

# **NEW ENERGIES: HOW THE EUROPEAN GREEN DEAL CAN BRING TURKEY AND THE EU TOGETHER**

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## **SUMMARY**

- Europeans know that the EU needs to create a new paradigm in its relationship with Turkey after a challenging few years.
- The bloc also needs to develop a form of European climate leadership that complements but is distinct from Washington’s re-engagement with the green agenda.
- Through close cooperation with Turkey on the European Green Deal, the EU could meet both challenges and build trust in relations with Ankara.
- The sides have a shared interest in supporting Turkey’s pro-Western business community and in developing the promising Turkish renewables sector.
- EU member states should help Turkey manage the impact of the new trade regulations the European Green Deal would bring in.
- This refreshed approach would not resolve broader disputes over issues such as human rights – but it could start rules-based engagement and change the mood music enough to improve other areas of the relationship.

# Introduction

Turkey has not been an easy neighbour for Europeans. A decade ago, the country was generally regarded as a poster child for Europe's powerful draw – a predominantly Muslim nation that was on the way to joining the European Union and was accelerating its economic and political reforms. Lately, it has been closer to a symbol of the failure of Europe's transformative potential. Having abandoned its democratic reforms and made assertive moves on Europe's doorstep, Turkey is one of the EU's top geopolitical challenges. In the past few years, Ankara's unilateral moves in Syria and Libya have troubled European leaders, while its posturing in the eastern Mediterranean has unsettled member states enough for Brussels to consider sanctions on Turkey.

That said, Turkey is more of a 'frenemy' than a threat to Europe – simultaneously alarming and indispensable. As the European Council recently concluded, a stable relationship between Turkey and Europe is necessary – for many reasons, ranging from geopolitics to refugees, trade, and the plight of democrats in Turkey, who overwhelmingly support Turkey's European orientation. While the accession process is moribund, most member states are willing to put aside their differences with President Recep Tayyip Erdogan for the sake of establishing a constructive relationship with Ankara. After European Commission President Ursula Von der Leyen was denied a chair on a visit to Ankara in April 2021, media reports focused on Italian prime minister Mario Draghi's description of Erdogan as a dictator. Yet it was the rest of Draghi's comment that encapsulated the EU's approach to Turkey: "one must be frank in expressing differences of views ... but also ready to collaborate, to cooperate, to ensure the interests of one's country".

Europe has been searching for that elusive balance that allows for a functional trade and security relationship with Ankara but does not inadvertently signal approval of Turkey's departure from European norms and regulations. In search of that balance, more and more member states have come to view the modernisation of the customs union with Turkey as a short-term solution to the challenges in their relationship. A push to modernise and otherwise update the 1996 free trade arrangement between the sides would help Europeans increase their leverage over Ankara and incentivise positive steps from Turkey in its trade regulations. Such a move would start a new form of structured and rules-based engagement with Turkey.

A key component of that modernisation process should be helping Ankara adjust to the European Green Deal. By working with Turkey on how to adapt and respond to the European Green Deal, as well as the climate challenge more broadly, Europe could break with the paradigm that has prevented it from redefining its partnership with Ankara. The EU and Turkey are at different levels of

preparedness for the transition away from a carbon-based economy – as part of the global effort to achieve ‘net zero’ by 2050 – but both players will need to take action on climate. Having laid out a framework for such action in the European Green Deal, Brussels is on the front foot and can use this to encourage the Turkish government to develop its economic relationship with Europe in a framework of rules – at a time when concerns about Turkey’s authoritarian turn and departure from European norms has blocked any other form of integration.

Additionally, entering into a discussion with Turkey on the European Green Deal is helpful to Turkey’s business community and civil society – which have been significant interlocutors for Europe over the years, and have emerged as the key advocates of Turkey’s European orientation. The Turkish business community is well-organised, economically liberal, and focused on the longer-term strategic interests of the country. Business organisations such as the Turkish Industry and Business Association (TUSIAD) and the Foreign Economic Relations Board of Turkey (DEIK), as well as civil society groups, have been trying to steer the government towards a more robust, pro-Western, and environmentally friendly economic model. These organisations argue that adjustment to the green economy is good for Turkey and, in the long run, would help Turkish industries maintain a competitive advantage in the European marketplace. Their quiet message to Ankara is that pain now would mean gain later – as this approach would position Turkey as the key supplier to Europe in a green economic revolution. By entering negotiations with Ankara on the European Green Deal, the EU would embolden the pro-European elements of Turkey’s body politic and strengthen the country’s relationship with the EU.

