Ilisu dam  Turkey

**Sectors:** Hydroelectric Power Generation

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**By:** BankTrack
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**Project website**

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**About Ilisu dam**

The 1,200 MW Ilisu dam project is planned on the Tigris River in Southeast Turkey, some 50 km away from the border with Syria and Iraq. A 1,800 m-long wall will form a 313 km² reservoir. It is part of the Greater Southeast Anatolian Project (GAP), which consists of 22 dams and 19 hydropower plants in the nine southeastern provinces of Turkey. The original plans date back to the 1950s and the actual design was approved in 1982. Ilisu is currently Turkey's largest dam project.

The Ilisu dam project will displace up to 78,000 mostly Kurdish people, flood the 12,000-year-old city of Hasankeyf, constitute a unilateral interference with the quantity and quality of water reaching downstream states Syria and Iraq, and cause extensive environmental damage.

In July 2009, the governments of Germany, Austria and Switzerland cancelled the export credit guarantees which they had granted for the project, as the Turkish authorities repeatedly violated and failed to fulfil the 153 conditions attached to the guarantees. Thus the Ilisu dam is the first project ever for which public export credit support was withdrawn AFTER its approval on environmental and social grounds. This constitutes the second failure of the project after a first consortium withdrew in 2001/2002.

**Latest developments**

- **Ilisu dam reservoir has reached Hasankeyf town**
  Jan 17 2020
- **Road blockade by inhabitants of Hasankeyf against ILISU Dam**
  Oct 11 2013

**What must happen**

An environmental default clause in the contracts stipulated the cancellation of the guarantees and loan contracts if the 153 conditions are not met. When these were indeed not met by the Turkish government, the export credit agencies rightly announced their withdrawal by July 7th.

DekaBank, Societe General, Bank Austria subsequently did the right thing and also withdrew their support.

AkBank, Garantibank, the consortium and the Turkish government need to follow this step and withdraw from/stop the project, respectively. BBVA and Citi as main shareholders must provide for Ak- and Garantibank to uphold international standards and withdraw from Ilisu.

**Issues**

**Human rights and social issues**

Cultural Heritage
Incompatibility with international standards, Turkish and international law

Riparian states

Other issues

Gender aspects

Environmental issues

Resettlement

Widespread resistance in the region

Environmental issues

Gender aspects

Other issues

Incompatibility with international standards, Turkish and international law

Although the consortium, as well as the export credit agencies, have announced to only proceed with the project if international standards are met, the Environmental Impact Assessment and the Resettlement Action Plan fall far short of international (World Bank) standards. Therefore the Export Credit Agencies (ECAs) supporting the project imposed 153 conditions on the project sponsors. Despite filling some of the worst gaps between Turkish laws and international standards, these conditions still fail to bring the project in line with international standards. In Turkey, two court cases questioning the legality of the project are pending on grounds that the protected status of Hasankeyf has never been lifted. Another case has been filed with the European Court of Human Rights. More cases are to be expected if the project goes ahead. The lack of consultation with the neighboring countries is a breach of international water law. An expert opinion by international law experts has warned that financial institutions supporting the project may be held accountable.

An analysis of the 153 conditions attached to the export credit guarantees undertaken by Berne Declaration, ECA-Watch Austria, CounterCurrent, The Corner House and FERN finds that:

Mustafa Alabora avowed themselves to the protection of the antique town of Hasankeyf. Thousands of clients have cancelled their accounts with Garantibank, including the collective withdrawal of the Turkish labor union Petrol-Is’ accounts. Protests even spread to European clients.

Pamuk and actors like Kurtlar Vadisi (Valley of Wolves), Ak Yakar (Love Hurts), Gürkan Uygun, Görkem Yeltan, Mehmet Ali Alabora, Övül Avk?ran and Mustafa Alabora avowed themselves to the protection of the antique town of Hasankeyf. Thousands of clients have cancelled their accounts with Garantibank, including the collective withdrawal of the Turkish labor union Petrol-Is’ accounts. Protests even spread to European clients.

