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Report on a Fact finding mission to Yusufeli

On consultation and relocation of people displaced by the planned Yusufeli Dam Project on the Coruh river in Turkey

Christine Eberlein, Déclaration de Berne

October 2-5, 2007

1) Objective of the mission:

This report summarizes the findings of a mission by Christine Eberlein from Berne Declaration in Zürich, Switzerland, to Yusufeli and the Coruh Valley from October 2 – 5, 2007.

The Swiss subsidiaries of Alstom and Alstom France have delivery contracts with the Turkish dam building authority DSI for the planned Yusufeli Dam Project and have requested export risk guarantees in Switzerland and France. The Export Credit Agencies (ECAs) require dam projects to respect the World Bank guidelines OP 4.12 on involuntary resettlement and deliver an environmental impact assessment. The dam, which has been planned for over 20 years, threatens to displace about 12,000 people, inundate one of the world's best tourist rafting areas, contribute to the eradication of more than twenty endemic plant species in the area, threaten the survival of an endemic wild goat species and inundate 2000 year old historical monuments and living culture.

The objective of the mission was to investigate whether the World Bank standards OP 4.12 for involuntary resettlement, have been implemented satisfactorily by the Turkish DSI and the Yusufeli building consortium (Alstom and Dogus). This involved inquiring whether the Action Plan report was disclosed to the affected communities in a format accessible and comprehensible to them; whether affected people had been consulted appropriately, had been informed about project details regarding expropriation and resettlement, could participate in a meaningful way about their relocation and expropriation and whether adequate resettlement sites and income generations measures are available to help displaced persons improve or at least restore their standards of living and their livelihoods.

Christine Eberlein met with representatives of the Yusufeli Culture Association, representatives of the Rafting and Tourism Association, villagers of several villages in the Coruh valleys, who are threatened to be flooded by the Yusufeli Dam-project, as well as inhabitants of villages who are going to be inundated by the Deriner Dam-project. She also had several meetings with an official delegation from the Export Credit Agencies of Switzerland and France, including the delegates of DSI, Dogus and their consultants and separately met with the local manager of the building company Dogus.

2) Major Findings:

In summary we found:

- A lack of information from DSI and no participative consultation of the affected people
- The affected people don't trust the promises of DSI and the government as a result of the bad experiences of other dam affected people
- A complete lack of response by DSI towards important issues raised by the affected people regarding the restoration of their livelihoods.

The project proceedings severely violate WB OP 4.12 and ignore best practices for projects where involuntary resettlement occurs:

- *Affected people were not adequately consulted and could not bring in their points of view.* They were only informed they had to move as a result of the reservoir. The majority has not been informed about resettlement sites, nor about compensation or income generations schemes. People in Yusufeli were informed that the location of the new Yusufeli town will be 400 m above Tekkale village on a rocky steep slope without sufficient water and complete lack of earth. Objections and questions were ignored. No information has been given about how people shall survive on the designated land and what they shall live off as agriculture will not be possible.

- People in rural areas were not informed at all, and did not know about the planned resettlement areas. This is contradictory to information given in documents by DSI. All people interviewed stated that the designated resettlement areas are uninhabitable due to lack of water, space for sufficient agricultural land and lack of fertile soils.
- The Resettlement Action Plan and its “Addendums” state that the majority of the people would prefer cash compensation. This is not correct. According to our interviews, the majority of the inhabitants prefer to stay in the area, and would rather choose land based compensation. However as they were not given reasonable alternatives to resettle, and they feel they won’t have any other option than to choose cash compensation, because they would not be able to survive on the steep arid land which was allocated as resettlement sites.

3) Conclusions and demands by Berne Declaration

- The project so far does not comply at all with the standards of the World Bank and the OECD, which are relevant for ECAs: there were no meaningful consultations, there is no adequate resettlement land at all in the entire area and DSI did not produce a resettlement Implementation Report including income restoration measures. Further there is no agreement showing that Turkey will actually earmark a budget sufficient for the expropriation and resettlement of 12,000 people.
- Given that Turkey by now has had more than 20 years to come up with a realizable resettlement strategy and also refused to do so over the past two years of this latest project proposal, we conclude that DSI has no interest in resettling the affected people. The false claims by DSI that people would rather take cash compensation shows that DSI aims to expropriate people and abandon them to their fate in order to save money and a lot of trouble, e.g. by not having to build houses in rocky steep hills and create gardens where nothing can grow.
- The manipulation by DSI which has been going on for 20 years and the entire climate of intimidations is psychologically tiring and very stressful for all people of the Coruh valley. Most people don’t dare to openly voice criticisms for fear of losing their jobs. Indeed, when Christine Eberlein talked to the “Friends of Yusufeli” in Istanbul, in an office belonging to the municipality of Istanbul, one person was immediately fired and a professor who had talked about the Coruh dams on television received death threats the same evening.
- The governments and economic and finance ministries of France and Switzerland have to be conscious of the fact that there is no land at all realistically suitable for land-to-land resettlement of such a huge number of affected families. Therefore an approval of the project would imply a forced displacement of the affected people which seriously contradicts the standards of the COFACE and the SERV as well as the World Bank.
- From other experiences with dam projects in Turkey (Ilisu, Keban, Attatürk, Deriner) and actually worldwide, we learned that promises were never fulfilled once a financial guarantee or approval was given. Therefore COFACE and SERV must ensure that all relevant documents, like a participatory Resettlement Implementation Plan and income generation measures, as well as the proof of sufficient land suitable for agriculture and food production, are completed and publicly available before any final agreement is signed between the parties.
- We also demand that at least a failure clause as strict as the one in the case of the Ilisu dam project and a separately earmarked budget be agreed with Turkey.

