivity losses.³ These risks underscore the urgent need to develop and implement robust climate strategies.

Türkiye is committed to achieving net-zero emissions by **2053**

In response to the growing impact of climate change, Türkiye has undertaken a range of structural reforms and policy initiatives aimed at strengthening its climate governance and aligning itself with global climate commitments. A key institutional reform took place on 29 October 2021, when the Ministry of Environment and Urbanisation was renamed the Ministry of Environment, Urbanisation and Climate Change (MoEUCC), accompanied by the establishment of the Directorate of Climate Change (DoCC) to support climate-related functions. On the policy front, Türkiye ratified the Paris Agreement in October 2021 and committed to achieving net-zero emissions by 2053. It updated its first nationally determined contribution (NDC) in April 2023 and submitted

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² See World Bank Group (2022).

³ See World Bank Group (n.d.).



the 2053 Long-Term Climate Strategy in November 2024. Additional national frameworks include the National Climate Change Strategy and Action Plan (2024-30), a climate monitoring system, the Green Deal Action Plan, the National Green Development Initiative and the forthcoming National Green Finance Strategy, which includes the development of a green taxonomy. In the legislative domain, a draft Climate Law is under consideration and going through multistakeholder consultations. The proposed legislation seeks to establish a comprehensive legal framework for mitigation and adaptation targets, introduce a national emissions trading system, and provide the regulatory tools needed to support Türkiye's transition to a green economy and its 2053 net-zero goal.

REALISING OBJECTIVES: THE ROLE OF SUSTAINABILITY REPORTING

Key to managing the climate emergency and achieving the ambitious objectives set out in the aforementioned policy initiatives is an environment that supports accurate presentation of green transition efforts. Such an enabling environment predominantly materialises through sustainability/climate reporting at the company level.

To this end, Türkiye has entered a new phase of corporate sustainability reporting with the implementation of the Turkish Sustainability Reporting Standards (TSRS), adopted on 27 December 2023 and effective from 1 January 2024.⁴ These standards, which are aligned with the International Sustainability Standards Board (ISSB) framework, aim to enhance transparency and accountability in corporate sustainability practices in order to better track the advances made by the private sector with a view to achieving climate targets.

⁴ See Public Oversight, Accounting and Auditing Standards Authority (2023a; 2023b).

The structure of the standards is twofold, with TSRS S1 containing general provisions on the disclosure of sustainability-related financial information and TSRS S2 covering climate-related disclosures for the four main dimensions of climate governance: governance, strategy, risk management, and metrics and targets. The TSRS require sustainability reporting for companies that meet at least two of the following criteria over two consecutive reporting periods, with certain entities – that is to say, banks and companies listed on Türkiye’s stock exchange, Borsa Istanbul – required to report regardless of these thresholds:

- total assets exceeding TRY 500 million
- annual net sales revenue of more than TRY 1 billion
- a workforce of 250 employees or more.

The first TSRS-compliant sustainability reports are due in 2025, covering the 2024 fiscal year. As at May 2025, there are no comprehensive data on either the number of companies that have reported under the TSRS or the quality/content of their reports. Knowledge and capacity gaps do exist, however, with many companies remaining uncertain as to the nature of the rules with which they need to comply and, most importantly, how to apply those rules in practice in a manner that is transparent, effective and will allow them to explore business opportunities. To this end, the EBRD has been approached to support its current and prospective investee companies in navigating their climate-related reporting responsibilities. Expert teams across the Bank have already started working on a range of projects in the infrastructure, energy, agribusiness and real estate sectors.

The EBRD has
invested more than
€22 billion
in Türkiye, with
€2.6 billion
in 2024 alone

THE EBRD’S “DUAL” ROLE IN TÜRKİYE

The EBRD’s support in the economies where it invests consists of a combination of financing and policy/technical advisory projects in line with the Bank’s Strategic and Capital Framework and the Green Economy Transition approach.⁵ In Türkiye, the Bank has focused on mobilising a substantial volume of green financing to help the country achieve its green transition targets, alongside comprehensive technical and policy engagement at an economy and a company level.

Türkiye joined the EBRD on 28 March 1991, with the first project in the country starting in 2009. As of February 2025 the Bank has supported 484 projects in Türkiye, surpassing the €22 billion mark.⁶ In 2024, for the fifth year in a row, Türkiye received the largest volume of investment of any of the Bank’s investee economies. Indeed, it received record annual investment of €2.6 billion in that year – nearly 60 per cent of which contributed to the green transition.⁷ The Bank’s support for motorway management company Nakkaş Otoyol Yatırım ve İşletme was its largest single investment in the country in 2024, financing the construction of the final section of the North Marmara Motorway.

