SR-2023-X-MY

Politics Over Grand Ethiopian Renaissance Dam

Need for a Collaborative Management Framework

Seminar Report

Institute of Policy Studies
Islamabad
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Executive Summary

The conflict between Ethiopia and Egypt over the construction of the Grand Ethiopian Renaissance Dam (GERD) heightened with the completion of its third filling in August 2022. This fast-paced filling of the dam is threatening Egypt's national security as more than 90% of its population is dependent on the Nile for domestic needs and agricultural activities. Ethiopia began planning the construction of GERD in secrecy in 2009 when it was called Project X. It was in 2011 that Ethiopia openly began construction with financial support from its diaspora and the local population who gave their one-month salary to kick-start the giant project, which came to be seen as a symbol of national rejuvenation in Ethiopia.

On the other hand, Egypt views GERD as a threat to its national security. Being a water-scarce country, a reduction in the flow of Nile water can seriously undermine the social and economic security of Egypt. Moreover, as Ethiopia is an upper riparian state, GERD gives Ethiopia a geostrategic advantage over Egypt, the lower riparian, which has been the undisputed leader of African states since the time of the Pharaohs.

In these challenging circumstances, there are only a few policy options for Pakistan that must be pursued to advance the vision of "Engage Africa". Pakistan is known as a peacekeeper in the African continent and so it must uphold this image and try to mediate between conflicting parties. In this regard, Pakistan can rationalize the demands of Egypt by sharing its own experiences of water conflict with India. It can also provide various water-sharing mechanisms and encourage both parties for a peaceful resolution of the conflict.

In order to discuss the policy options for Pakistan, the Institute of Policy Studies (IPS), Islamabad, organized a roundtable, titled 'The Politics Over the Grand Ethiopian Renaissance Dam: Need for a

Ambassador (r) Mushtaq Ali Shah and Ambassador (r) Syed Abrar Hussain.

Collaborative Management Framework', on October 25, 2022. The session was addressed by Ambassador (r) Mushtaq Ali Shah, Ambassador (r) Syed Abrar Hussain, vice chairman IPS, Ambassador (r) Ghulam Dastgir, Mirza Hamid Hasan, former federal secretary, water and power, and senior fellow IPS, Ashfaq Mahmood, former secretary, water and power, Syed Abu Ahmad Akif, former federal secretary, and senior research fellow IPS, Ameena Sohail, energy lawyer, Farzana Yaqoob, general secretary IPS Working Group on Kashmir, and Naufil Shahrukh, GM Operations IPS.

Introduction

GERD is a gravity dam situated approximately 45 kilometers from the Sudanese border on the Blue Nile River. It is part of the Nile River, which is formed by the convergence of two main tributaries; the Blue Nile originating from Ethiopia and the White Nile from Uganda. The dam has a volume of over 10 million square meters, capacity of approximately 60 million acre-feet, and is expected to generate 6,400 MW of power upon completion. The Ethiopian Cabinet decided to change its name from the Millennium Dam to the Grand Renaissance Dam during the construction phase.

The dam is expected to provide additional benefits beyond generating electricity. It has been designed to handle natural and catastrophic disasters, such as floods, with a flood handling capacity of up to 19,370 cubic meters per second. It is projected to reduce alluvium in Sudan by 100 million cubic meters, facilitating irrigation of approximately 500,000 hectares of agricultural land. Moreover, upon completion, it will reduce approximately 40 kilometers of flood in Sudan.

The Grand Ethiopian Renaissance Dam is located on the Blue Nile River in the Benishangul-Gumuz region of Ethiopia, about 45 km east of the border with Sudan.

Takeaways from the Roundtable

Q. What is the nature and history of conflict over GERD?

It is vital to understand that the issue is a highly complex matter with historical roots. Therefore, it is essential to consider the historical context when examining the development of this issue.

Efforts for the development of GERD by Ethiopia began in 2009; however, the project was kept secret as Project X until one month prior to the beginning of construction in 2011 when its name was changed to Millennium Dam and afterwards to the current Grand Ethiopian Renaissance Dam.

