Docusign Envelope ID: 9F010926-9603-4EB7-8415-3BFE4C3CEB3D

United Nations Development Programme

Country/Region/Global: Türkiye

Initiation Plan

Project Title	:	**Initial Assessment Study for Decarbonization of Fertilizer Sector**
Expected UNSDCF/CPD Outcome(s)	:	3.1: By 2030, all people benefit from strengthened policies and collaborative action for climate change mitigation and adaptation, environmental sustainability as well as enhanced disaster preparedness and resilience.
Expected CPD Output(s)	:	Output-3.1: Evidence-based policies, innovative technologies and mechanisms enabled for adaptation and mitigation and effective disaster prevention and preparedness addressing needs of both women and men
Initiation Plan Start/End Dates	:	March 2026 / July 2027
Implementing Partner	:	UNDP Türkiye Country Office

Programme Period:	2026 – 2030
Quantum Project Number:	_____
Quantum Output Number:	_____
Gender Marker:	GEN1

Total resources required	USD 216,000.00
Total allocated resources:	USD 216,000.00
• Regular	_____
• Other:	
o Donor (UNDP – Climate Promise)	USD 216,000.00
o Government	_____
Unfunded budget:	_____
In-kind Contributions	_____

United Nations Development Programme Resident Representative in Türkiye

02/04/2026

Docusign Envelope ID: 9F010926-9603-4EB7-8415-3BFE4C3CEB3D

Brief Description

Türkiye's NDC 3.0 sets a 2035 target of 643 $MtCO_2e$, a 466 $MtCO_2e$ reduction from its projected BAU of 1109 $MtCO_2e$. While this appears to be a 42% cut, the inflated BAU baseline—more than double current emissions—makes the target weaker than its 2030 goal. It reflects only a 7% reduction from the 2030 target and a 42% increase over 2019 levels, falling short of a linear path to net-zero by 2053. Climate Resource confirms the NDC is not aligned with a 1.5°C pathway. Türkiye's Long-Term Strategy, announced at COP29, outlines 89 strategies across 18 sectors and 4 cross-cutting areas, including climate finance, technology, just transition, and capacity-building. It aligns with the 12th Development Plan and guides the net-zero transition. The Mitigation Strategy and Action Plan (2024–2030) includes 49 strategies and 260 actions across seven sectors, focusing on renewables, electrification, transport, circular economy, and land use. Adaptation efforts span 11 sectors with 129 actions, including nature-based solutions and early warning systems. The NDC also integrates cross-cutting themes such as gender equality, youth engagement, just transition, and SDG alignment. Local climate governance is institutionalized through provincial action plans and inclusive coordination boards.

Türkiye's Climate Law (No. 7552) establishes the legal basis for a national Emissions Trading System (ETS), supported by MRV infrastructure covering over 800 facilities. Revenues will fund low-carbon investments and just transition. The Law also introduces a Green Taxonomy aligned with EU standards. The NDC aligns with national strategies on energy efficiency, hydrogen, industrial decarbonization, water, drought resilience, and gender equality. The reference year has shifted from 2012 to 2018, reflecting updated inventories and CLEWs-based modelling. Though not explicitly mentioned in the NDC, UNDP and UN agencies have supported Türkiye's inclusive climate policy development, reinforcing a whole-of-society approach.

Support to the decarbonization of Türkiye's fertilizer sector directly contributes to NDC 3.0 implementation by reducing high-emission industrial process and N_2O emissions, strengthening MRV readiness, and preparing the sector for ETS and CBAM alignment, in line with Türkiye's economy-wide mitigation target and net-zero-by-2053 pathway.

