Global Sustainable Buildings Guide - Turkiye

Incentives for Green Retrofit

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# Are there any government-funded or sponsored schemes for improving the energy efficiency of existing buildings and, broadly, how do they work?

The Turkish government has implemented a series of initiatives and strategies aimed at enhancing the energy efficiency of both existing and newly developed buildings. Furthermore, the enactment of the Energy Efficiency Law represents a crucial milestone in recognizing and prioritizing the significance of energy efficiency measures.

Current supports and initiatives can be summarized as follows:

     1.  Efficiency Enhancement Project Support

In 2011, the Republic of Türkiye's Ministry of Energy and Natural Resources ("**Ministry of Energy**") initiated a program to support projects aimed at enhancing efficiency. Under this program, the Ministry of Energy offers a grant of 30% of the project value (up to maximum of TRY 5 million excluding value added tax) to projects that qualify. These projects, known as efficiency enhancing projects (VAP), focus on reducing unnecessary energy consumption, waste, losses and leakages by utilizing energy-efficient equipment, systems, insulation, rehabilitation and process regulation. They may also include solutions such as waste energy recovery and cogeneration systems.

Industrial enterprises with an annual energy consumption of 500 tons of oil equivalent (TOE) or more, excluding entities with electricity generation licenses, are eligible to apply for VAP. As of the 31 December 2021, since the launch of the program, the Ministry of Energy approved 346 VAP projects, providing a total of TRY 47.3 million in support (equivalent to approximately USD 1.5 million based on the March 2024 foreign exchange rate). The applications for VAP should be made through the official online system of the Ministry of Energy, in accordance with the announcement on the website of the Ministry of Energy.

     2.  The Energy Efficiency in Public Buildings ("**KABEV Project**")

The Ministry of Environment launched a project for energy efficiency in buildings in collaboration with the World Bank. The KABEV Project, launched in 2022, is scheduled for completion by the end of 2025, and aims to enhance the energy efficiency of 500-700 public buildings. The budget of the KABEV Project is up to USD 200 million. The applications for the KABEV Project were closed at the end of 2022.

The primary goal of the KABEV Project is to address climate change by achieving energy savings, improving comfort and reducing greenhouse gas emissions. Investments within the project are targeted towards public buildings with high energy consumption and quick returns on investment. Activities include conducting energy assessments of public buildings such as schools, hospitals, administrative offices and university campuses in Türkiye, developing energy identity documents, determining energy efficiency and potential savings, and presenting investment costs. Additionally, architectural and technical modifications will be made to enhance energy efficiency in these buildings.

     3.  Climate Change Reduction Strategy and Action Plan (2024-2030):

The Directorate of Climate Change, a suborganization of the Ministry ofEnvironment, published the Climate Change Reduction Strategy and Action Plan ("**Plan**") for the years between 2024 and 2030 on 21 March 2024. Pursuant to the Plan, the first strategy is enhancing the energy efficiency of the existing buildings. In this respect, obtaining the energy identity certificate for all of the existing buildings is an important policy for the building energy inventory to be calculated clearly and correctly. Considering that one-third of the ultimate energy is consumed by the buildings, energy efficiency and renewable energy usage will be enhanced based on the Energy Identity Certificates. As per the Plan, the following has taken place:

Support programs and incentives have been established to encourage energy efficiency improvements in existing buildings in compliance with the Energy Efficiency Law.

Recent amendments to the Energy Efficiency Law have expanded project support to include the building sector, such as offering low-interest heat insulation loans.

Efforts have been made to raise awareness and promote energy efficiency in buildings, emphasizing the importance of maintaining efficiency levels.

Moving forward, ongoing awareness-raising activities will be conducted as part of the energy efficiency strategic communication plan, focusing specifically on buildings within the designated area.

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