Finally, there are the benefits for Europe’s geopolitical position. The EU has long wanted to develop its own form of climate leadership that complements but is distinct from America’s. While Europeans want to support the Biden administration’s climate efforts, they are well aware that they can only sustain their strategic autonomy through the development of unique policies. Turkey can serve as a litmus test for this new European role. Ankara has emerged as a significant power on Europe’s doorstep – one that it cannot afford to ignore either economically or strategically. While relations between Ankara and Washington seem tumultuous, Europeans yearn for a stable partnership with Turkey. By working with Turkey on the European Green Deal, the EU could establish its leadership on the issue in line with its strategic objectives.

This paper briefly outlines the state of play in EU-Turkey relations, and the different challenges on the table, before suggesting how cooperation on the implementation of the European Green Deal could – if handled carefully – provide openings on a number of fronts.

## EU-Turkey relations after a long, hard year

Throughout much of 2020, European policymakers tried and failed to find ways to communicate with Ankara effectively and deter some of its disruptive moves on Europe's periphery. After the failed coup attempt of 2016, Ankara blamed the United States and the EU for either backing the move or failing to support Turkey's crackdown on civil society and the Gulen movement. Turkey's relations with EU member states were often damaged by its deteriorating human rights record, as reflected in periodic spats between Erdogan and European leaders. Ankara's relationship with Washington was even worse – despite the bromance between President Donald Trump and Erdogan – due to Turkey's purchase of the Russian-made S-400 missile defence system, its cross-border incursions into Syria targeting US-backed Syrian Kurdish forces, and the high-profile court case against former Turkish officials and Halkbank, a leading Turkish state bank, in New York.

Drifting from the West, Ankara also started to pursue its own strategic autonomy when it came to national security, as seen in its growing military footprint in the Middle East and North Africa. In late 2019, Ankara formally entered the Libyan civil war by deploying troops in support of the Tripoli-based Government of National Accord to push back the forces of Field Marshal Khalifa Haftar – who was backed by the United Arab Emirates, Russian mercenary group Wagner, Egypt, and several EU member states, including France.

In recent years, Turkey has redrawn battle lines in conflicts across the Middle East and North Africa, often working in opposition to the UAE, Egypt, and Saudi Arabia. In 2020 this regional rivalry seeped into Europe itself – with EU member states decrying Turkey's efforts to gain access to hydrocarbons in the eastern Mediterranean. Turkey was at loggerheads with Cyprus, Greece, and France after it signed a maritime demarcation agreement with Libya in early 2020, before deploying its exploration vessels off the Cypriot coast to stake its claim to resources in the area. During this period, French and Turkish naval ships stared each other down, and there was a collision between Greek and Turkish coastguard vessels that heightened tensions between the sides. A military skirmish in the eastern Mediterranean looked well within the realm of possibility.

There were two main challenges for European diplomats throughout 2020: how to create the conditions for de-escalation with Turkey in the eastern Mediterranean and Libya, and how to establish a more stable partnership with Turkey that safeguarded core European interests, including the 2016 refugee deal between the sides (which is set to expire at the end of 2022). In the short term, there was no chance that Turkey would return to European norms or respect for the rule of law, making it politically difficult for European member states to openly advocate strong relations with

Turkey.

Nonetheless, the wish to avert a military confrontation – and the fact that several of Turkey’s arguments about the need for energy sharing and maritime boundaries in the eastern Mediterranean resonated with some member states – eventually led to a more pragmatic approach by Brussels. Europe offered Turkey a new deal to de-escalate the confrontation and forge a new form of partnership with Ankara. During the German presidency of the Council of the EU in the second half of 2020, Chancellor Angela Merkel played a critical role in convincing Erdogan to pull back the exploration vessels off the coast of Cyprus that had caused concern among member states, and to start direct talks with Greece on bilateral maritime issues. In return, the Council – after much debate – expressed a desire to adopt a positive agenda in the relationship with Turkey, applauding the “positive dynamic” in the relationship and paving the way for steps such as renewal of the migration deal and new negotiations on an upgrade of the customs union.