During the project drafting phase, consultation meetings were held with relevant stakeholders. The Ministry of Industry and Technology's (MoIT) fertilizer roadmap was taken into consideration, and information on the ongoing process was obtained from the Ministry. It is also expected that any data deemed appropriate by the MoIT for use within the project will be shared with the Directorate of Climate Change. At the same time, this initiative which also functions as a situational assessment exercise, is intended to generate input for upcoming platforms in Türkiye such as Türkiye Industrial Decarbonisation Investment Platform (TIDIP). It is further planned to bring together companies involved in pilot components under the project with financing opportunities from institutions such as the EBRD and the World Bank.

By developing low-carbon technology roadmaps, company-level diagnostics, and capacity building across producers and end-users, the support operationalizes NDC priorities on industrial transformation, competitiveness, and just transition in a hard-to-abate sector.

The purpose of the project is to support the decarbonization of the fertilizer sector. Within the scope of the proposed activities, the initiative seeks to address the strategic initial steps of the sector's transformation process within a structured technical framework.

Agreed by UNDP: Miodrag Dragisic, Deputy Resident Representative, Officer in Charge

DocuSigned by:
Miodrag Dragisic
381559BCCE194D0...

I. PURPOSE AND EXPECTED OUTPUT

Relevance

The purpose of the project is to support the decarbonization of the fertilizer sector. Within the scope of the proposed activities, the initiative seeks to address the strategic initial steps of the sector's transformation process within a structured technical framework.

The overall focuses of the project are assessment of the current situation in the fertilizer sector, identifying opportunities for low-carbon transformation, capacity development and preliminary impact assessment of the ETS-CBAM on the fertilizer sector. Government of Türkiye has drafted the ETS regulation which mentions pilot phase of ETS in 2026 and 2027. Pilot phase includes

Category B and C facilities producing Nitric acid and ammonia. The project outputs will also serve a good practice in fertilizer sectors and identify applicability and effects of ETS and CBAM. In addition, the outputs will contribute to the sector within the scope of NDC and LTS by sectoral mapping and developing transition road maps with pilot exercises.

NDC 3.0 foresees GHG emission reduction of 42% by 2035, which reflects only a 7% reduction from the 2030 target and a 42% increase over 2019 levels, falling short of a linear path to net-zero by 2053.

In the 12th National Development Plan (2024 – 2028), several measures (431.4 and 59) mention new investment needs and development of modern technologies to reduce GHG emissions in the fertilizer sector.
In addition, these efforts are fully compatible with the "integrating climate change measures into national policies, strategies and planning" target of the SDG13-Climate Action.

Integrated Results and Resources Framework (IRRF) of UNDP indicated a strategic objective (A.4.2) for financing for climate and nature-based solutions expanded to promote prosperity while protecting the planet. This project also aligns with this strategic objective.

In the national context, the structured project activities are aligned with the national fertilizer roadmap of MoIT, 12th National Development Plan as well as climate policies.

Outputs and Activities

Output 1: Current Status of the Fertilizer Sector in Türkiye will be assessed.
Objective: To assess the structural, technical, and environmental profile of the fertilizer sector and to determine the current status of its decarbonization potential.

Activity 1.1 Collection of Sectoral Data and Technical Analysis

- Compilation of data on prices, imports–exports, production, and consumption
- Identification of emission factors
- High-level technical assessment of existing production facilities (applied technologies, emerging technologies, capacities, and product range)
- Mapping of process-related CO_2 and N_2O emissions arising from urea-, nitric acid-, and ammonium-based fertilizer production processes
- Comprehensive needs assessment for green transition and decarbonization of the fertilizer sector

Activity 1.2 Assessment of Green Production Technologies

- Evaluation of accessible and applicable technologies within the scope of green transformation
- Preparation of a guideline/roadmap covering technical, economic, and operational conditions

Activity 1.3. Assessment of Carbon Capture Technologies

- Technical evaluation of carbon capture technologies applicable to fertilizer production facilities

Activity 1.4. Policy Framework Assessment

- Assessment of national climate policies and strategic documents in terms of their relevance to the transformation of the fertilizer sector including eligibility and alignment with green taxonomy.

