

White elephant made of cotton

Greece's highest court last month blocked plans for the diversion of the river Acheloos for the third time. Thessaly politicians are adamant that the project should go ahead

By Maria Kagkelidou

LAST month the Council of State (CoS), Greece's highest court, published its decision to reject for the third time plans to divert the river Acheloos.

Although the decision was announced in early June, it was taken a year ago and had been widely leaked. The court decreed void an inter-ministerial decision approving the environmental terms for the construction and operation of the project, signed in 2003. The annulled decision was itself a product of a previous CoS rejection.

The objective behind diverting the course of Greece's second longest river, which spans over 200 kilometres, is to provide the plain of Thessaly, the country's main agricultural area which has farmed itself dry, with more water to irrigate crops. Environment Minister George Souflis, elected in Thessaly, promised last year to complete the project.

But he will have to face down more court cases if he is to realise his plans. Well over a year will be needed for new environmental studies to be commissioned and published, and the same objections will be lodged once again. Meanwhile, at least two related cases are pending with the Council of State.

Since this latest case was brought before the court, Greece has incorporated in its laws a European directive on water policy which, according to environmentalists, will make it even harder for the project to earn judicial approval. Costas Karas, president of the Hellenic Society for the Protection of the Environment and Cultural Heritage (EE), which brought the court action along with another five environmental organisations, explains: "We have a much stronger card in our hands now. According to the directive, the management of river waters must take into account the estuary if the river and the cost of using water must be recouped." Acheloos' estuary is protected by a number of treaties and European laws, and Thessaly farmers are vehemently opposed to paying for irrigation water.

Next week the Council of State will have to decide whether or not a dam in Sykia - part of the diversion project - can go ahead. The dam has a 175 million euro budget. Part of it was completed in between Council of State rejections of the project. Despite the fact that the last one had been widely known for months before its announcement, on May 15 the environment ministry signed a 114 million euro contract with Mihaniki to complete the project. In November, when Souflis announced the competition for the new contract, he tried to justify the decision by saying that the dam is independent of the



The Mesohora dam has been completed on the sly

diversion and is necessary for the construction of a hydro-electric plant.

But the Sykia dam is included in the overall diversion plans and necessary environmental impact studies, and funded solely by his ministry. Greece's Public Power Corporation (PPC) is conspicuously absent as a financial backer despite the fact that it partially funded the construction of another dam in Mesohora, also part of the diversion.

"It's scandalous that the government signed an expensive contract to construct the dam when the court's decision was already widely known. In such a contract the developer is usually entitled to a 5-10 percent compensation should the project be cancelled. If this contract includes the usual terms this will be taxpayers' money handed over for nothing. This is not public administration conducted in the public interest," protests Karras.

Water wars

The Acheloos diversion project consists of five smaller projects: the two dams along with two diversion tunnels and a water depository. Plans have yet to be drawn up for an irrigation system that will channel the water from the depositories to the thirsty cultivated areas.

The project was conceived in 1925 by A Koutsokostas, an ambitious Thessalian engineer and later dean of the National Technical University of Athens. After WWII the idea was touted by both right- and left-wing politicians, and in the early 1980s the Acheloos diversion was first listed in Greek development programmes. Since then, successive governments have used a number of tricks to bypass legal and environmental objections to the project. They have signed agreements and rushed into construction in between court cases, as well as awarded renewed contracts after each judicial obstacle. It is estimated that around half of the necessary work for the whole project has been completed.

While Thessaly farmers are staunch supporters, the project has fallen out of favour with the general public throughout the country, even in Thessaly, the region it was designed to benefit. In a recent survey commissioned by the EE, only one in five Greeks was in favour of the project irrespective of negative consequences on ecosystems and areas of natural beauty - almost half were outright opposed to it. In Thessaly those in favour equalled those opposed.