“The European Union is ready to engage with Turkey in a phased, proportionate and reversible manner to enhance cooperation in a number of areas of common interest”, said the Council conclusions of March 2021. The Council invited the European Commission to start “talks with Turkey to address current difficulties in the implementation of the Customs Union, ensuring its effective application to all Member States, and invite in parallel the [Commission] to work on a mandate for the modernisation of the Customs Union”.

Of course, this is neither a honeymoon nor a renewal of vows between Turkey and Europe. Rather, it is an effort to establish a *modus vivendi* between Turkey and Europe after several tumultuous years. This year, the eastern Mediterranean has been calm for months, and Turkey has curbed its unilateral attempts at energy exploration. Turkish officials have refrained from anti-European rhetoric and, in an effort to improve Turkey’s regional and global image, the country has tried to normalise relations with some of its regional rivals, including Egypt, Israel, and Saudi Arabia. The Council will announce its decision on whether to pursue customs union modernisation with Turkey around a week after the first meeting between US President Joe Biden and Erdogan, which took place on 14 June on the margins of the NATO summit.

There is reason to be cautiously optimistic about the prospect of a stable relationship with Turkey – not because it is eager to return to EU norms or unlock the accession process, but because the offer on the table is a transactional economic partnership. Brussels and Ankara understand that this is now the kind of relationship they have, and that it might be the best way to ensure their partnership survives tough times. For Turkey’s president, whose popularity is in decline as the country’s economic prospects dim, a new trade relationship with Europe would be a welcome political boost at home. For

Europe, grappling with the fear of ‘losing’ Turkey as a partner, this is the only realistic option for now.

## Criticism of a deal with Turkey

But not everyone is happy. Some member states are alarmed by the prospect that this new arrangement will marginalise Turkey’s democratic evolution – and thereby undo decades of domestic reform during the accession process, while rewarding Ankara and abandoning the pro-European elements of Turkish society. The European Parliament recently called for the suspension of Turkey’s EU accession talks unless the country “urgently and consistently reversed” negative political trends. The human rights community in Turkey argues that the EU is not pushing the Erdogan government hard enough for its failure to abide by EU norms, including its refusal to honour European Court of Human Rights decisions on the imprisonment of Kurdish politician Selahattin Demirtas and civil society leader Osman Kavala.

Yet, so far, doing the opposite – using the ‘stick’ rather than the ‘carrot’ – has also failed to produce an improvement in Turkey’s domestic scene. The European Green Deal could still have advantages – not in reversing Turkey’s democratic decline, but in maintaining its European orientation. By negotiating with Ankara on the European Green Deal, the EU could preserve Turkey’s ties with Europe – and avoid making political concessions to Erdogan – to develop a relationship that might benefit pro-European Turks. Trade relations require transparency and cumbersome negotiations. For Turkey to upgrade its customs union, it would have to form technical committees, involve businesses and the academic world, and eventually adopt the new set of green regulations and legislation that the EU is preparing.

In the absence of any progress on Turkey’s accession process, an economic dialogue that led Turkey to align with EU legislation could promote a rules-based order in the management of the Turkish economy. According to the Confederation of European Business, “an upgraded Customs Union needs to address existing barriers to trade and investment, define standards and regulations and establish an effective, depoliticised, dispute settlement mechanism. It should also be an instrument to promote the rule of law, accountability, transparency, and sustainability. In the meantime, the European Commission should also address the current trade and investment concerns, including barriers in customs procedures.”

## The EU’s ambitions of climate leadership

Climate action is the most important new facet of geopolitical competition. The transition away from

carbon dependency now looks inevitable. And, in the run-up to the November 2021 COP26 meeting in Glasgow, many countries will step up their efforts to put in place concrete plans to limit global warming to 1.5°C above pre-industrial levels. States that are already adapting their economies to the climate challenge – or that have the resources to do so, or are helping others adapt – have an opportunity to gain geopolitical influence, and to drive other players further in terms of the action needed to fulfil headline commitments.