⁵ For more information, see <https://www.ebrd.com/home/what-we-do/strategic-and-capital-framework.html> (last accessed 15 July 2025); see also EBRD (n.d.).

⁶ For more information, see <https://www.ebrd.com/home/what-we-do/where-we-invest/turkiye.html> (last accessed 12 May 2025).

⁷ See EBRD (2025).

In addition to assisting Türkiye's efforts through financing, the EBRD has supported various investee companies in the country through tailored policy and technical assistance programmes. Since 2021 the Bank has engaged in 20 corporate climate governance (CCG) projects in Türkiye, all within the framework of the EBRD's CCG Facility. The Bank is the first international financial institution to set up a CCG facility that brings together lawyers, climate experts, economists and policy specialists to help financial institutions and other companies develop and strengthen their climate-related governance, strategy, risk management, target-setting and disclosure practices.

The CCG Facility transforms the way the EBRD's investee companies do business by enhancing their capacity to manage climate-related risks and opportunities and unlocking green investment. The facility revolves around targeted and tailored technical cooperation activities, which include the development and implementation of corporate climate governance action plans (CCGAPs). A prime example of successful and impactful implementation of a comprehensive CCGAP is the recent project conducted with the EBRD's

longstanding partner Rönesans Sağlık Yatırım, part of Rönesans Holding (see the next section for more details).

In addition to providing support at a project level, the EBRD has been highly active in advancing its green agenda in the country. Some key initiatives include:

- supporting the development of Green City Action Plans for five cities – Istanbul, Ankara, Izmir, Bursa and Gaziantep – which, collectively, cover approximately 40 per cent of the population of Türkiye
- launching Chapter Zero Türkiye in partnership with the Turkish Industry and Business Association (TÜSIAD), helping non-executive directors, board members and senior executives of financial institutions and other companies share knowledge on corporate climate governance and best practices
- rolling out a transition planning programme for partner financial intermediaries (PFIs), adapting the standard programme materials to the local context and developing additional localised materials
- building on a previous low-carbon pathway project to spearhead collaboration with the Turkish Ministry of Industry and Technology on the launch of the Türkiye Industrial Decarbonisation Investment Platform (TIDIP).

Overall, the EBRD's policy support has yielded great results by raising awareness of green and other climate considerations and enabling an environment conducive to green investments. In practice, even greater results are achieved when the Bank's policy advice is coupled with targeted financing, as was the case with Rönesans Sağlık Yatırım (Rönesans Healthcare).

Since 2021 the Bank has carried out
20
corporate climate governance projects in Türkiye

Figure 1. The Corporate Climate Governance Facility's approach

SUPPORTING IMPLEMENTATION OF A CORPORATE CLIMATE GOVERNANCE ACTION PLAN IN THE TURKISH HEALTHCARE SECTOR

In December 2022 the EBRD provided a convertible loan of up to €75 million⁸ to Rönesans Healthcare, Rönesans Group's holding company for social infrastructure assets, with those assets including six Turkish hospital public-private partnership (PPP) investments and three facility management companies providing services for hospital PPPs.⁹ The primary objective of the transaction was to finance capital expenditure of the Rönesans Group under the Healthcare Hospitals PPP, with some of the loan to be used for general corporate purposes.

As part of the transaction, the EBRD and Rönesans Healthcare agreed on a comprehensive CCGAP featuring 10 actions, the implementation of which would render the company a leader in climate governance in the country. In January 2024 a project team consisting of EBRD experts, a dedicated body of senior executives from Rönesans Healthcare and Rönesans Holding, and a group of international and local consultants from EY began work to deliver the highly ambitious agenda of the technical cooperation project.

The project was implemented in line with the CCG Facility's approach (see Figure 1), favouring step-like improvements commensurate with companies' baseline climate maturity levels and consistent with the expectations of regulators and investors. In practice, the technical cooperation support developed over various key stages, as illustrated below.

