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WEED Ilisu-update
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**** Environmental impact study and resettlement action plan published**

On the 25.11.2005, VA Tech Hydro, the company in charge of the Ilisu Consortium, published the updated environmental impact assessment (UEIA) and a resettlement action plan for the Ilisu Project on its own website.¹

In the accompanying PR campaign, the companies attempted to give the impression that criticism had been dispelled with these studies and that the project could now go ahead. None of this is correct.

1. No financing: While the project contracting agency and consortium (headed by VA Tech) have concluded negotiations on the terms of delivery, financing has not been arranged yet. Whether it will materialise also depends on the forthcoming review of environmental impact assessments and the resettlement plan. But the sale contract cannot

2. Criticism not dispelled: In the first run-up to the project, 1998 – 2002, a resettlement plan and an environmental impact assessment had also been compiled and promises had been given to comply with international standards. At the time, the untenable shortcomings of the studies, which resulted in the failure of the project, were only revealed by an independent review. Once again, grave omissions have been identified in initial check of the new documents. This is why claiming that the mere submittal of environmental impact studies and the resettlement plan is the solution to the problems this scandalous dam would cause is frivolous. On the contrary, criticism and resistance to the project at local level is growing.

The studies were originally published in English only. Owing to the massive pressure of European and Turkish activists, the Turkish authorities gave

¹ <http://www.ilisu-wasserkraftwerk.com/page.php>

ment plan in Turkish. The environmental impact assessment is to be issued in Turkish in February; as yet, only a summary has been issued.



This procedure shows that it is far more important for the project operators to pacify the critical public in Europe than to enable the population's true participation.

Zeynelbey Tomb
(Photo: Heike Drillisch)

** Independent review of documents

Non-governmental organisations in Europe and Turkey as well as international experts are currently subjecting the more than 1,500 pages of studies to a thorough review.

At local level, examinations are underway on the quality of the surveys commissioned by the Turkish water authority. Initial results are to be expected by the end of February 2006.

** Export credit insurance requested

Since the end of 2005, formal applications for government export credit guarantees have also been submitted to the export credit agencies (ECAs) of Austria, Switzerland and Germany by VA Tech and Züblin. The Austrian, German and Swiss governments are thus supposed to bear the risk of default owing to economic difficulties or political unrest and hence contribute to borrowing on more favourable terms for the consortium. In the first run-up to the project, in 2001, the export credit agencies had required the project operators to fulfil a number of conditions.² These were not met; instead, owing to the irresolvable environmental and social problems, nearly all the banks and companies withdrew from the project. Meanwhile, the export credit agencies of the OECD countries

have raised their standards. They have agreed on considering the stringent recommendations of the World Commission on Dams (WCD) for hydro-electric power stations with extended terms of payment. As yet, there is no indication that the Ilisu Project is going to fulfil the conditions imposed on it this time. Thus the Austrian, German or Swiss Governments' assuming liability is untenable and would trigger a considerable amount of criticism internationally. The ECAs are currently reviewing the newly submitted documents. In a joint letter to the Austrian, Swiss and German export credit agencies, the mayors of many of the towns affected as well as local NGOs and activists demanded that the people affected by the project be guaranteed at least two months

The export credit agencies

- Österreichische Kontrollbank (Austria)
- Exportrisikogarantie ERG (Switzerland)
- Euler Hermes Kreditversicherung (Germany)

² Compiling a resettlement plan, maintaining water quality, ensuring sufficient downstream flows to the neighbouring countries, preserving as much as possible of Hasankeyf.

to view the documents and formulate statements from the date of issue of the publications on in a language comprehensible to them. After all, tens of thousands of people are to involuntarily give up their livelihoods and environment and are facing an uncertain future. Contrary to the provisions made in international standards, they have so far hardly been involved in the planning process – neither with regard to plans for their own resettlement nor with respect to the relocation of cultural assets of importance to them, whether these be cultural treasures such as the antique city of Hasankeyf or the graves of their next of kin.

The Swiss export credit agency ERG set the 20th February 2006 as the deadline for statements. In response to the letter from Turkey, it has now granted an extension to the 20th March for Turk-

ish-language petitions regarding the resettlement plan. A deadline for comments in Turkish on the environmental impact assessment is yet to be announced. Since the ERG has additionally committed itself to assess dam projects in light of the WCD guidelines, a multi-stakeholder process, as provided for by the WCD, is to begin in Switzerland in March.

A wide range of actors – ERG, dam contractors, civil society groups – will jointly assess whether the Ilisu Project meets international standards and the guidelines of the World Commission on Dams, the WCD.