During the same period in 2011, when Ethiopia began the GERD project, Egypt was struggling with the Arab Spring uprising. Since ancient times, Egypt has been the undisputed leader of Africa and the Arab world and so Ethiopia could not initiate the dam construction despite the project being in the pipeline in secrecy since 2009. However, the Arab Spring weakened Egypt which provided Ethiopia a great opportunity to start working on its long-desired project.

The technical feasibility of the dam was established as early as the mid-1950s when a US agency identified a suitable site for construction. However, political instability in Ethiopia and other factors prevented the construction from being taken up at that time.

At the onset of the 21st century, Ethiopia started working towards this objective and, in 2009 and 2010, the design was developed. However, it was kept secret to prevent other countries from knowing about Ethiopia's intentions. The project was finally announced in 2011.

The initial phase of the GERD project was marked by a lack of financial support from international donors due to the nature of the dispute between the riparian countries. Despite the reluctance of lower riparian countries to accept the dam's construction, the Ethiopian diaspora was passionate about it and considered it a matter of national pride and a symbol of national rejuvenation. Hence it was called the Renaissance Dam. The project was funded entirely by Ethiopian nationals, who gave up their one month's salary to make up 20% of the initial cost. This demonstrated the Ethiopian people's dedication to their right over the Nile, as 85% of water originated from Ethiopian resources.

Given Ethiopia's energy deficiency, construction of GERD was deemed crucial to meet the energy demands. Efforts were made by Ethiopia to persuade Sudan and Egypt to accept the construction but as their positions remained unyielding over the next years, Addis Ababa proceeded with the project independently. Egypt and Sudan have called for a legally binding agreement with Ethiopia regarding the equitable allocation of the Nile's waters prior to the dam's filling. To this end, Egypt has urged the resumption of negotiations with Ethiopia, which were suspended in 2021 after the latter's second filling of GERD.

Ethiopia assured both countries that the flow of water would not be disrupted. Despite the escalated tensions and failure of negotiations to resolve the impasse, the construction of the dam continued.

Q. What are the concerns and stances of involved countries?

The issue of equitable allocation of the Nile River water has existed for many years between Ethiopia, Egypt, and Sudan, but it significantly escalated when Ethiopia started the construction of the dam and the subsequent filling of its reservoirs. Over time, this has become a contentious issue between upper riparian Ethiopia and lower riparian countries, i.e. Egypt and Sudan, each having their national stakes involved.

Ethiopia's Stance

Historical context reveals that Ethiopia has been historically deprived of its share of the Nile River's water, despite the river originating in the country. Ethiopia supplies around 85% of the water that flows into the Nile River. Ethiopia's inability to utilize its share of water from the Nile was largely due to geographical and technological limitations. The deep gorge through which the Nile flows in Ethiopia made it difficult to lift water from it for irrigation purposes, and Ethiopia lacked the technology and means to develop irrigation schemes. As a result, much of the fertile land in Ethiopia remained uncultivated and the country struggled with food insecurity and poverty.

The construction of GERD is seen by Ethiopians as a way to overcome these limitations and unlock the country's agricultural and economic potential. So Ethiopia considers it a very fair right to construct the dam and improve the socio-economic conditions of the country. The construction of the dam is also significant for the economic and social development of Ethiopia as it would provide affordable electricity to millions of its citizens as well as a disaster management mechanism.

Regarding the concerns and objections, Ethiopia says that the dam's construction would not affect the flow of Nile water to lower riparian countries and that it is willing to negotiate a mutually beneficial legal agreement. Addis Ababa assures that development would not cause harm to the interests and survival of other riparian countries.

Sudan's Stance

Initially, Sudan expressed its concerns over the negative impact of the dam on other countries' water supply since the Blue Nile is a significant source of water for Sudan as well as Egypt. However, Sudan has now adopted a neutral stance and views the dam as equally beneficial to all three countries involved. Sudan has largely withdrawn its objections to the GERD project, recognizing that Ethiopia has the right to use its fair share of water and that as long as it is utilized judiciously, it will not harm the interests of the lower riparian countries.

Egypt's Stance

Egypt has been apprehensive about the dam's potential impact on the Nile River's flow and the amount of water that will reach its territory. Egypt has even made efforts to halt the construction of the dam.

