

Joint-venture dam brings a flood of problems for locals

Environmental and social cost of project between Paraguay and Argentina

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The Yacyretá hydroelectric dam run by Argentina and Paraguay is fully operational, supplying the energy it was designed to provide when it was built 40 years ago. But critics complain about severe social and environmental impacts.

The giant dam on the Paraná River, which separates the two countries, left wetlands rich in biodiversity under water, hurt previously abundant fish species, and pushed some 100,000 people out of their homes.

Although the original idea was to supply energy to both countries, the main beneficiary of the 3,000 MW of installed capacity is Argentina. A total of 15 billion dollars went into building the dam and hydropower station, 10 times more than the initial cost estimate.

Yacyretá's energy supplies to Argentina, which uses around 90 percent of the power produced by the dam, represent approximately 20 percent of the country's total electricity consumption, according to the Federal Planning Ministry.

For the construction of the dam itself, 15,000 families were relocated to new housing on the outskirts of the city of Encarnación in southeast Paraguay and nearby Posadas in Ar-



President Cristina Fernández de Kirchner at the opening ceremony with Paraguayan counterpart, Fernando Lugo.

gentina, the cities most affected by the dam. The majority of the relocated people lost their livelihoods.

Some 160,000 hectares were flooded by the reservoir, and the local residents had to choose between relocation to new settlements or monetary compensation.

Today, many of the people who were relocated can't find a way to make a living.

"Yacyretá is the dam that displaced the largest number of people in the

western world, many of whom depended for a living on activities involving the river; these are the people who have not managed to find a new livelihood," said Jorge Urusoff, a local resident who heads the Tajy Environmental Association, in Encarnación.

The Entidad Binacional Yacyretá (EBY), the binational company that operates the hydropower station states on its web site that the displaced "were, in general, people living in precarious settlements, and now they have housing that they formally own," with plumbing and running water.

But Jorge Cappato of the Fundación Proteger, a local environmental group, stressed the enormous social and environmental impact of Yacyretá, and of another major hydroelectric dam on the same river, the Brazilian-Paraguayan Itaipú dam.

"There is a distorted concept that development can only be achieved by means of megaprojects, when all they really bring are profits for big industry and for the politicians who find it good business to show them off," said the activist, whose foundation works to defend wetlands and fish species along the Paraná River.

Both Urusoff and Cappato pointed out that the relocated communities depended on fishing, pottery, brick-making and rice-growing for

a living — activities that require abundant water, wetlands and space and cannot be carried out in urban areas.

The agreement to build the dam was signed by the governments of the two countries in 1973. The cost of the enormous undertaking was initially projected at 1.7 billion dollars, and the hydropower station was to provide electricity for six million households.

However, the construction project became notorious for the level of corruption and the failure to meet deadlines. In 1998, the government of then Argentine president Carlos Menem (1989-1999) attempted to privatize it with the argument that it was "a monument to corruption."

In 2003, the governments of Argentina and Paraguay agreed on a plan to finish Yacyretá, in which they committed themselves to speeding up work on the relocation of families and on mitigating the damages. And in February of this year the water in the reservoir was finally raised to 83 metres above sea level and the dam began to operate at full capacity.

At the ceremony to mark the completion of the project, President Cristina Fernández de Kirchner admitted that "progress brings problems" and that the affected families should be duly compensated. But

she also remarked that "without energy we can't keep growing."

People in the affected areas see things in a different light. "This project has always been 'autistic', completely unsustainable, and it still is. It was built in a low-lying area that is not suitable for a dam," Urusoff said.

Paraguay sells Argentina the energy it does not consume, but at a ridiculously low price, the activist complained.

The country has a similar arrangement with Brazil, which does not pay Asunción the market rate for the energy generated by the Itaipú dam, he added.

"The modification of the natural water flow, which is the basis of the biological wealth of the Paraná river, has been enormous," the activist said.

During low-water season, the reservoirs accumulate water, and the flow is reduced, which has a heavy impact on the migration of fish species, in the Paraná itself and between the river and its tributaries.

Nevertheless, EBY is working to expand Yacyretá, installing turbines in the Ñaá Cuá branch of the complex, which will increase the plant's capacity. In addition, there are plans to resume work on Corpus, another joint Argentine-Paraguayan dam on the Paraná River.

NEW ZEALAND REPRESENTATIVES VISIT ARGENTINA

Kiwi delegation seeks to strengthen business ties

BY MICHAEL SOLTYS
Herald Staff

The visit of a New Zealand parliamentary delegation headed by Speaker Lockwood Smith in the second half of this week has been shrewdly timed with the 2011 World Cup in the home of the legendary All Blacks now less than four months away and it certainly presents Smith (who reveals a detailed knowledge of the future venues of Puma matches) with an ideal presentation card but sport is just the starting-point.

