

Results Profile: Turkey Energy



Overview

Turkey's energy reforms have helped the government turn a monolithic, state-run sector into a competitive energy market that has connected an additional 4.6 million households to a more stable electricity grid.

Full Brief—4 Pages

[Turkey's Comprehensive Energy Reform Program puts Development on a Sustainable Path—PDF, April 2010](#)

Challenge

Energy is critical to building and sustaining economic growth. Turkey faces increasing domestic energy demand and rapidly growing greenhouse gas emissions, a large portion of which come from energy production and usage. To meet energy demand with the least negative environmental impact, Turkey is seeking to increase its reliance on renewable energy while promoting energy efficiency among power consumers.

Approach

The government of Turkey, with IBRD support, is transforming its energy sector to increase competition, expand private investment and promote sustainable use of its renewable energy resources.

The Ministry of Energy and Treasury takes the lead in determining the overall strategic direction going forward, and jointly with the Bank, determines the most optimal usage of Bank instruments in maintaining the direction.

Currently, the Turkey energy program is being supported by a number of International Bank for Reconstruction and Development (IBRD) investment loans, policy loans and policy advisory work including the [National Transmission Grid Project](#), Turkey Energy Community of South East Europe ([Adjustable Program Loan #2](#) and [#3](#)), [investment loan for renewable energy and energy efficiency](#), as well as Programmatic Energy Sector Advisory Work (energy policy

MULTIMEDIA

[Slideshow: Clean Tech in Turkey](#)



MORE

» [Turkey: Making Use of Trash](#) 

More Results



4.6m

Turkish households are estimated to have received improved power supply

MORE INFORMATION

» [Turkey Country Office](#)

notes, Turkey energy strategy and others).

IBRD has supported Turkey's energy reforms significantly over the last decade by utilizing the full range of World Bank lending and technical support in ways that complement and reinforce each other. The program includes restructuring, liberalization and privatization in energy; introduction of competitive markets; financing of key rehabilitation and expansion works; and a resulting increase in private investment.

Results

Electricity supply is more reliable. The duration of faults on the transmission system decreased by more than half from 26,675 hours in 2004 to 10,280 hours in 2007. More people have access to secure energy. Transmission expansion and upgrades have enabled an estimated additional 4.6 million households to receive improved power supply. An international transmission link has also been established with Greece, enabling the exchange of electricity.

Turkey has improved the efficiency of its electricity market while increasing private sector participation in power distribution and generation. Energy reforms supported by IBRD policy advisory work introduced retail competition. In the wholesale market, more than 100 private generation companies have been registered. Four distribution companies have been privatized so far, out of a total of 20. Now, around 40 percent of consumers can choose their supplier -- something that was scarcely available in 2002.

The Bank's work in renewable energy has demonstrated the viability of financing private renewable projects, which have grown from negligible levels in 2004 to about 1500 MegaWatts (MW) at present. As a result of privately sourced renewable energy generation, Turkey has been able to avoid emissions of about 1.01 million tons of carbon dioxide a year.

PARTNERS

- » Ministry of Energy in Turkey:
- » Turkey Electricity Transmission Company
- » Petroleum Pipeline Corporation
- » Electrical Power Resources Survey and Development Administration
- » Turkey Electricity Distribution Company
- » Energy Market Regulatory Board
- » Undersecretariat of Treasury
- » Undersecretariat of State Planning Organization
- » Strategic, Technical and Economic Research Center STEAM Energy

“Over the last few years, we have achieved significant results in terms of reforming the sector: an electricity market has been established; distribution companies have been privatized; several important legislations—on the electricity market, renewable energy, and energy efficiency— have been enacted and are now being implemented.”

— *Budak Dilli, General Manager of Energy Affairs at the Ministry of Energy*

Toward the Future

The Turkey energy program is continuously evolving, and IBRD efforts will continue and expand based on Turkey's needs. Over the last decade, with the support of the Bank, Turkey's energy sector has transformed from one that was monolithic and state-owned into a commercially run and liberalized market, with private investment and ownership in several parts of the sector. The market is expected to deepen further, with increasing private ownership and investment, and it is expected that the sector will rely more and more on clean, renewable resources.

The World Bank's work has helped in attracting large-scale private investment, particularly in renewable resources. Significant new financing has been brought in to support new investments in generation, and also in privatized distribution. Based on the country's priorities, the government and the World Bank are expected to sustain their important partnership, with IBRD providing policy advice as well as investment financing for renewable energy, energy efficiency, infrastructure, climate change and overall supply security.

Last updated: 2010-04-30