Activity 1.5. Assessment of the sector in terms of women empowerment, equality and inclusion for just transition

- Analysis of women and men representation, employment patterns, decision-making roles, and women's participation within the fertilizer sector

- Development of recommendations to ensure a just and inclusive transition aligned with national policies, status and international best practices

The following sub-activities will be implemented under the Output 1: Stakeholder consultations, consultancy-based research and documentation

Output 2: Company-Level Low-Carbon Diagnostics will be completed.

Objective: To assess the current status of selected fertilizer companies and identify opportunities for low-carbon transformation.

Activity 2.1 Definition of pilot scope

- Selection of two fertilizer production facilities with high emission intensity.

Activity 2.2 Baseline Assessments at Selected Facilities

- Assessment of production technologies, emission intensity, energy consumption, and operational processes.

Activity 2.3 Development of Low-Carbon Transition Roadmaps

- Evaluation of alternative technological pathways for each company and preparation of pre-feasibility level low-carbon transition roadmaps, including options such as green-blue hydrogen utilization, N_2O mitigation measures, and other relevant solutions.

Activity 2.4 A Monitoring and Reporting Framework will be established for the pilot companies.

- Integration of Environmental, Social, and Governance (ESG) and social inclusion indicators into the low-carbon analysis framework
- Identification of relevant indicators for Taxonomy reporting

The following sub-activities will be implemented under the Output 2: Stakeholder consultations, visits to selected facilities, consultancy-based research, analysis and documentation

Output 3: Capacity Development will be provided for policymakers, sector stakeholders, and end users (farmers).

Objective: To enhance the knowledge and capacity of policymakers, sector stakeholders, and end users (farmers) on how to implement low-carbon fertilization processes.

Activity 3.1 International Good Practice Exchange

- Technical study visits and online knowledge-sharing sessions with a selected country showcasing good practice examples.

Activity 3.2 Sectoral Awareness Workshops

- Sharing of project outputs with fertilizer producers, sector associations, policy makers and IFIs
- Raising awareness on the decarbonization process and addressing its social, economic, and environmental impacts in line with just transition principles

Activity 3.3 Capacity Development for End Users / Farmers

- Awareness-raising activities on responsible best practices, efficient fertilizer use, and environmental impact reduction.

Activity 3.4 Social Awareness and Communication

- Design of social awareness campaigns targeting the fertilizer sector on the decarbonization process and addressing its social, economic, and environmental impacts in line with just transition principles while incorporating women and men equality
- Development of campaign concepts and an implementation roadmap.

Docusign Envelope ID: 9F010926-9603-4EB7-8415-3BFE4C3CEB3D

The following sub-activities will be implemented under the Output 3: Study visit, workshops, consultancy (3.4)

Output 4: ETS–CBAM Preliminary Impact Assessment will be completed.

Objective: To conduct a preliminary assessment of the impacts of the Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM) on the fertilizer sector, and to establish an initial analytical basis for sectoral differentiation in the context of free allocation under the ETS.

Activity 4.1 ETS–CBAM Preliminary Evaluation

- Screening-level impact assessment
- Assessment of carbon leakage risks
- Identification of competitiveness strategies

Activity 4.2 Design of an Integrated Impact Model

- Development of a conceptual impact model incorporating the agriculture–fertilizer–food nexus
- Identification of financial risk mitigation options for SMEs

Activity 4.3 Policy Recommendations

- Development of preliminary policy recommendations in line with EU and international allocation approaches
- Preparation of a regulatory framework and policy guidance for relevant authorities

The following sub-activities will be implemented under the Output 4: Stakeholder consultations, consultancy-based research, analysis and documentation

II. MANAGEMENT ARRANGEMENTS

UNDP Türkiye will implement the project with the strong coordination of the Directorate of Climate Change which is responsible authority for the climate change and decarbonization policies, implementing NDC and LTS.