According to surveys, 80 % of the affected population opposes the project. The “Initiative to Keep Hasankeyf Alive” consists of professional chambers (architects, engineers, lawyers), elected representatives of affected communities from various political parties, human rights and environmental organisations, all fighting against the project. On May 20th, 2007, 2,000 participants joined a demonstration in Hasankeyf demanding the cancellation of the project. On March 4th, 100 affected people travelled to Ankara to protest in front of the embassies of Germany, Austria and Switzerland. They handed over letters from 1,500 affected people to the heads of state of those three countries in which they demand the withdrawal of support for the Ilisu project and announce that they will seek Asylum in Germany, Austria and Switzerland, if the Ilisu dam is actually built. In October 2010, hundreds of participants took part in a protest camp in the antique town of Hasankeyf. The Turkish Nature Association Doga Derneği is raising awareness all over the country of the environmental and cultural impacts of the Ilisu dam. Also celebrities like the famous pop singer Tarkan, nobel prize winner Orhan Pamuk and actors like Kurtlar Vadisi (Valley of Wolves), Ak Yakar (Love Hurts), Gürkan Uygun, Görkem Yeltan, Mehmet Ali Alabora, Övül Avk?ran and Mustafa Alabora avowed themselves to the protection of the antique town of Hasankeyf. Thousands of clients have cancelled their accounts with Garantibank, including the collective withdrawal of the Turkish labor union Petrol-Is’ accounts. Protests even spread to European clients.

Gender aspects

The World Commission on Dams found that women are disproportionately affected by dam projects. As women are often responsible for ensuring the sustainable livelihoods of their families, impacts on these livelihoods through destruction of fisheries, flooding of agricultural land and forests, and displacement often result in women bearing a disproportionate share of the costs. It is women who are often left with the burden of caring for their families, finding alternative land and water sources and alternative livelihoods when these are taken away through the development of destructive dam projects.

Environmental issues

Environment

Over 400 km² of the Tigris valley and its confluents will be affected, with detrimental effects for endangered species, such as the Euphrates Turtle. A sharp reduction in water quality is to be expected. The existing Environmental Impact Analysis and Environmental Management Plans are not comprehensive and are missing essential components, such as wildlife management, resettlement and landscaping measures.

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Other issues

Riparian states

Impacts will be felt far downstream of the dam. Especially when seen in conjunction with the smaller Cizre dam, planned between Ilisu and the border to Syria and Iraq, the waterflows to the downstream riparian states may fall to historic levels. The Iraqi government has voiced great concern over the project. Nonetheless, in contrast to requirements under international law, Syria and Iraq have neither been fully informed nor consulted before project approval.

An analysis of the 153 conditions attached to the export credit guarantees undertaken by Berne Declaration, ECA-Watch Austria, CounterCurrent, The Corner House and FERN finds that:

Hundreds of yet unexplored archaeological sites, as well as the ancient town of Hasankeyf, will be destroyed. Hasankeyf is a first-degree national monument protected by Turkish laws which prohibit any infrastructure activities. An Archaeological Salvage Plan promises to excavate and document many sites and transfer some of Hasankeyf’s monuments to an Archaeological Park. This plan, however, ignores the fact that the uniqueness of Hasankeyf stems from its setting on the steep river bank, and is highly unrealistic in regards to timing and technical feasibility. Hasankeyf is included in the World Monuments Fund’s list of the 100 most endangered sites on Earth.

Resettlement

The southeast of Turkey is populated mainly by ethnic Kurds. From 1984 to 1999 a civil war between the Kurdish Workers Party (PKK) and Turkish security forces killed 35,000 people and led to the displacement of hundreds of thousands more. At present, armed clashes continue to occur and human rights violations and restrictions to the freedom of expression are common. Tens of thousands of mainly Kurdish people may be affected by the Ilisu dam project. The resettlement plan provided by the project sponsor is utterly flawed. No actual consultations with the affected population have taken place. The availability of resettlement land is still unclear, income restoration measures are vague and have not been discussed with the people. Mayors of the surrounding cities have already stated that they cannot cope with the influx of thousands of resettlers. The impoverishment of a great part of resettlers and increasing social tensions must be expected. The expropriation of the first villages close to the dam construction site started in mid-2007. Affected people were not offered any suitable resettlement land and received only minimal cash compensation. The relocation of the village of Ilisu, which took place at the end of 2010, confirms the concerns: People are not allowed to grow vegetables, they cannot keep their livestock and are in great despair how to feed their families (for more information please read the following article).