Smith hopes that the Puma rugby fans will include more than a sprinkling of businessmen who can be enlisted for joint ventures in both countries and elsewhere (indeed a New Zealand 2011 Business Club has been formed for that purpose). Starting with food where the National Party politician considers the two countries to be ideally complementary partners for a hungry world — Argentina has huge expanses of rich, deep soil of which Kiwis can only dream while the far smaller and highly mountainous New Zealand has to make up for its land constraints with a technological know-how which it can offer Argentina (all along the lines of environmentally sustainable development as defined by the Glob-



Lockwood Smith.

al Research Alliance).

The Speaker does not claim any patent on the idea, recognizing that New Zealand agri-business (including Fonterra dairy co-operative) moved into Latin America in a big way many years ago when the Asian boom first started but Argentina's export curbs of recent years out of concern for the home market have caused this idea to falter here at least — Smith (who met with Agriculture Minister Julián

Domínguez as well as fellow-parliamentarians) would firmly ask the Argentine government to reconsider these curbs because Argentina need not worry about feeding its population with its vast agricultural wealth.

Smith has one particular fascination with Argentina which goes beyond rugby or globalization — the Royal Navy vessel *HMS Achilles*, which cornered the dangerous German pocket-battleship *Graf Spee* along with *HMS Ajax* and *HMS Exeter* in the River Plate estuary in late 1939, was actually a New Zealand not a British ship and he has close family friends intimately connected to its crew (while New Zealand Ambassador Darryl Dunn had an uncle aboard).

The *Herald* then felt obliged to talk to the two opposition members from the four-strong delegation to hear the other side —

Maryan Street and Stuart Nash from New Zealand's Labour Party. They spoke as a loyal opposition, presenting a united face to the outside world while defending their identity as a party.

New Zealand elections were so frequent (every three years), Street argued, that the parties were obliged to speak with one voice on external trade — otherwise Kiwi exporters and overseas investors would not stand a chance with the changing rules.

So where do the differences lie? Nash (a financial spokesman for his party as well as grandson of a former prime minister) criticized John Key's National Party govern-

THE WEEK

LAST WEEKEND. Santa Fe province holds its primaries with a single ballot with the Victory Front's Agustín Rossi and Socialist Antonio Bonfatti emerging as the main gubernatorial contenders. The Victory Front mayoral candidacy of Senator Daniel Filmus is formally launched in this city.

MONDAY. Outgoing Santa Fe Socialist Governor Hermes Binner admits to presidential ambitions.

TUESDAY. The Supreme Court prods ANSeS social security administration over its sluggish compliance with court rulings favouring pensioners.

WEDNESDAY. On Revolution Day (the 201st anniversary of Argentine nationhood), President Cristina Fernández de Kirchner asks God for strength — for what (sounds more like four more years than early retirement)? A shock from Schoklender — Mothers of Plaza de Mayo trustee Sergio Schoklender storms out, sparking a potential financial scandal for the human rights organization.

THURSDAY. Rifts deepen between the Radical and Socialist parties over opposition alliance strategies.

FRIDAY. The prosecution of Siderar steel plant is sought for blocking an expanded state presence on its board of directors.

-Michael Soltys-

ment for harking back to supply-side economics in an increasingly Keynesian world.

But perhaps the liveliest difference concerned their point of origin as parliamentarians — namely, the electoral system. Even though the MMP (mixed member proportional) system with both constituency and party list seats was introduced by his own National Party in 1996, Smith sharply criticizes it as tilting the balance in favour of party activists over constituency representation. But Street argues that there would be

no genuine parties without MMPs, only random masses of individuals — she also points out that important communities such as the Chinese (nearly five percent of the population) would go unrepresented without scope for third parties.

Both Smith and his National Party colleague Dr Paul Hutchison (a medical man who chairs the House Health Committee) are constituency members (for Rodney and Hunua, respectively) while Labour's Street and Nash have list seats.

EDICTO

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El Juzgado Nacional de Primera Instancia en lo Civil N° 79, a cargo del Dr. Jorge Enrique Beade, secretaria única a mi cargo, sito en Avenida de los Inmigrantes N° 1950, Piso 5, cita y emplaza por 30 días a herederos y acreedores de César Oscar Parga. Publíquese por 3 (tres) días en el Heraldo de Buenos Aires. Buenos Aires, a los 17 días del mes de mayo de 2011. Paula E. Fernández, Secretaria.