This project will be overseen by UNDP Programme Manager for timely implementation and high quality.

UNDP will deploy its in-house experience (Climate Change and Environment Portfolio Manager and relevant programme and operations staff) as well as mobilize other capacities in the form of various UNDP contract modalities including National - International Professional Services Agreements and Individual Contracts.

The project will secure short-term experts to provide the required technical input as indicated in the project budget. This support will focus on providing technical assistance to the project by deploying immediate capacity needed for the implementation of the project activities in areas of analysis, trainings, workshops.

UNDP will provide direct country office support services (including for the functions of procurement, human resources, administrative services, communication, and office space), and direct project costing will apply in line with UNDP's cost recovery policy. Financial transactions and financial statements shall be subject to internal and external auditing procedures laid down in the Rules and Regulations of UNDP, whereby the cost of the audit will be charged against the relevant budget line in the project budget.

Using programme and country office staff allows UNDP to build on the existing mechanisms and exploit synergies with other ongoing projects, leading to increased efficiencies in the project and budget management and procurement. The direct cost of such support will be included in the project budget and pro-rated as per UNDP's regulations.

Docusign Envelope ID: 9F010926-9603-4EB7-8415-3BFE4C3CEB3D

III. MONITORING

A final narrative and financial report will be prepared at the end of the project, consisting of the results achieved at the output and activity level, challenges and cumulative expenditure.

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Bi-annually	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Bi-annually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At the end of the project (final report)	Relevant lessons are captured by the project team and used to inform management decisions.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Annually and ad hoc	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	A progress report will be presented to the partners and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	At the end of the project (final report)	
Project Review	The project's governance mechanism will hold regular project reviews to assess the performance of the project and review the Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the partners shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up the project results and lessons learned with relevant audiences.	Annually and ad hoc	Any quality concerns or slower than expected progress should be discussed within the project governance mechanism in close cooperation with the DCC and management actions agreed to address the issues identified.

IV. WORK PLAN

Period[1]: 12 Months

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME																	RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, indicators including annual targets	*List activity results and associated actions*	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17		Funding Source	Budget Description	Amount (USD)
Output 1: Current Status of the Fertilizer Sector in Türkiye will be assessed. Indicators: *Number of sectoral status assessment report is produced* *Baseline: No* *Target: Yes*	1.Sectoral data was collected and analyzed.																		1981 - UNDP	UNDP - Climate Promise	71300 – Local consultant	20.000,00
	2. Green Production Technologies was assessed																					
	3. Carbon Capture Technologies were assessed																				75700 – Learning Cost	30.000,00
	4. National climate policies and strategic documents were assessed.																					

[1] Maximum 18 months

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME																	RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, indicators including annual targets	*List activity results and associated actions*	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17		Funding Source	Budget Description	Amount (USD)
Output 2: Company-Level Low-Carbon Diagnostics will be completed. *Indicators:* *2.1 Number of companies which were assessed. Baseline:0 Target: 2* *2.2 Number of facility based low-carbon transition roadmaps were prepared. Baseline: 0 Target:2* *2.3 A monitoring and reporting framework was proposed for each selected companies. Baseline: No Target: Yes*	1. The pilot scope was done and two production facilities were selected.																		1981 - UNDP	UNDP - Climate Promise	71300 – Local consultant	20.000,00
	2. Baseline Assessments at Production Facilities was done																					
	3. Facility based Low-Carbon Transition Roadmaps were done.																				71600 - Travel	6.500,00
	4. Monitoring and Reporting Framework was proposed for each																					