Vassilis Anagnostopoulos, prefect for Karditsa and a supporter of the diversion, says that farmers were encouraged to change from cereal to cotton production. "Thirty years ago the state decided to go ahead with the Acheloos diversion... At the time the politicians wanted an agricultural economy to raise living standards and the national economy. Now, the farmers are called upon to pay the price for the lack of proper planning," he protests.

According to Anagnostopoulos, farmers in Thessaly have drilled for water at every six hectares. The excessive drilling has been compounded by severe water mismanagement. In the 1960s a local lake, Karla, was drained to become arable land. There is now talk of flooding the lake once more with water in order to provide better irrigation.

To this day, fields are watered throughout the day, even though this practice is highly inefficient and wastes large quantities of water. But the biggest problem is that the area's main crop, cotton, needs a lot of water. As a result, another local river, Pineios, faces serious problems. "During the summer months some part of the river dried out completely, to the point where the estuary ecosystem can no longer survive," Thanasis Sfouggaris explains to the *Athens News*, a specialist on ecosystems who teaches at the University of Thessaly in Volos.

Many in Thessaly think that the Acheloos diversion may be the answer to Pineios problems. But there are other solutions both to Pineios

problems and to Thessaly's water shortage. Sfouggaris explains: "The situation in Pineios could possibly be reversed to a certain extent if some smaller dams were built to hold some of the river's water during the winter months. But this means new investments and colossal funds have already been spent for the diversion of Acheloos." He adds that by irrigating more efficiently and switching crops, Thessaly can save as much water as the diversion will bring its way.

Greek cotton farmers, along with those in Spain, are the most heavily subsidised in the world. According to data from the UK's Department for International Development, in 2001, Greek and Spanish cotton farmers received around \$1.37 in subsidies for each kilogram of cotton produced, even though cotton is sold for significantly less in international markets. As a result, Greece is among the five biggest cotton-exporting nations in the world, competing with countries such as the US and Brazil.

But the Common Agricultural Policy (CAP) - the system by which European farmers are subsidised - is widely thought to be unsustainable and is already under review. Changes that will be introduced next year will mean that, eventually, subsidies will be independent of both the quantity produced and the surface cultivated. Instead they will offer some form of income support or minimum income guarantee for farmers. A review of crops cultivated throughout Greece is already underway at the ministry of agricultural development, and it is likely that crops in Thessaly will have to move away from cotton.

In the meantime, all experts agree that should the diversion go ahead, the protected estuary of Acheloos will suffer significantly. "There are another three small dams further up the Acheloos and the flow of nutrients to the delta has already suffered significantly," says Sfouggaris.

Collateral damage

Whether PPC is interested in operating the Sykia dam is still unknown. For over a decade the monopoly - a listed company in which the state holds a controlling stake - has been trying to sort out problems stemming from its involvement in the diversion's other major dam in Mesohora, close to the Thessaly town of Trikala. Despite the Council of State's previous objections to the Acheloos diversion, the dam was completed over four years ago at a cost of around 120 million euros.

It is not operational, but once it is filled with water it will flood, among others, over two-thirds of the village of Mesohora, once a prosperous market town. However, PPC has yet to come to a final agreement with locals for taking over their property and reimbursing them for their losses.

The locals have taken their grievances to the CoS which is expected to examine the case in November. Should the court reject their claims they have vowed to take the case all the way to the European court.

Even though the diversion is a colossal project, Greece is paying for it solely with national funds. According to European Commission documents, the government withdrew its application for EU funding from the 1994-2000 funds and did not even bother submitting an application for the 2000-2006 structural package. Many doubt the Acheloos diversion will ever be completed, despite Souflis' assurances. "Someone must call their bluff. It seems obvious that this diversion is not going to happen and all governments

assurances. "Someone must call their bluff. It seems obvious that this diversion is not going to happen and all governments in the last 20 years have been misleading the public simply to gain votes," Karras thinks. Anagnostopoulos is scandalised by this possibility: "If this is really the case and the Greek state has spent over half a billion euros from what little money the Greek people can afford for studies, supplementary studies and public works, then I believe they might well be the worst administrators ever."

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