The EU is in the vanguard of this planning and adaptation, as it committed to the European Green Deal last year and has helped its member states develop their National Recovery and Resilience Plans this year. But, in its efforts to build its geopolitical influence on the climate agenda, the EU is at an earlier stage. At Biden’s climate summit in April, the US administration extracted big promises from actors such as Brazil and China, and was met with a more urgent tone from Russian President Vladimir Putin, who set a goal to reduce Russian greenhouse-gas emissions below EU levels in the next 30 years. Given the rise of climate in global strategic priorities, these promises and the negotiations around climate action will shape Washington’s relations with major powers in the coming decades.

Though US re-engagement adds momentum to global efforts on the climate challenge, it leaves the EU with a somewhat uncertain role in climate leadership. Politicians in Brussels have promised to “lead the way” in successive speeches on the climate challenge, and have placed climate and the digital transition at the centre of a transformative new transatlantic agenda. But how will Europe lead or develop its strategic autonomy on issues where Washington is also pushing ahead? What exactly is European climate leadership? It cannot be simply replicating US efforts in a less effective way.

As the world’s largest trading bloc, and as the second-largest economy after the US, the EU is determined to place trade at the centre of its efforts to promote climate action globally. But, with the European Commission’s legislative proposals on the carbon border adjustment mechanism and other elements of the trade package of the European Green Deal delayed from spring to July 2021, there are worrying signs that the bloc is unsure of how to build up its climate sovereignty. Some member states are concerned that – given that Washington has signalled its opposition to carbon pricing – EU-only measures could be perceived as protectionist, running counter to the bloc’s reputation as a champion of free trade. Such concern may be compounded by the fear that third countries would retaliate against EU exports.

This is where the Turkey piece of the global puzzle makes sense for Europe. For Turkey, there is a clear case for building up green cooperation with its largest trade partner – one that has publicly committed to reducing carbon-intensive imports. For the EU, implementing a WTO-compatible

carbon border adjustment mechanism with one significant player, in a consensual way, could show sceptical member states how the measure can be applied more broadly. By bringing Turkey into the climate equation, Europeans can help meet their future energy needs, make an important contribution to addressing the climate challenge in the Middle East and North Africa, and burnish the EU's credentials as an autonomous strategic climate actor.

## Improving relations while tackling the climate challenge

Ankara is, by all accounts, a latecomer to climate action. Erdogan's growth-driven economic model and push for mega-infrastructure developments have been criticised by environmentalists in Turkey and abroad. Though it is a signatory to the Paris Agreement on climate change, Turkey has not yet ratified the convention, citing concerns about the financial responsibilities it imposes on developing countries. What Ankara wants is a visible international role in this new drive but also a promise of funds. Erdogan wants to negotiate his way into the green revolution. As a result, there is not nearly enough government pressure for companies in Turkey to adopt green tech, improve energy efficiency, protect the environment, or develop renewable energy sources. Quite the opposite – by drifting away from the West in recent years, Turkey has abandoned some of the environmentally friendly regulations it imposed on Turkish industry as part of the accession process.

However, both the Turkish business community and, to a lesser extent, the Turkish government are keenly aware of the importance of the green economy to Europe's future. And they seem to be focused on developing strategies to bring their standards in line with the carbon border adjustment mechanism and other provisions of the European Green Deal. For the government, this is currently a theoretical bureaucratic exercise that might one day come in handy for improving relations with Europe. For Turkey's civil society and industry leaders, starting a conversation on the European Green Deal would be a novel way to sustain the relationship with Europe at a time when the Turkish government is unmistakably moving away from EU norms.

Turkey's business community – including TUSIAD, DEIK, and the Union of Chambers and Commodity Exchanges of Turkey – have been closely watching the legislative package that the European Commission plans to propose in mid-July. Turkey's business community is keenly aware that the implementation of a European Green Deal that includes a carbon border adjustment mechanism would have a major impact on Turkey's own industrial base – which is driven in part by exports to Europe.