4) Demands by the Yusufeli Culture Association:

- The steering group members of the Yusufeli Culture Association urge the Export Credit Agencies, the Governments of France and Switzerland, the Banks involved, and the DSI, to respect the demands of the affected people not to build this dam, as there is no appropriate land in the entire area where they could be resettled.
- The majority of peoples depend on self-sufficient agriculture to survive and about 5,000 people live entirely off farming, but would not be able to survive on the designated resettlement sites.
- Further, we want to stay together as communities. If we are forced to take cash compensation due to a lack of land and leave the area, our communities, social networks and social support systems would break apart. We fear we would all be dispersed because of a lack of affordable land elsewhere and end up in dirty outskirts of the larger cities, contributing to the crowd of unemployed people and not knowing what to feed our families.
- Therefore we demand that the dam not be build unless DSI offers us adequate resettlement sites, including agricultural land which we agree to and where we can cultivate sufficient food to sustain our livelihoods.
- We also finally want to know which prices we will be given for our properties and the costs of new resettlement houses and land.
- Further, we demand that DSI immediately build model houses and farms up on the new resettlement sites to demonstrate that we can sustain our livelihoods up there. If we are to resettle in 5-10 years time and maintain our livelihoods they would have to start planting fruit trees by now any anyhow so we can harvest in 5 years. Otherwise we can't take DSI serious.

5) Report of interviews and meetings:

5.1 Interview with representatives of the Yusufeli Culture Association

The Yusufeli Culture Association has about 150 (male only) members and about 10 members in their leadership committee, whom I interviewed. The Association cooperates with the Yusufeli Kajak and Rafting Association, the Trecking and Sports Association and the Barhal Culture Club.

a) What is your general point of view on the dam project?

Of course nobody wants to lose their ancestral place and their home and livelihood. Therefore we are all against the reservoir. In 2003 we collected 6,000 signatures against the dam in one week. This number covers about 95 % of the inhabitants of Yusufeli town. The only people who are pro-dam are members of the AK party, which is the government party. In August 2006 and 2007, we organized huge protests and rallies in the valley to make the public in Turkey aware of our fate and the arbitrariness of our dam building authorities.

We have been fighting against the Yusufeli Dam Project for over 20 years. During this time we have been psychologically demoralized by the government which doesn't allow us to invest and expand in tourism, a business which we are sure would take off well with all the natural assets we have in the region.

However, if there is no way to preserve our valleys, we would rather stay in a new resettlement town or villages nearby than move away.

b) What is special about Yusufeli and the Coruh valleys?

Yusufeli and the Coruh Valley is a unique place. Our valleys are in the midst of 2000-4000 m high and very arid rocky mountains of the Kackkar mountain range. Yet the warm Mediterranean air comes through the valleys and produces a micro-climate. The soil along the river is very rich as it is partly volcanic. This allows us even to grow rice, several crops per year, sub-tropical fruit. Twenty plant species are endemic to the valleys of Yusufeli. The entire area is well known for its biological diversity. We grow the best olives in the World. (In 2005 olives from a village near Artvin won a prize for the best tasting olive worldwide). Further, the dam would inundate our cultural heritage: several 1,500 year old churches and medieval fortresses would drown, as well as our 2,000 or more years old cultural water supply systems.

c) Were you consulted on the plans of the project, especially regarding resettlement and expropriation?

The only official meeting which DSI organized was in August 2006. We were only given technical information. When we asked for more detailed information like: is there enough fertile land; what will be the source of our income; what will be the price of our properties and how much do we have to pay for new houses; etc., we were not given answers, but told that we shouldn't worry and that the government will take care of us. This aroused the disrespect of the audience and after hard accusations the meeting was cancelled. When we wrote the DSI a letter with our objections, we were answered in writing that there is no need to inform the affected population, the government will take of all.

d) DSI says there was an information office in the municipality and the relevant documents and information would still be there. Further some documents are on the internet, have you read them?

There was never an information office. There is only a desk and some plans of the new houses. They rather appear as a joke because we cannot only live in a house, we need gardens, access to water and enough land to sustain our livelihoods. A DSI officer was there just for 2 months in early 2005. We went there a couple of times, but never got any information on our questions. We browsed through the thick documents, but did not find any valuable information on how we are going to survive, about the prices of land, new houses etc. There is no information on income generation or whether we will have enough land and water at the new resettlement sites. We were not able to access the documents on the internet because we don't have computers with the capacity to download these big files, neither the printers. We were also not informed about the existence of amendments. Therefore we believe that it was never the intention of DSI to consult us. We estimate that 85% of the population is not informed about new resettlement sites and the proceedings of expropriation. We suggest that the ECAs conduct their own enquiries of how many people are really informed.

e) What is the problem with the designated area for the new Yusufeli and the villages in the Coruh valley?

