HidroAysén dam  Chile

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**Project website**

**Sectors**
Hydroelectric Power Generation

**Location**

**About HidroAysén dam**

HidroAysén - owned by European company Endesa and Chilean company Colbun - plans to dam two of Chile's most powerful and pristine rivers, the Baker and Pascua Rivers. Electricity from these dams would be sent 2,000 kilometers north to serve Chile's biggest cities and its mammoth copper industry. The transmission lines for the project would require one of the world's longest clearcuts – much of it through untouched temperate rainforests of a type found nowhere else on the planet outside Patagonia.

The five dams (two on the Baker and three on the Pascua) would displace families, disrupt livelihoods and spoil tourism that brings local income. Transmission lines and reservoirs would destroy temperate rainforests unique to Patagonia. Victims of these dams would include critically endangered species such as the huemul deer, a Chilean national symbol. In response to the dam plans, Chilean and international NGOs have teamed up to wage the biggest environmental campaign in Chile's history: a campaign to keep Patagonia free of dams.

**Latest developments**

- **Freeze on HidroAysen dam ‘incredible milestone’ for environmentalists**
  Jan 22 2014

- **Chile's Bachelet Says Patagonia Dams Not Viable**
  Jul 24 2013

**What must happen**

Banks approached to provide loans directly to the project or corporate loans to Endesa Chile and Colbun should refrain from support. Banks that are shareholders of HidroAysen's owners should encourage Endesa Chile and Colbun to withdraw from the project and seek alternative and more sustainable energy options for the country. Administrators of Chilean pension funds should withdraw all funds from Endesa Chile to reflect Chilean citizens' opposition to the project.

Financial institutions are advised to take into account potential cost overruns and construction delays, and the reputational risks of being involved in financing such a controversial project. Citibank, as depository of Endesa Chile's American Depository Receipts, should reconsider its role in contributing to the market capitalisation of Endesa Chile.

**Impacts**
Human rights, social and gender impacts

The Baker dams will flood ranching and agricultural lands, displacing communities. The Baker river basin brings sustainable income to Patagonia's local communities through the rapidly growing tourism industry (much of it Chilean). This would be drastically reduced, as eco-tourists do not visit artificial lakes and power-line crossed vistas. Over half of Chile's residents oppose the project due to the environmental impacts. A coalition of at least 40 national and international groups is fighting the dams because of the significant threats to wildlife and local livelihoods.

The World Commission on Dams found that women and ethnic minorities were 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.

There is evidence that women are not provided the training that the companies promise to local people in order to have the employment opportunities that the companies contend would come with this development. As well, there is anecdotal evidence that the company is not hiring women in order to avoid having to pay benefits to employees who later get pregnant.

Environmental impacts

The Baker River has the highest flow of all Chilean rivers. Its ecosystem supports a high degree of biodiversity, including documented populations of the endangered huemul deer. Chilean environmental authorities have characterized the river's entire basin as a biological corridor and have said that the Baker River's conservation should be prioritized. The two dams on the Baker River would create artificial lakes flooding more than 4,300 hectares (10,700 acres). Flooded lands would include some of the best agricultural and ranching lands of the region.

The Pascua River has the third highest flow of all Chilean rivers, and is extremely remote. Especially in its upper reaches, the Pascua river ecosystem includes some of Chile's largest remaining populations of the endangered huemul deer. Chilean environmental authorities have recognized the Pascua for high aquatic biodiversity, have characterized most of the river's basin as a biological corridor and have said that this river's conservation should be prioritized. The three dams on the Pascua River would create artificial lakes flooding more than 1,600 hectares (4,000 acres). Flooded lands would include some of the world's rarest forest types, including the critically endangered guaiteca cipres. Other rare species that would be harmed by the Pascua dams include the huillin river otter and the torrent duck.

Governance

Applicable norms and standards

World Commission on Dams

Updates

Freeze on HidroAysen dam 'incredible milestone' for environmentalists

Jan 22 2014

Environmentalists are one step closer to realizing their goal of permanently shelving the HidroAysén after energy company Endesa dropped the Patagonian mega-dam from its short-to-medium term plans. Endesa, which owns a 51 percent stake in HidroAysén, removed the Aysén Region project from its most recent project portfolio delivered to investors, according to an El Mercurio article published Tuesday. The country's largest electric utility company denied any plans, however, to permanently drop the megaproject later that day.

Read more in the Santiago Times.
Chile's Bachelet Says Patagonia Dams Not Viable
Jul 24 2013
Chile's leading presidential candidate, Michelle Bachelet, says she opposes the HidroAysén plan, a $7 billion project to power central Chile by damming Patagonian rivers. "It's not viable. It shouldn't go on," Bachelet said late Sunday during a televised debate with other candidates who are competing to represent the center-left coalition in the elections.

Read the full article from The New York Times

Anti-Dam Election Campaign Launches in Chile
Jul 13 2013
Campaign urges congressional candidates to make public commitment and reject dams in Patagonia. Launched by the Defense Council of Patagonia, the campaign "Vota Sin Represas (Vote No Dams)," calls for presidential candidates to formally pledge their commitment to keep Patagonia free of dams and invest in renewable energy before this year's election.

Read more from The Santiago Times

HidroAysén Will Not Present EIA for Transmission Line Until End of 2014
Mar 19 2013
HidroAysén, the company intending to build a 2,750 megawatt dam project on two rivers in Patagonia, announced that it would not present the environmental impact study for its transmission line until the end of 2014, in the most optimistic scenario.

Read full article in Spanish

Colbún Suspends HidroAysén Transmission Line
May 31 2012
On May 30, 2012, Colbun – 49% owner of HidroAysen – publicly announced that it "wants to indefinitely suspend plans to seek environmental permission to build transmission lines to the capital" because there's a lack of political agreement in the country around energy development.

Read the full article from Bloomberg Businessweek

Chile Supreme Court Ruling
Apr 4 2012
Chile's Supreme Court rejected an appeal made by environmentalist groups to halt the dam project. The court's decision is in line with the October 2011 ruling made by a lower court, which ruled in favor of the project. The project awaits governmental approval for the building of transmission lines in order for construction to proceed.

Jun 22 2011
According to an IPSOS opinion poll in April 2011, 61% of Chileans oppose the construction of dams in the Aysén region.

On May 9th, the Environmental Impact Assessment for the HidroAysén project was approved, despite flaws and irregularities in the entire process. Much controversy surrounded the vote, as several commissioners excused themselves due to conflicts of interest, while others should have excused themselves but refused to do so.

Jun 20 2011
On June 20, 2011, The Appellate Court in Puerto Montt accepted three recursos de protección—roughly equivalent to injunctions. This means that the project is on hold for up to three months until these issues are resolved.

The injunctions were filed against the approval of the HidroAysén EIA granted on May 9th. The issues to be addressed are: 1. The lack of appropriate baseline information in the environmental impact study; 2. The project doesn’t own the water rights to operate under the conditions for which it was approved; and 3. Since the beginning of the environmental review process, the government bodies tasked with environmental oversight signaled that they could not perform a full evaluation due to missing essential information, and therefore the project should have been cancelled.

Related companies

Colbun Chile
Endesa Spain