The project encompassed a series of different elements and support activities, key among which were the following:

- **Diagnostic and recommendations on climate governance practices:** The project team focused on establishing clear reporting lines between operational teams, management and the Board of Directors of Rönesans, with added emphasis on the role of the Sustainability Committee and its mandate across the Rönesans Group.
- **Climate risk scenario analysis:** A total of eight priority assets were examined via an extensive climate risk analysis, covering physical and transition risks for two climate-change scenarios over two climate horizons.
- **Development of a methodology for the identification and calculation of greenhouse gas (GHG) emissions:** Rönesans Healthcare had already commenced the process of calculating its Scope 1, 2 and 3 GHG emissions, meaning it was effectively ahead of the curve in the sector. The project team worked on further advancing these internal practices and aligning them with international standards – that is to say, the GHG Protocol Corporate Accounting and Reporting Standard.
- **Support with climate-related disclosures:** In light of the rapid developments in sustainability reporting in Türkiye, the team worked on preparing a roadmap for climate-related disclosures in line with the Turkish Sustainability Reporting Standards, mirroring those of the ISSB. As a result, Rönesans Healthcare (and, by extension, Rönesans Holding) became one of the first companies in the country to develop robust practices for reporting on climate-related considerations.

⁸ The loan was extended in 2024 with an additional €50 million, bringing the total value of the transaction to €125 million.

⁹ See Rönesans Holding (2022) and EBRD (2022).

However, the success of the technical cooperation project lies less in the content of the support activities than in two outcome/ impact milestones: institutionalisation of practices and climate readiness. Throughout the project, the team delivered a rigorous training and capacity-building programme through three extensive in-person workshops at Rönesans' offices. Consultants and technical teams from the EBRD and Rönesans were able to discuss reports, methodologies and experiences in depth, which led to informed feedback sessions and reflective engagement, with the sole purpose of improving sustainability practices. Rönesans' technical teams are now in a better position to fully institutionalise the practices and methodologies developed, which will allow the company to set and achieve objectives to stimulate long-term sustainable development.

In addition, the technical cooperation project resulted in improved climate readiness on the part of Rönesans, given that the company is now in a better position to anticipate and mitigate climate risks, identify climate opportunities and accurately report on climate-related considerations in line with the latest



The EBRD is pleased to have supported Rönesans Sağlık Yatırım in strengthening its climate governance framework, enabling it to identify risks and opportunities and align with evolving global standards. Building on an already well-established environmental framework, Rönesans Holding has further incorporated climate considerations into strategic decision-making and expanded its sustainable financing toolkit. A key milestone in this journey was the successful issuance of a sustainability bond, in which the EBRD invested US\$ 55 million (€48.0 million). This demonstrates the client's leadership in aligning with global best practices and tapping into the sustainable finance market to support long-term value creation and resilience.

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national and international sustainability standards. Unlike many similar companies in the country, which are facing and struggling to overcome issues like identifying their climate-risk universe and calculating GHG Scope 3 emissions, Rönesans is equipped with the tools and the skill set required to address such obstacles in a timely manner and implement changes that make business sense.

In a similar vein, the success of the project was due in large part to the seamless cooperation between all parties and Rönesans' willingness to engage materially with the process – in some instances, going beyond the project's parameters and striving to adopt practices that would make the company a market leader.

To conclude, working with Rönesans was a mutually beneficial exercise, with the company pushing its green agenda by incorporating improvements in corporate climate governance practices and the EBRD setting a high benchmark in terms of what effective partnerships and technical cooperation projects look like in Türkiye and beyond.

CLIMATE GOVERNANCE IN TÜRKİYE: WHAT COMES NEXT?

Türkiye has made notable progress in advancing corporate climate governance, with sustainability reporting increasingly recognised as a strategic business imperative. As companies respond to growing demands for transparency, aligning with international reporting standards has become essential for maintaining competitiveness and credibility. However, further efforts are needed to expand the implementation of robust sustainability/climate disclosure frameworks across the corporate sector and ensure that climate governance is embedded not only in compliance but also in core strategy and risk management.



Partnering with the EBRD to enhance our climate governance has been a pivotal step in aligning our business strategy with global sustainability standards. Through this collaboration, we have not only deepened our understanding of climate-related risks and opportunities but also strengthened our long-term resilience and value creation for stakeholders.

Tuğrul Ertuğrul
CEO, Rönesans Sağlık Yatırım

Development finance institutions (DFIs) – and particularly the EBRD – have a critical role to play in this transition. By offering technical assistance, investment and policy-oriented support, DFIs can guide companies in incorporating climate risk assessment and sustainability principles into governance structures. The EBRD's partnership with Rönesans exemplifies how such cooperation can strengthen climate resilience and improve strategic foresight through greater transparency and accountability. In the future, Türkiye's commitment, combined with targeted support from DFIs, will be key to building a more sustainable and climate-resilient corporate ecosystem in the country.



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