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME																	RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, indicators including annual targets	*List activity results and associated actions*	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17		Funding Source	Budget Description	Amount (USD)
Output 3: Capacity Development will be provided for policymakers, sector stakeholders, and end users (farmers). *Indicators:* *3.1. Sex-disaggregated number of stakeholders participated to the study visit* *Baseline: 0* *Target: 8* *3.2 Number of organizations participated to the sectoral awareness sector* *Baseline: Public:0 Private:0 CSOs, NGOs, Universities: 0* *Target: Public : 5 Private : 15 CSOs, NGOs, Universities, Finance sector: 5* *3.3. Sex disaggregated number of participants to the*	1. International Good Practice Exchange																		1981 - UNDP	UNDP - Climate Promise	71300 – Local consultant	7.000,00
	2. Sectoral Awareness Workshops																					
	3. Capacity Development for End Users / Farmers																				75700 – Learning Cost	32.500,00
	4. Social Awareness and Communication																				71600 - Travel	37.000,00
																					74500 - Misc expenses	3.000,00

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME																	RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, indicators including annual targets	*List activity results and associated actions*	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17		Funding Source	Budget Description	Amount (USD)
training for manufacturers *Baseline:0* *Target: 110* *3.4. An awareness raising communication campaign is run.* *Baseline: No* *Target: Yes*																						
Output 4: ETS–CBAM Preliminary Impact Assessment will be completed. *Indicators:* *4.1. A ETS-CBAM preliminary impact assessment report is produced.* *Baseline: No* *Target: Yes* *4.2 A policy recommendation document is prepared.* *Baseline: No*	1. ETS–CBAM Preliminary Evaluation																		1981 - UNDP	UNDP - Climate Promise	71300 – Local consultant	10.000,00
	2. Design of and integrated impact model																					
	3. Policy Recommendations																				75700 – Learning Cost	9.000,00

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME																	RESPONSIBLE PARTY	PLANNED BUDGET		
And baseline, indicators including annual targets	*List activity results and associated actions*	M 1	M 2	M 3	M 4	M 5	M 6	M 7	M 8	M 9	M 10	M 11	M 12	M 13	M 14	M 15	M 16	M 17		Funding Source	Budget Description	Amount (USD)
Target: Yes																						
Coordination and management unit (project manager, administrative support, monitoring support)																			1981 - UNDP	UNDP - Climate Promise	71400 - Labor cost	16.000,00
DPC																			1981 - UNDP	UNDP - Climate Promise	75100 – DPC	9.000,00
GMS (8%)																			1981 - UNDP	UNDP - Climate Promise	75100 – GMS	16.000,00
TOTAL																						216.000,00

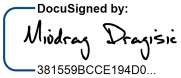
Certificate Of Completion

Envelope Id: 9F010926-9603-4EB7-8415-3BFE4C3CEB3D
Status: Completed
Subject: Complete with Docusign: CP-fertilizer_Initiation Plan-June2027 final.docx
EnvelopeLocalData:
Source Envelope:
Document Pages: 11
Signatures: 1
Certificate Pages: 1
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Meral Mungan Arda
One United Nations Plaza
New York, NY 10017
meral.mungan-arda@undp.org
IP Address: 195.155.169.174

Record Tracking

Status: Original
April 2, 2026 | 08:48
Holder: Meral Mungan Arda
meral.mungan-arda@undp.org
Location: DocuSign

Signer Events	Signature	Timestamp
Miodrag Dragisic miodrag.dragisic@undp.org UNDP Deputy. Res. Rep. United Nations Development Program Security Level: Email, Account Authentication (None), Login with SSO	DocuSigned by:  381559BCCE194D0... Signature Adoption: Pre-selected Style Using IP Address: 78.161.163.129 Signed using mobile	Sent: April 2, 2026 | 08:51 Viewed: April 2, 2026 | 10:07 Signed: April 2, 2026 | 10:07

Electronic Record and Signature Disclosure:
Not Offered via Docusign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	April 2, 2026 | 08:51
Certified Delivered	Security Checked	April 2, 2026 | 10:07
Signing Complete	Security Checked	April 2, 2026 | 10:07
Completed	Security Checked	April 2, 2026 | 10:07

Payment Events	Status	Timestamps