

Ilisu dam Turkey

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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 Thus the Ilisu dam is the first project ever for which public export credit support was withdrawn AFTER its approval on environmental and social grounds.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.

Brief history

The Turkish government tried to have the Ilisu dam built as a Build-Operate-Transfer (BOT) project in 1996, but could not find an investor. So it awarded a contract to an international consortium with Balfour Beatty (UK) as lead company and the Union Bank of Switzerland (UBS) as financial agent. After intense public awareness raising about the project's impacts by an international NGO campaign all companies and banks involved except for VA Tech withdrew in 2001/2002 from the project as it became clear that the environmental and social problems could not be solved.

In 2004/2005 a new consortium consisting of VA Tech, Zueblin, Alstom and others was formed and applied for export credit guarantees in Austria, Germany and Switzerland. This triggered new controversy and a public outcry in those three countries. The NGO campaign also resurged, now under the lead of WEED (now CounterCurrent, Germany), Berne Declaration (Switzerland) and ECA Watch Austria. The ECAs promised to only provide coverage if international standards were met.

In 2005, a so-called Environmental Impact Assessment and Resettlement Plan were published but proven to be far from fulfilling international standards despite several amendments. Therefore in October 2006 the three European and the Turkish governments negotiated 153 conditions ("Terms of Reference") regarding resettlement issues, the environment, cultural heritage and transboundary impacts. They were kept secret until after the approval of the export credit guarantees. While the ECAs stipulate that the conditions bring the project in line with World Bank standards, NGOs and international experts claim that they are insufficient in crucial aspects to fulfil World Bank standards and international law.

Despite massive public protest, the governments of Germany, Austria and Switzerland approved the export credit guarantees for deliveries and loans by European companies and banks on March 27, 2007. Faced with the public outcry, Zuercher Kantonalbank announced that the bank withdraws from financing the project (June 15, 2007). In August 2007 the Turkish government signed delivery contracts with construction, machinery and consultant companies Andritz AG, Alstom Switzerland, Zueblin and others; financial contracts with DekaBank, Société Générale, Bank Austria, and Turkish Akbank and Garanti Bank.

At the construction site, a ground-breaking ceremony took place in August 2006. Access roads, a bridge through the Tigris river, workers' housing and military camps have been built since. Construction work on resettlement places has been started but not proceeded very far. The actual dam has not been started yet.

Expropriation of village properties closest to the construction site commenced in September 2007. A report by the Swiss NGO Berne Declaration from October 2007, on behalf of the European Ilisu Dam campaign, reveals major shortcomings – a lack of resettlement land, very low cash compensation levels and a lack of knowledge about the conditions imposed by the export credit agencies – in the expropriation process of the first villages.

Committees of experts commissioned by the ECAs to monitor the implementation of the conditions attached to the export credit guarantees travelled to the region in December 2007 and in 2008. Their reports confirm the findings of Berne Declaration on a breach of conditions during the expropriation of the first villages and highlight many shortcomings in the project planning, e.g. an immense lack of capacity and organisational structure for the resettlement and the lack of baseline data on the cultural heritage. They even state that the Turkish officials falsely confirmed the fulfilment of conditions.

Due to the devastating reports by their experts the three European governments triggered the exit procedure which was foreseen in the case of non-fulfilment of the conditions and consisted of three steps: a) if the experts confirm the violation of conditions, an Environmental Failure Notice is issued

giving Turkey a 60 day period for the healing of the violations; b) if there is no substantial progress in the implementation of the conditions after the 60 day period, the contracts are suspended for 180 days; c) if again there is no evidence that the conditions are met or will with great certainty be met in the future, the guarantee contracts are cancelled.

After the Environmental Failure Notice was issued on October 6, 2008, TV reports revealed the continuation of construction work in violation of the contracts, local activists critical of the project were detained when speaking with the affected people, and no substantial progress was made in the implementation of the conditions. Therefore the German, Austrian and Swiss governments ordered the suspension of contracts on December 23, 2008.

Even after the suspension expropriations violating the conditions continued. A report by the German network CounterCurrent and Berne Declaration highlights major on-going deficiencies of the project: there still does not exist a concept to save the antique town of Hasankeyf and archaeologists confirm that the planned "salvage" of important monuments is not possible; thousands of nomads using the Tigris valley have been completely ignored; resettlement planning has only been done for the first six villages and the feasibility of the plans is completely untested. Also, the current drought in Iraq which is increased by Turkey's filling its existing dams on the Euphrates river highlights the transboundary impacts Ilisu would have as long as there is no binding agreement with the neighboring countries. Iraq has raised major concerns about the building of Ilisu, but negotiations with Turkey have not led to a solution. As Robert Goodland, a former World Bank official who drafted several of its environmental policies, pointed out at a conference on Ilisu in Berlin on May 28, 2009, a new resettlement policy for Ilisu still showed major deficiencies and even if the conditions had been fulfilled by Turkey, the project would not be in line with World Bank standards.

During all this time, the project met with widespread resistance in Turkey, Europe and internationally. Manifestations with thousands of people took place in Hasankeyf and Ankara, activists squatted the Brandenburg gate in Berlin and the headquarters of the Austrian ECA, hundreds of public events and manifestations in front of the ECAs and banks involved took place in Germany, Austria, Switzerland, Italy and France. Thousands of people worldwide voiced their concern by signing petitions to stop Ilisu and save the region as a UNESCO world heritage site, and countless articles and broadcasts covered the issue.

On July 7, 2009 the German, Austrian and Swiss governments announced officially that the export credit guarantee contracts ended as "the requirements tied to this insurance cover in the areas of the environment, cultural heritage and resettlement could not be fulfilled within the contractually stipulated time frame due".

In November 2009, construction work restarted without official permission from Turkey's State Water Works (DSI). According to the Hasankeyf-Initiative, the DSI sent a letter to the consortium which has the contract from the project on 28th October 2009 ordering it to stop the construction. The villagers of Ilisu state that they were told to leave their houses by the end of November. They were told that they could buy new houses in the new settlement sites. These are however more expensive than the compensation they received for their current houses and it is unclear how they can restore their income in the new settlement. So the affected people have said they will move to the cities. A new wave of displacement will start soon unless the expulsion is stopped now.

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

Social issues

Cultural Heritage

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.

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.

Human rights

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

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 Dernegi 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.

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.

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:

- 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

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. That's 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 ended 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 Eroglu, 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.

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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

Akbank Turkey profile	Details ▼
Approached, interested Plan to sign contract with Turkish government <i>source: link</i>	January 2010
Uncategorised Export Finance	August 2008
BBVA Spain profile	Details ▼
Uncategorised 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 DoÄŸuÅŸ Holding for the coming five years. After that, BBVA is able to purchase 1 per cent of DoÄŸuÅŸ Holding's shareholding and become the controlling shareholder. (Garantibank, "Dogus Holding and BBVA agrees for Garanti Bank", Garantibank, 2 November 2011)." <i>source: Profundo Study</i>	
Citigroup - international - profile	Details ▼
Uncategorised 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." <i>source: Profundo study</i>	
Garanti Bank Turkey profile	Details ▼
Approached, interested Plan to sign contract with Turkish government <i>source: link</i>	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