Salini is a leading international contractor active in over 40 countries and employing 15,500 people from 67 different nationalities, committed to the overall concept of sustainable development. The Group’s approach is based on the respect for human rights and the cultural identities of all employees and stakeholders.

In 2010 we became a signatory of the UN Global Compact to uphold the ten universally accepted principles related to human rights, labor, the environment and anti-corruption. Our 2010 Sustainability Report was awarded an A+ rating by GRI and contains our company policies regarding Sustainability, Corporate Social Responsibility and Environmental Protection.

With regard to the CDM report and references made to the Gibe III project in Ethiopia, in the interest of complete transparency and accuracy which Salini strongly advocates and which are corporate principles, we highly recommend that you consult the official project website www.gibe3.com.et, where all the relevant documentation and environmental studies can be downloaded. There is also a very simple and self-explanatory FAQ section on many of the issues you have raised.

Some non-governmental organizations have in the past raised criticisms and concerns over the Gibe III project but were not in possession of adequate information or competences to assess these projects objectively. Unfortunately, this has led to a number of inappropriate assessments and initiatives.

In fact, the vast majority of these criticisms have been found groundless and disproven by the most authoritative international entities, including the European Investment Bank and the African Development Bank (ADB).

On the project website confirmation of the following aspects can be found:

- In Ethiopia direct procurement is allowed under law.
- Although Gibe III is one of Ethiopia’s largest hydroelectric projects, the impact from the reservoir in terms of population displacement is negligible. This is because the impounded water will be confined within the gorge of the river that is extremely unhealthy and quite unfit for human habitation. There is virtually no resident population in the gorge, which is actually very distant from large population settlement areas.
- The Gibe III dam will create a narrow, long reservoir located in a gorge along the steep and very dry river banks. The hydropower plant, in order to function, needs to release a continuous water flow, and therefore it will not deprive the downstream part of the river of water, not even during the dry season. As such it will not affect population, wildlife and will have only a bare minimum impact on local vegetation. Biodiversity will not be affected. All these issues have been adequately addressed in the relevant studies.
- Any hydropower project needs water to flow through the dam in order to generate electricity. The Gibe 3 Dam will not stop the river flow, and the idea that Lake Turkana and
the downstream populations may be deprived of water is completely unfounded. The catastrophic statements made by some pressure groups that Lake Turkana is already suffering from a reduced water level and that local tribes are already fighting among themselves because of drought or that have suffered heavy floods, prove that to that Gibe 3 is not the cause of these problems, because the dam today does not exist and is not operative. As elsewhere in the world in terms of good water planning, when the project will be completed in the future, the dam is expected to help resolve these problems, not exacerbate them. For example, some populations downstream rely on seasonal river floods to water their crops; these seasonal floods will be recreated by planned releases of water through the dam outlets that will irrigate the land while controlling the destructive power of natural floods, such as that occurred in 2006 when no dam existed and which estimated to have killed about 10,000 people. Apart from the controlled releases simulating floods for irrigation purposes, the Gibe 3 Dam will release a constant flow of water throughout the year while generating power, and this will ensure that water will be regularly available downstream also during the dry season. When the reservoir of the dam will filled with water for the first and only time, the activity has been planned to take place in stages so as not to interrupt the flow of water downstream.

- Gibe 3 will promote micro-economic development and give employment to several thousand persons in Ethiopia and particularly to the inhabitants living near the project area in the villages of Wolayta and Dawro. Mursi and Bodo, which you cite, are more than 300 kilometers downstream from the Gibe 3 area, too far to benefit from direct employment in the construction works, but they will receive the benefit of irrigation and farming projects. In addition, they will benefit from the provision of cheap electric power which enable them to obtain access to clean water supply. This, in turn, will reduce mortality and the spread of diseases. Finally, there will be a benefit for women and children, who are largely responsible in this area for carrying water to households, who will have more time to dedicate to other activity, including education, which is being increased as a side benefit in the project area.

- Ethiopia and the entire region will benefit from the availability of electric power that will in turn increase the power distribution network. Electricity through hydropower has a low cost that will remain affordable to all and will create hard currency revenues for the country.

Before closing we thank you for allowing us to respond and set the record straight. Salini is pleased to provide information on an unbiased, transparent basis so that all can evaluate the true benefits development brings.

In sum, the Gibe III project will ensure renewable, clean energy, thereby enabling sustainable economic progress in one of the world’s poorest areas. It will lead to the improvement of living conditions and sanitization, greater education, and avoid loss of lives due to floods. The life expectancy, particularly of children, will be lengthened. The effect of the Gibe 3 project will render simple, basic changes on a huge scale to a vast number of under-privileged persons. Indeed, Salini, which has worked for over 50 years in Ethiopia, welcomes the opportunity to realize Gibe 3 and thereby render a better life to Ethiopians.