** No financing so far: who is going to invest in this scandalous project?

It is still not clear which banks could be willing to finance the Ilisu Dam. The involvement of private banks in this risky project without official export credit insurance is improbable. In order to find out which banks are considering to participate, WEED, Eca-Watch-Austria and the Berne Declaration have contacted a large number of banks together with Bank-Track, pointed out the dangers this project entails at local level and regarding their institutions' reputation and requested information on how they view the project. Several banks have already stated

that they do not intend to participate in the Ilisu Dam. The Union Bank of Switzerland (UBS), which was in charge of financing in the first run-up to the project, explicitly bases this on the continuing environmental and social problems: The

From an UBS letter to Berne Declaration of the 31st January 2006:

"As you rightly observe, UBS withdrew from financing the Ilisu Dam Project in 2002 owing to environmental and social reservations. At present, there is hardly any indication of the issues considered critical in the 2002 decision having been sufficiently resolved."

company side states that Turkish firms are also interested and are capable of financing the dam.

However, NGOs in Turkey and Europe hold that this is entirely unrealistic and represents an obvious attempt by the

consortium to raise pressure to arrive at a positive decision among the ECAs.

**** Concerns over Ilisu Project not dispelled**

An initial fleeting check of the environmental impact assessment and the resettlement plan already reveals several shortcomings in the studies.³

Moreover, it is particularly worrying that the project description by VA Tech makes no mention of the armed conflict in the region. But neither is compliance with international standards conceivable nor is the involuntary resettlement of many thousands of people tenable in an atmosphere of violence and

intimidation. Furthermore, VA Tech claims that 100% of the households to be resettled have been consulted. However, NGO sources indicate that this has not been the case. Moreover, an international delegation that visited the region in late October noted that frequently, only male heads of households had been interviewed. In other cases, people reported that they had been ordered to come to a police station where they were simply informed that the dam would be built.

Framework conditions of dam construction continue to be unacceptable

The situation in the project region shows all too clearly that framework conditions in the Southeast of Turkey in no way allow for the implementation of such a project without a grave deterioration in the living standards of the population and without massive violations of human rights.



Homestead near Hasankeyf threatened by flooding
(Photo: Heike Drillisch)

This includes:

1. The risk of poverty for tens of thousands of people: The bitter conflict between the Kurdish Workers' Party PKK and the Turkish Armed Forces as well as the dams that have already been built in the Southeast of Turkey have resulted in an enormous exodus to the region's metropolises. The districts there having to cope with the influx have an up to 70 % rate of unemployment; there is a lack of food, clean water, infrastructure, accommodation and jobs. As the mayors of Diyarbakir and Batman state themselves, their municipalities are not in a position to take on further victims of resettlement. According to VA Tech, social compensation programmes are planned. However, experience with dams in other countries shows that such programmes are frequently incapable of offsetting the negative consequences for those affected by the schemes. This is why we are alarmed

³ For instance, the numbers of people affected vary in the resettlement plan. Moreover, neither is a specific "social action plan" for all villages partly affected in place nor has the resettlement budget been earmarked so far. According to the World Bank guidelines, people must not be worse off after a compulsory resettlement than they were before it, and if possible, living standards should rise. In the case of the Ilisu Dam, it has to be feared that a large number of those affected are going to lose their livelihoods without receiving any appropriate compensation. Additionally, there are considerable doubts about the quality of surveys among those affected and the hydrological evaluation. Quotes from the resettlement plan suggest that people have not had the project's impacts sufficiently explained to them.

at the Bujagali Dam in Uganda being given as a reference in the environmental management plan. This is a prime example of failed dam construction. The companies withdrew from the uncompleted project without looking after the fate of those resettled. The latter are now living in great poverty in half-finished houses and do not even have water, electricity or land titles.

2. Violation of international standards not ruled out in compiling environmental impact assessments and resettlement plan: A number of finance institutions and international organisations have established standards for the planning and implementation of large-scale projects in order to ensure a minimum of social and environmental compatibility. These include the OECD, the World Bank, the EBRD and the World Commission on Dams. The recommendations of the World Commission on Dams, which are regarded as the most important ones in the area of hydro-electric power stations, provide for negotiations on the dam in a multi-stakeholder process and stipulate that free prior informed consent on the construction of the dam be arrived at among all stakeholders (www.dams.org). All information available to us suggests that this is not the case with the Ilisu Dam. But other international guidelines such as those of the EBRD also already stipulate transparency in the planning stage. While VA Tech has had talks with non-governmental organisations in Europe and has now published two extensive studies, prior to this, it was hardly possible at local level to obtain information on the project status. The meeting in Ankara, in which the government authorities decided on relocating Hasankeyf, took place without the people affected. Not even the Mayor of Hasankeyf, Vahap Kusen, had been invited.

The publication of the environmental impact assessment and the resettlement plan, which only commenced following pressure from Europe, clearly demonstrates that there can be no mention of a transparent and participatory approach to gaining free prior informed consent. On the contrary, the mayors of the towns in which people have to make room for the dam region are vehemently resisting the project.