It is correct that it is the only place in the entire area which is centrally located to build a new town. However, it is entirely uninhabitable and therefore seems a joke to propose we should move there. There is a small river further down the valley, but we fear its source will be inundated by the dam. It only has water from March to May anyway. Further up there is no water at all. You will see that there is not even path? and not a tiny bit of fertile land. It is all shear rock and one might be able to build a concrete house but never a garden. We don't even know whether the area is land-slide proof. Inhabitants of Yusufeli all have gardens and fields which they depend on. About 80% of the entire population lives off agriculture as their main source of income. The situation is even worse for the 6,000 people living in villages. They

depend entirely on growing fruit, vegetables and crops and selling rice. That would not at all be possible up there. Also the climate is very different. Down here, we have three harvests. Up there the climate is different, there is more snow in winter and we would – if at all – only have one harvest.

A further problem ignored by DSI is that most of the resettlement site is state owned forest. On October 4, 2006 the Ministry of Agriculture, issued a decree signed by Premier Minister Erdogan, that forest land cannot be converted into construction land. We were informed by the ministry that this also applies to the new resettlement site, although there are almost no trees left. Our calculation of the remaining amount of available land shows that the space will not even be enough to build houses for the people of Yusufeli town – not speaking of their land, gardens. The people in the villages owning much more land would entirely miss out.

Equally important is a letter of the Ministry of (Bayindirlik Iskan) “Building and resettlement” issued on May 23, 2006. stating that the designated site for the New Yusufeli does not qualify as a resettlement site.

We know from other dam expropriated villages that displaced families had to buy the new houses and the land on the resettlement sites and that they had to live there for many years before they were allowed to sell or move away. Can you image that we are forced to trade in our valuable houses and fertile lands on the Coruh for this rocky unfertile land up there?

5.2 Report of discussion with members of the Yusufeli Rafting Association

In addition to what was said by the Culture Association, the Yusufeli Rafting Association stressed the Coruh is listed among the worlds five best rafting rivers, with one of the largest stretches of rafting possible in the world. The entire area has a huge potential for tourism which is completely ignored by the Turkish authorities. They oppose the dam as they would lose business which is not replaceable. In case the ECAs would still accept the dam, they demand to be compensated for their loss of business, as according to Turkish laws they would miss out entirely.

5.3 Report of discussions with the “Friends of Yusufeli in Istanbul”

Quite a large group of people originally from Yusufeli now live in Istanbul. In fact, the mayor of Istanbul comes originally from Barhal, a village near Yusufeli. The “Friends of Yusufeli” highly contest the economic viability of the dam and published a brochure on energy alternatives in the Coruh valley. However their proposals have not been taken up at all by the government.

They argue that DSI provided false data in the budget. A comparison with the Deriner Dam (presently being built on the Coruh) reveals a budget increase from originally 700 Mio US\$ to now 2.6 billion US\$, not even taking into account resettlement costs. If DSI integrated the real costs including appropriate resettlement, the cost of resettlement land and the costs of expropriation, the Yusufeli dam would be a complete loss for the government and therefore an investment on the shoulders of the Turkish taxpayers and at the expense of 12,000 displaced persons.

- Therefore they demand that the ECAs immediately commission an expert report on the economic due diligence of the Yusufeli dam. Further they demand that an independent agricultural expert analyses the designated resettlement sites and DSI demonstrates how people shall live up there.

5.4 Conversation with Mr. Ayden, Head of Dogus-Yusufeli (building company)

We interviewed Mr. Ayden about the importance of the Yusufeli dam project and about energy alternatives in the valley. He admitted frankly that the alternative presented in the Environmental Impact Assessment Report by DSI of building two smaller dams instead of one large dam, was not feasible technically and had been put in there for political reasons. Also other alternatives like small hydropower or pump reservoir electricity generation would be too expensive and not generate the same amount of electricity.

The reservoir of Yusufeli needs to be built in order to make the other 4 dams which are presently being built downstream cost-efficient, because the Coruh only supplies sufficient water from March to May to generate electricity.

Christine Eberlein, Déclaration de Berne, Zürich, Suisse, 25.10.2007

All pictures C. Eberlein



Men in Tekkale testify that they have not been informed about new resettlement sites and state that there is no water and no fertile land and not enough flat places to cultivate crops, fruits and vegetables.



Farmers harvesting rice near Celtikduzu



The fertile fields near Kilickaya



The Coruh Valley west of Yusufeli



The new resettlement site of this village is supposed to be on the rocky slopes behind the first ridge. It is not accessible and has so far only been surveyed by helicopter.



The proposed resettlement site of New Yusufeli. The slopes are arid, steep, lacking water and fertile land. In addition, most of the area is a protected forest area and can officially not be settled according to a decree by the ministry of agriculture of 2006.



The plans for the new Yusufeli town don't match the landscape and don't foresee to grow vegetables, fruit and crops.