As a country that is on the EU's border and among the top ten exporters of electricity to the bloc (via Greece and Bulgaria), Turkey cannot escape a new push towards its own green new deal. One member

of the Turkish business community said: “green growth is positive for the Turkish economy, but we need to speed up our activities and increase efforts. Both the government in Ankara and the EU need to be constructive. We are in the supply chain of EU member states, so this adaptation is beneficial for Europe as well. It is a win-win. The EU can encourage and contribute to this trade partnership through funds, establishing a mechanism, and by building capacity.”[1]

Though it is not rich in hydrocarbons, Turkey has become an energy transit hub. The country is in a key location for the export of coal and liquefied natural gas (LNG), and is at the centre of crisscrossing pipelines that connect the Middle East, the Caucasus, Russia, and Europe. Turkey imports 93 per cent of its fossil fuels, but has long aimed to achieve energy self-sufficiency and reduce the costs of these imports. Since 2005, the Turkish government has incrementally increased the share of renewables in the economy, including through the use of various economic incentives to construct hydroelectric dams and solar and wind farms – which now collectively account for 44 per cent of the country’s electricity production (solar and wind are a relatively small part of this).

The EU should consider supporting Turkey’s development of its renewables sector, potentially as part of a broader agreement with the country. This would be in line with the EU’s January 2021 Council conclusions on the external dimension of the European Green Deal, which put forward the idea of energy diplomacy to increase uptake of renewables and strengthen “the energy security and resilience of the EU and our partners”. Turkey’s natural resources have potential but need to be carefully developed in ways that do not accelerate climate change. Ankara’s push for a rapid expansion of hydroelectric dams across the country, for example, has become a point of contention and a rallying cry for environmentalists, local communities, and the opposition. It has also met with local opposition in rural areas, including the eastern Black Sea region, due to its negative impact on local habitats. Meanwhile, Turkey’s wind and solar power resources are underdeveloped, and have become less profitable in recent years as energy prices declined.

With energy self-sufficiency as a goal, Ankara has in recent years focused not on wind and solar but on building its first nuclear reactor (in cooperation with Russia), constructing the TurkStream pipeline to import Russian gas via the Black Sea, and increasing its LNG imports. Turkey has also incentivised the construction of new coal plants. Domestic coal production remains an environmentally problematic aspect of Turkey’s energy policy, not least because of its contribution to air pollution in big cities such as Ankara and Istanbul.

The Turkish government has also been assertive in energy exploration not only in the Mediterranean but also in the Black Sea and the Aegean. A renewed EU-Turkey focus on renewables could be an alternative model, potentially easing tensions with neighbouring Greece and reducing Turkey’s

dependency on hydrocarbons – and, therefore, regional actors such as Russia, Azerbaijan, and Iran.

In the long run, such diversification would reduce political tensions in the eastern Mediterranean, where Ankara has found itself at loggerheads with the East Mediterranean Gas Forum – an alliance that plans to construct a pipeline that would bypass Turkey to connect Greece to Israeli, Cypriot, and Egyptian gas fields. At the heart of Turkey’s assertive stance in the eastern Mediterranean is the fear that it will be unable to access energy resources off the coast of Cyprus. But the planned pipeline across the Mediterranean is costly and possibly unfeasible. To prevent further squabbles over a pipeline that may or may not be built, the EU should encourage regional actors to transition to a new form of green partnership for the Mediterranean, building bridges between Turkey and its regional rivals.

Encouraging Turkey and other Mediterranean countries to develop alternative energy policies would support the EU’s policy on its southern neighbourhood, which calls for a “new agenda for the Mediterranean”. Hoping to protect and restore the rich biodiversity of the Mediterranean basin, the Council of the EU said in April that “the Blue Economy represents a powerful tool to manage the Mediterranean common goods, thus promoting sustainable economies in the Mediterranean region as it reconciles economic growth, improved livelihoods and social inclusion with the conservation, protection and restoration of marine and coastal ecosystems and biodiversity, sustainable resource use, the promotion of sustainable tourism, and climate change mitigation and adaptation.” Even though the EU is not opposed to the construction of pipelines or exploration in the Mediterranean, its promotion of renewable energy sources and carbon adjustment mechanisms would make Mediterranean gas fields even less economically viable for some countries.