3. Peace in the region is an indispensable prerequisite for a large-scale project with compulsory resettlement: While the human rights situation in the East and the Southeast of Turkey has shown a tendency to improve since 2000, violent conflicts have been on the increase again since April 2005. Only recently, in December, a violent conflict close to the planned construction site resulted in many deaths. Torture is still commonplace, and from March to May 2005 alone, the human rights organisation IHD recorded 2,262 cases of human rights abuse in provinces dominated by Kurds. So a violent and intimidating environment still prevails. However, a large-scale project entailing the destruction of a habitat for thousands of people can *only* be implemented legitimately and responsibly if an open atmosphere of freedom of speech allows for a true participation of the population. This essential prerequisite is clearly not given in the case of the Ilisu Dam.

4. Cultural assets are threatened: The region in which the Ilisu Reservoir is to be created accommodates a large number of important historic sites. Already in the Stone Age, people settled here more than 9,000 years ago and erected permanent settlements, grew crops and started to build temples to worship gods. Later, the paths of Assyrians, Persians, Greeks, Romans, Abbassids, Byzantines and Seljuks crossed here. The antique city of Hasankeyf enjoys particular attention. This place, which can look back on a history covering several thousands of years, holds a rich historical heritage of a wide range of civilisations and peoples. Situated on the Silk Road, it used to be an important supra-regional economic centre. Since the Middle Ages, the city has been a destination for countless Muslim pilgrims owing to its being the site of Imam Abdullah's grave, which attracts no less than 30,000 pilgrims a year. It accommodates unique artefacts of the past such as the pillars of a gigantic medieval bridge, mosques from the 15th century, a robber baron castle and tens of thousands of caves some of which continue to be inhabited until nowadays. Thanks to its significance, Hasan-

keyf was already granted full archaeological protection by the Turkish Ministry of Cultural Affairs in 1978. However, Hasankeyf is not only of importance to its inhabitants and the Kurdish people as a whole, but it is also a world cultural heritage. While rescue measures have been planned for individual monuments and archaeological sites, archaeologists have again and again stressed that the documentation and relocation of individual sites in no way does justice to the significance of Hasankeyf.

5. No agreements with the neighbouring states: In its press release of the 26.11.2005, VA Tech announces that water flowing off to Syria and Iraq will be guaranteed and that its volume has even been raised in comparison to that of the original project plan. However, there is no mention of a binding agreement with the neighbouring states. If this is lacking, legal experts hold that the project will continue to represent a violation of international law, e.g. of the UN Convention on the Law of the Non-Navigable Uses of International Watercourses, the UN/ECE Convention on the Protection and Use of International Watercourses and Lakes as well as the ESPOO Convention on environmental impact assessments.

** Local resistance is growing

Meanwhile, activities in the Ilisu Region are in full swing. The Hasankeyf Platform in Diyarbakir has opened a secretariat that around 15 organisations in all participate in.⁴ A meeting early in January was attended by the mayors of the Dam region's major cities (Diyarbakir, Batman, Hasankeyf, Dargecit and Bismil). A forum on the Ilisu Dam is to take place in mid-February. The environmental impact assessment and the

resettlement plan are to be analysed. Legal action will also be considered. In addition to in the provincial capital of Diyarbakir, opposition to the dam is also growing in the county town of Bismil, the provincial capital of Batman, its famous district town, Hasankeyf, and the district town of Dargecit, which belongs to Mardin. This opposition is to be voiced at local level and brought to Europe as well.

** International Water Conference in Diyarbakir

Already on the 29th/30th October 2005, an international water conference was held in the region's biggest city, Diyarbakir. For the first time, this event brought together environmental activists from the region, representatives of affected communities, scientists and international experts on dams so that they could share their experience with dam building. However, representatives of the GAP and the Turkish Water Authority gave short notice of their not attend

ing the meeting. In addition, the entire conference was monitored by the police, and some participants had been put under pressure not to attend in advance. Nevertheless, the approx. 70 participants described the meeting as very productive and called it an important step towards initiating a national public debate on dams. In connection with the conference, the participants from abroad visited the city of Hasankeyf, which is threatened by flooding, and

⁴ The following are involved in the Secretariat: GABB (Association of Local Communities in Southeast Turkey), TMMOB-Diyarbakir (Association of Architects' and Engineers' Chambers), Local Agenda 21, Diyarbakir/Batman Bar Association, the Municipal Authorities of Hasankeyf, Hasankeyf Volunteers' Association. In addition, the platform is supported by the human rights association IHD, the organisation of displaced people Göc-Der, CEKÜL (Foundation for the Preservation of Ecological and Cultural Values), the Museum Association, ÇevGön (Environmental Volunteers' Association) and the Municipal Authorities of the Municipal Districts of Yenisehir and Diyarbakir Metropolitan, the City of Bismil and the City of Dargecit.

talked to large numbers of inhabitants from the surrounding villages. They reported on the surveys commissioned by the project operators. In the main, the interviews had concentrated on the socio-economic conditions of the families, confronting them with a large number of confusing and biased questions. The surveys conducted so far had not integrated the population into the project planning process. Many people nevertheless stated that they wished to remain in their villages. Owing to the harsh conditions they were living in, others approved of a resettlement in principle, but only if a guarantee was given that their living standards would improve. Only a review of the resettlement plans can show whether hoping for this to come about is

justified. Experience with resettlements in Turkey so far and the above-mentioned framework conditions would appear to speak against this.