Widespread resistance in the region

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Incompatibility with international standards, Turkish and international law

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An analysis of the 153 conditions attached to the export credit guarantees undertaken by Berne Declaration, ECA-Watch Austria, CounterCurrent, The Corner House and FERN finds that:
- the project approval process is in breach of World Bank standards
- the Terms of Reference are vague, unsubstantiated, contradictory and of a poor scientific quality
- project implementation does not comply with the ECAs' own conditions nor with World Bank standards.

A submission by CounterCurrent and the Initiative to Keep Hasankeyf Alive to the United Nations' Committee on Economic, Social and Cultural Rights concludes that the project implementation and the Turkish laws on expropriation and resettlement lead to severe infringements on the Covenant on Economic, Social and Cultural Rights. For more on this topic please read the Submission to UN Committee on Economic, Social and Cultural Rights on the Ilisu dam.

Governance

Updates

Ilisu dam reservoir has reached Hasankeyf town

Jan 17 2020
The filling of the controversial Ilisu Dam continues despite the ongoing strong critic and protests by the affected communities along the Tigris River and civil society organizations from all over Turkey. Almost two weeks ago the raising dam reservoir has reached the 12,000 years old town Hasankeyf which is one of the most magnificent cultural and natural heritage sites at our planet. The planned “apocalypse” by the Turkish government is slowly becoming reality (Hasankeyf Coordination).

Road blockade by inhabitants of Hasankeyf against ILISU Dam

Oct 11 2013
The inhabitants of the antique city Hasankeyf have blocked the main road through their city in order to protest the Ilisu Dam Project and especially the resettlement process. The road connects the provincial capital Batman with the cities Midyat, Cizre and the Iraqi border and is intensively used. More than 500 people gathered on the bridge over the Tigris River in the early morning where they persisted and sat until the afternoon although hundreds of policemen gathered and threatened the people. The same day in Hasankeyf all students boycotted the schools and shop-owners closed their shops.

The people demanded the stop of the resettlement process done by the state body State Water Works (DSI). The people criticized the resettlement process which started three years ago. The DSI foresees small amounts for the current buildings and the triple price for the new houses in "New Hasankeyf" which is in the constructing phase for two years and located 2 km in the North. Furthermore in the new settlement area are almost no opportunities planned for the new inhabitants which means a long-term impoverishment. Thats why they shouted "Our caves are enough, we do not need villas", "DSI, stop these works", "Resettlement is deception", "You have stolen our childhood, hands off from our future".

Also the governor of Hasankeyf Temel Ayca, appointed by the central government and the mayor of Hasankeyf Abdulvahap Kusen could not change the view of the people. In the afternoon the protestors have end the blockade without any arrestation.

Considering the comparatively silence of the last two years by the most inhabitants of Hasankeyf this action increases the protest against the destructive Ilisu Project which is under construction for three years. It is planned by the government to complete the construction within two years.

Ilisu Dam on Hasankeyf Halted by Turkish Court

Apr 17 2013
The Turkish State Council ruled on January 7 in favour of the legal case filed by the Chamber of Architects and Engineers (TMMOB) against the construction of the Ilisu dam project, ordering an immediate halt to the controversial dam construction in southeast Turkey.

The Council of State concluded that the Ilisu dam construction on the Tigris River, proceeding without the legally required Environmental Impact Assessment (EIA), goes against Turkish Environment law and EIA regulations.

Dam construction begins

Sep 11 2012
Construction of the Ilisu dam has begun as of last week. The Tigris River is currently being diverted into three tunnels at the construction site and will remain this way for several years. The project has been praised by the Turkish Minister of the Environment, Veysel Ergul, as being of economic and strategic importance.
May 26 2011

On May 20, 2011 in the final document by the UN Social Covenant, the committee has urged the Turkish government to "completely review its legislation on evictions, resettlement and compensation, and to take a human rights based approach into account in its infrastructure development projects, especially dams." Read more.

On October 30, 2010, Prime Minister Erdogan symbolically handed over keys for New-Ilisu, the first resettlement site. People had to move at the end of 2010, as living in their old village got intolerable due to the noise and dust from the construction works. Press reports on life in the new village reveal a sincere lack of reliable income at the new site.

On June 15, 2010, Andritz announced that they signed new contracts with the Turkish government of EUR 340 million. The contracts include Alstom’s former part of the deal and possibly also the parts of the other European companies that withdrew.