## Decoupling Ankara from Washington

Biden invited Erdogan to the US climate summit in April, but the issue does not seem to be a priority in Turkish-US relations for the moment – which, as discussed, are encumbered by bilateral problems such as Turkey’s purchase of the S-400 and the criminal proceedings against Halkbank. In April 2021, perhaps signalling the strain on their alliance, the White House deviated from its long-standing policy of trying not to offend Turkey on the Armenian issue and recognised the 1915 mass killings of Armenians in the Ottoman Empire as genocide. Both Erdogan and Biden want to improve relations between the two countries, as evidenced by their 14 June meeting in Brussels. But – given their differences over Syria, Russia, and Turkey’s human rights record – it is unclear how successful they will be in this.

Europeans should not allow their relations with Ankara to be caught up in the drama of Turkish-US

ties. Instead, they should develop a climate leadership strategy that focuses more on the EU's neighbourhood – primarily on Turkey, but also on other countries to the bloc's south and east. This would complement the high-level messaging from the US on the climate agenda, cement the EU's influence in regions close to it, and test the bloc's ability to encourage a transition away from carbon in countries with which it has close ties.

The approach might also help Europe gain political leverage over Ankara. In the past few years, Europe has complained that it lacks such leverage and has been unsuccessful in influencing Turkish behaviour, particularly the country's reversal of its democratic and economic reforms. European officials knew that, at its heart, this leverage problem came from the fact that – with the accession process effectively dead – Europe had nothing to offer to Erdogan's Turkey. The customs union would not strengthen Turkey's democracy per se, but it would force Ankara to engage with Europe in a format that promoted rules-based management of the economy. It would also allow Ankara to build a new economic narrative that could improve Turkey's investment climate, at a time when all the country's economic indicators look weak. As Turkey undergoes one of the worst economic downturns in the last two decades, with high unemployment and inflation, the start of talks on how to bring Turkey's economic standards in line with the European Green Deal would undoubtedly send a positive message to financial markets.

## How to promote a green new start for Turkey and Europe

Since the formation of the customs union in 1996, Ankara has revised many of its trade regulations to meet EU requirements. During this time, legislative reforms ensured the independence of Turkey's economic institutions, including the Central Bank, the Competition Authority, and the Securities and Exchange Commission.

But many of Turkey's economic reforms from the early 2000s have either recently been reversed by the Erdogan government or have become outdated, contributing to the emergence of an economy that suffers from a personalised system of governance and relies on government interventions. The customs union, some of whose provisions have also been reversed lately, needs an upgrade. While the existing deal expedites exports and imports, it fails to cover the full range of activity in Turkey's private sector, including public procurement, services, and agriculture. Over the next few years, following the March 2021 EU Council conclusions, Turkey and Europe will establish technical committees to identify areas that need modernisation and improvement in the current free trade regime. A formal process to bring Turkey's trade regulations and industry standards in line with the

European Green Deal should be one of the core elements of that process of revision.

With a strong lobbying arm in Brussels, TUSIAD has already established a working group that focuses on identifying: key areas where Turkish industries need to adapt to the European Green Deal; which European funds are available for this adjustment; and how this might have an impact on various Turkish sectors. The organisation has also been lobbying the Turkish government to ratify the Paris Agreement and produce an action plan. In a [comprehensive study](#) published in 2020, TUSIAD examined various scenarios for compliance, and the economic impact on a range of sectors and exports. The study concluded: “while the European Green Deal can be seen as a risk for Turkey, it can also be an opportunity to serve as a transformative agent towards sustainable development. A commitment to this strategic transformation, a reduction in gas emissions, a channelling of green funds to allow a green transformation to companies, and energy efficiency could lead to a meaningful increase in GDP and a reduction in greenhouse-gas emissions. The green economic transformation strategy shows us that it is possible to increase production and employment through emission reduction goals and, therefore, provides alternatives to Turkey’s sustainable development goals.”

While the cost of adaptation varies from sector to sector, TUSIAD officials believe that making this leap now would help Turkey retain its competitive advantage in the European marketplace and possibly replace China in the production chain for certain industries. The private sector seems more advanced and interested than Ankara in this transformation, but it would be possible to convince the Turkish government to go along by offering new adjustment funds and making a case for the initiative’s potential to boost Turkey’s global competitiveness. For Erdogan, the appeal of this drive would be new visibility as a partner of the West.

Another advantage of the European Green Deal for Turkey comes from the opportunity to adopt a more balanced geopolitical disposition. Ankara feels the need to lessen its energy dependency on Russia, improve relations with Europe, and reduce tensions in the eastern Mediterranean.