International water conference in Diyarbakir at 30th. of October 2005

** Sale of VA Tech Hydro announced for end of February

Consortium leader VA Tech Hydro is still up for sale. The EU Commission approved the takeover of VA Tech by the German company Siemens in June 2005. However, for competition reasons, the EU Commission made this conditional on the resale of VA Tech's Hydro branch. According to Siemens' plans, the sale is to be concluded by the end of February and yield more than 300 million euros. Four contestants remain on board. From Austria, there are Graz plant constructors Andritz and the Cross Consortium of KTM chief shareholder Stefan Pierer (with UIAG and Porr). And then there are the Argentine energy specialists Impsa and the Indian conglomerate Tata Power. Germany's Allianz Group, who co-operate intensively with Siemens and of which Euler Hermes Credit Assurance are also a member, have withdrawn their bid.

Meanwhile, VA Tech employees are facing an uncertain future. The selling off of the firm is generally expected to result in redundancies, so that concern among the staff is understandably high. According to media reports, owing to the forthcoming sale of the company, insecurity regarding its future and its proximity to Siemens, VA Tech Hydro has only been able to acquire a small number of orders (mainly General Electrics, so far the prime commissioning party and Siemens ri-

val, reduced its number of orders). Obviously, management is now attempting to take advantage of what really is a problematic situation for the company to gain public approval of a highly problematic project. However, this is entirely irresponsible towards the people affected in Turkey.

Towards the end of November, WEED, Eca-Watch Austria and the Berne Declaration had submitted written information about the problems and risks the Ilisu Dam entails to all companies on the short-list of possible buyers and called on them not to participate in the project given the current conditions. Additionally, together with the Umbrella Association of Critical Shareholders ("Dachverband der Kritischen Aktionärinnen und Aktionäre"), WEED informed the Siemens shareholders about the problems relating to the Dam at the Siemens General Assembly on the 25.1.2006, and it criticised Siemens' lack of corporate responsibility in the area of dams. The European NGO network is also going to hold VA Tech's future owners responsible for the project's impacts.

**** New WEED publication: "Der Ilisu-Staudamm: Kein Erfolgsprojekt."**

In November 2005, WEED published an extensive study on the Ilisu Dam covering the framework conditions of Turkish dam construction policy, the current level of planning, the new consortium and financing options as well as the expected environmental, social, archaeological and geopolitical impacts.

In addition, the regulatory framework at national and European level is discussed and an account is given of protest emerging at local level.

Der Ilisu-Staudamm: Kein Erfolgsprojekt. Zum Hintergrund und aktuellen Stand des größten Staudammprojekts im Südosten der Türkei.

Authors: D. Setton, H. Drillisch, F. Bozyigit, J. Ney-er. Commissioned by F. Uca (MdEP). Nov. 2005.

URL: http://www2.weed-online.org/uploads/Ilisu_Kein-Erfolgsprojekt.pdf.

**** Information on the European Ilisu Campaign**

Who we are: We work for non-governmental organisations in Austria, Belgium, the United Kingdom, Switzerland and Germany, all of which are part of the international campaign for a reform of export credit agencies.



What we are doing: Our activities consist of monitoring export credit agencies (ECAs), drawing attention to their significance and pressing for compliance with and the reform of environmental, social and human rights standards. We co-operate with people affected by infrastructure projects financed by ECAs in other countries and support these people. We organise protest and provide critical knowledge.

What we demand: We call for higher environmental and social standards as well as transparency in promoting exports and try to help create an opportunity for people affected to present their causes and demands to the decision-makers in the countries involved in financing the projects.

The goals of the Ilisu Campaign are:

- to develop and maintain public pressure to keep the export credit agencies from supporting the construction of the Ilisu Dam;
- to call on the companies involved to meet their social and environmental responsibility;
- to take advantage of the accession negotiations between Turkey and the EU to promote compliance with environmental, human rights and social EU standards and
- to support protest at local level.

European organisations involved:

WEED Weltwirtschaft, Ökologie und Entwicklung (Berlin); FERN (Brussels); ECA-WATCH Austria (Vienna); Berne Declaration, (Zurich); Corner House (London); Kurdish Human Rights Project (London)

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