In May 2010, Alstom (FR/CH) and Züblin (D/AUT), who were supposed to be involved in the construction of the Ilisu dam, finally pulled out of the project. This appeared in a report from the Czech General Consulate in Turkey. The Austrian company Andritz AG and the Swiss companies Colenco, Maggia and Stucky will be the only European companies remaining within the controversial Ilisu dam project on the Tigris river in south-eastern Turkey. According to the report, Andritz will take over the contracts of Alstom, Züblin’s work will be carried out through Turkish companies.

Although, by April 2010, funding for the dam had not been guaranteed yet, in Ilisu the construction of the tunnel, the bridge over the Tigris and the building of accommodation quarters had started. Once construction of the tunnel is finished the construction of the dam body itself can start.

On February 11, 2010 the Turkish prime minister Erdogan, announced that the construction of the Ilisu dam will be restarted. It appears quite certain that missing funding (300-350 million Euro) will come from the Turkish banks Akbank and Garanti Bank.

The export credit guarantees granted by the German, Austrian and Swiss governments in March 2007 were cancelled on July 7, 2009. The European banks involved announced that therefore their contracts also ended. This renders the delivery contracts with the consortium void as well. It is unclear, however, if the consortium will withdraw from the project or will be available to negotiate new contracts. The Turkish government has announced that it intends to build the dam despite the ECAs’ withdrawal, but a massive campaign in Turkey and internationally demands the stop of the project and the declaration of Hasankeyf and the Tigris valley as UNESCO world heritage site. The initiative is supported by celebrities like the Turkish pop star Tarkan, nobel-prize writer Orhan Pamuk, Austrian actress Senta Berger, movie producer Wim Wenders and many others.

Financiers

A bank consortium of Société Générale, Bank Austria Creditanstalt (affiliate of UniCredit Group), DekaBank (central funds managing institute of the German Association of Savings Banks), AkBank and GarantiBank (both Turkish) signed contracts with the Turkish authorities on August 15th, 2007. Three European Export Credit Agencies approved guarantees worth half a billion Euro at the end of March 2008. The ECAs tied 153 conditions to their approval.

When it became clear in June 2009 that Turkey would not be able to fulfill these conditions all ECAs withdrew their support. Two days later, on July 9 SocGen, Bank Austria and Deka Bank also withdrew from the project.

In order to fill the resulting funding gap, Akbank, Garantibank and Halkbank provided additional finance in 2010.

Through their shares in Ak- and Garantibank, other banks are indirectly funding the Ilisu dam project. Most notably BBVA recently acquired 24.9 % of Garantibank, and Citi owns 20 % of Akbank.

Banks

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Approached, interested
Plan to sign contract with Turkish government

source: [link](#)

Uncategorised
Export Finance

Details ▼
Indirectly funding the project through 24.9% ownership of Garantibank. "BBVA has a considerable influence on Garantibank because it will share seats on the bank’s board with Doğuş Holding for the coming five years. After that, BBVA is able to purchase 1 per cent of Doğuş Holding’s shareholding and become the controlling shareholder. (Garantibank, Doğuş Holding and BBVA agrees for Garanti Bankâ€”Garantibank, 2 November 2011)."

source: Profundo Study

Citigroup United States profile

Citigroup is a major shareholder owning 20%. This is the result of "a strategic partnership signed in 2006 (Akbank, Akbank in brief, Website Akbank, Viewed in January 2011). Under this partnership, Sabanci Holding and Citigroup have granted each other a right of first refusal or first offer over the sale of any of their Akbank shares in the future. In addition, Citigroup was able to appoint one of Akbank's (non-executive) directors and Akbank was able to appoint one of the (non-executive) directors of Citigroup's Turkish banking subsidiary Citibank AS. The partnership also includes a strategic collaboration between Citigroup and Akbank to pursue new commercial activities, referral arrangements and joint ventures."

source: Profundo study

Garanti Bank Turkey profile

Approached, interested
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source: link

January 2010

Uncategorised
Export Finance

August 2007

Related companies

AF-Colenco Switzerland

Andritz Austria

IM Maggia Engineering Ltd. Switzerland

Nurol Holding A.S. Turkey

State Hydraulics Department (DSI) Turkey

Stucky Switzerland

Temelsu Turkey