There is support for this from EU member states. As shown by a [survey](#) of policymakers across the 27 member states that the European Council on Foreign Relations carried out in January, the US and China are the actors that EU policymakers primarily want to influence on climate action. But, on this issue, Turkey looms large in the second tier – especially in south-eastern Europe, where trade ties with the country are generally stronger, and where the effects of deteriorating diplomatic relations are felt more acutely (as seen in, for instance, refugee flows into Greece and Bulgaria). Therefore, some member states have an interest in mutual support between Turkey and the EU to jointly mitigate and adapt to climate change.

# The first stage of engagement with Turkey on the European Green Deal

The European Green Deal creates a real opportunity to build something positive in EU-Turkey relations. Neither side should waste time and miss out on this potential step forward. If the EU gets this right, it will gain a new kind of influence over Turkey following the deterioration of the accession process. The EU would also have a model through which to define European climate leadership within the transatlantic partnership – one that is focused on the bloc’s neighbourhood, is based on partnership, and uses the full range of tools at its disposal, particularly trade. Yet, if the EU gets it wrong, relations with Turkey may continue on their downward spiral, as the two sides could lack an issue on which to begin a constructive conversation.

The trade relationship should be at the centre of a new EU-Turkey green partnership. The EU should not only apply charges to carbon-intensive Turkish exports, but should also help Turkey’s economy transition away from carbon use. As another core element of a green partnership with Turkey, the EU should offer the country a funding package to help it develop its renewables sector – as it has with EU member states through the Just Transition Fund. EU support for access to capital for green projects in Turkey would fill a current gap.

While Turkish-European engagement on the European Green Deal would not improve Turkey’s democratic or human rights standards, it would help preserve Turkey’s existing ties with Europe in a legislative framework – thereby protecting whatever is left of Turkey’s European orientation. An upgrade of Turkey’s customs union would take several years of negotiations and require Turkish compliance with EU standards on transparency, public contracts, environmental regulation, and labour issues. The upgrade would also eventually need the approval of the European Parliament – which is known for its relatively assertive position on the protection of human rights. The process could even help Turkey and Europe restart a conversation on democratic governance. More importantly, the alternative – not engaging with Turkey on the European Green Deal and trade modernisation – could cause the country to drift further away from European norms and standards.

In addition, as Turkey is a critical energy exporter to several member states, the EU could look to develop a common renewable energy area – helping Turkey build up its hydro-, wind, and solar power with an EU commitment to import the energy in the coming years. This would be in line with the European Council’s January conclusions and would reaffirm its call for a new vision for the Mediterranean.

In the long term, a dialogue between the EU and Turkey on the European Green Deal also has the potential to reduce tensions in the eastern Mediterranean. This would be especially true if the EU took the lead in convincing Mediterranean member states to start developing green energy policies to reduce their dependency on hydrocarbons, making the regional race for energy resources less relevant. One way of preventing the Mediterranean from becoming a theatre of regional rivalry on Europe’s doorstep is to encourage partnerships on the green economy between the Turkish and Greek Cypriot communities, as well as between Turkey and Greece, and between Turkey and Egypt.

The presentation of this package will matter a lot. A green partnership will not work if the EU nails down the details of the European Green Deal and only then approaches Turkey about how to manage its impact. EU officials should start to consult Turkey as a partner, before publicising the agreement within the bloc. The EU should begin a ‘track 2’ process of informal discussions to set this in train and think through the parameters of the partnership. It will be vital to bring the right players around the table, including stakeholders from Turkish and European business communities and civil society groups, as well as politicians on both sides. With the German Greens in the ascendant, and given the importance of the Turkish diaspora in Germany, it will be important to ensure strong German engagement with the discussion.

The transition away from a carbon-intensive economy is a shared interest for the EU and Turkey that they can use to set their relations on a more even footing. This would make Europe immensely popular in Turkey, where a desire for climate action is spread across the political spectrum, and would create a new framework to guide a difficult relationship. It would not ease all the other tensions between them. But, if both sides have a constructive approach to the issue, this might just change the mood music enough to inspire positive developments in other aspects of their relationship.

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[1] Interview with a representative of a Turkish business organisation representative conducted over Zoom, May 2021.

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