Turkey

Summary

Turkey ranks last, tied with Mexico and the United Kingdom, out of the G20 Organisation for Economic Cooperation and Development [OECD] member countries. It lacks transparency and continues to provide high levels of support for coal production and consumers of fossil fuels, predominantly by foregoing tax revenue and providing state-owned enterprise [SOE] investments.

BIGGEST RED FLAG → Turkey continues to provide relatively high levels of support for coal production, at USD 290 million annually, ranking last among the G20 OECD member countries (per unit of GDP). It also heavily supports fossil fuel consumption at USD 4.6 billion annually (2017–2019 average) through tax expenditures.

PROGRESS → Turkey's overall support for fossil fuels dropped 5% relative to the 2014–2016 average, mostly due to a drop in SOE investment in oil and gas production. SOE investment overall dropped by 33% relative to the 2014–2016 average. However, support for the consumption of fossil fuels increased by 11%, mostly via increases in tax expenditure.

Overall ranking and score *(out of 11 countries)*	11th	48/100
1. Transparency	**11th** / Opaque	**$6.8 billion** total government support to fossil fuels, 2017–2019 average, USD ($644 million direct transfers, $4.5 billion tax expenditure, $1.6 billion SOE investment)
2. Pledges and commitments	**5th** / Mediocre	
3. Scale of support for coal exploration, production, processing, and transportation	**11th** / High	**$290 million** of support to coal exploration, production, processing, and transportation
4. Scale of support for oil and gas exploration, production, refining, and transportation	**6th** / Low	**$1.7 billion** of support to oil and gas exploration, production, refining, and transportation
5. Scale of support for fossil fuel power	**3rd** / Low	**$195 million** of support to fossil fuel-based power
6. Scale of support for fossil fuel use	**11th** / Very high	**$4.6 billion** of support to fossil fuel use
7. Progress in ending support for fossil fuels	**4th** / Poor	**33% decrease** in SOE investment in fossil fuels relative to 2014–2016 average

See Table 2 in the main report for score descriptions and their relationship to numerical scores. Estimates in the table are in USD ($) and are annual averages based on the following sources:

- *For direct transfers and tax expenditure: OECD (2020) data, 2017–2019 averages*
- *For induced transfers: International Energy Agency (2020) data, 2017–2019 averages*
- *For public finance: Oil Change International (2020) data collected from several sources, 2017–2018 averages*
- *For SOE investment: capex data collected by Overseas Development Institute (2020) from annual reports, 2017–2019 averages*

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MAIN UNACCOUNTED FOR AND UNQUANTIFIED SUPPORT → Due to poor transparency, no data is available with respect to the public financing of fossil fuels by Turkey's government-owned banks (Turk Eximbank and the Development Bank of Turkey) and its export credit agencies. Tucker, DeAngelis, and Doukas (2020) estimate that Turkey provided at least USD 400 million per year in public finance for fossil fuels between 2013 and 2018.

COVID-19 GOVERNMENT SUPPORT → Turkey's public banks have started supplying low-interest retail loans for housing with no energy-efficiency conditions attached, at almost USD 3 billion (International Institute for Sustainable Development et al. [IISD], 2020). The Turkish government has also approved a number of support measures in favour of the oil sector, including extending the deadline for the payment of shares to the state and postponing licence liabilities (e.g., for drilling, etc.) by 6 months (IISD et al., 2020).

TRANSPARENCY & PEER REVIEWS → Turkey has not performed the G20 fossil fuel subsidy peer review (OECD, 2019). Turkey's public finance institutions did not supply transaction-level data on their investments and, hence, we have most likely underestimated Turkey's level of support in this report.

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