Egypt holds a dominant position in the dispute due to historical factors. Egypt has historically received an uninterrupted supply of water from the Nile River, as the upper riparian Ethiopia had no

arrangements in place to utilize the water. This has been the case since the time of the Pharaohs. Egypt's historical dominance and prosperity in the African continent can be attributed to its unrestricted utilization of the waters of the Nile. This has allowed Egypt to develop its irrigation system and generate electricity.

In 1929, during the colonial period, the Anglo-Egyptian treaty signed by Great Britain granted Egypt the right to veto any upper riparian country from constructing any structure over the Nile River, and in return, Great Britain was granted unrestricted and uncompensated access to the Egyptian-run Suez Canal. Egypt has since then used this treaty as the basis to prevent any construction by the upper riparian countries.

The project has created an atmosphere of dismay among Egyptian people, who perceive the dam as a potential threat to their country's water security. As an upper riparian country, Ethiopia holds a strategic advantage in the management of water resources, which may be leveraged for national and international interests, potentially leading to disruptions in water supply downstream. This situation poses a particular challenge for Egypt, which is already a water-scarce country and heavily dependent on the Nile for its water needs. Almost 90% of Egypt's water supply and more than 90% of its population is dependent on the Nile. Water scarcity is an increasingly pressing issue, as population growth and rising demand for water continue to outstrip supply in many regions.

Furthermore, there are concerns that GERD could set a precedent for Ethiopia to pursue additional water projects upstream, further exacerbating tensions and impacting regional dynamics. The situation has proven challenging for Egypt and as a result, it is reportedly considering military options to address concerns over impact of GERD on its water security.

Q. What has been the role of external actors in the GERD issue?

Italy provided technical and construction support during the initial stages of the project. In contrast, Chinese involvement was initially limited, but they have recently become more engaged in the project by offering $1 billion in funding and technical expertise. The US played the role of mediator in the negotiations but was unsuccessful in resolving the dispute. The United Nations did not intervene, citing the issue as outside its jurisdiction, and referred it back to the African Union.

However, the African Union lacks influence and effectiveness in resolving regional issues. It does not even have its own budget and relies on donations from former European colonials, the World Bank, or other sources like generous donors such as Egypt, to function. The GERD project was initiated by Ethiopia with an announcement that they intended to consult with Egypt and Sudan and resolve any issues immediately. To facilitate this, a technical committee was formed through the African Union, and several meetings were held in Ethiopia and Cairo regarding the matter. However, due to diverging interests among the countries involved, the negotiations reached a deadlock.

Q. What does the international legal framework say on transboundary water resources?

In order to understand the legal framework governing transboundary waters, it is important to examine both customary and international law. Under the general framework of international law, it is necessary for upper riparian states to take necessary measures for water security.

The customary international law, declarations, Helsinki rules (adopted by GERD contesting states), and the UN Convention on the Law of Non-Navigational Uses of International Watercourses establish two main principles (universally applicable to all UN member states), i.e. (1) the first right over the water of the rivers is that of the people living in the basin, and (2) the shared waters could neither be stopped nor diverted without the consent of the other riparian state(s).

The Madrid Declaration of 1911, which reflects customary law, stipulates that the regime of rivers and lakes cannot be altered by a single state to the detriment of the other riparian states without their consent. This principle underscores the importance of cooperation and consultation among riparian states to ensure equitable and sustainable use of shared water resources. However, there are historical examples where riparian states have acted unilaterally without seeking consent from other states. For instance, Egypt's construction of the Aswan High Dam on the Nile River in the 1960s and other similar structures that affect the flow of the Blue Nile have not been subject to the consent of Ethiopia and other upstream states. These actions have contributed to the sense of grievance among upstream states, particularly Ethiopia, which has been historically marginalized in the Nile Basin.

Similarly, according to Article 2 of the Declaration of Montevideo 1993, no state, without the consent of the other riparian state, can introduce alternations to water courses of international character for industrial or agricultural exploitation of their waters which may prove injurious to the other involved states.

Additionally, the UN Convention on the Law of Non-Navigational Use of International Waters, and Chapter 2 of Helsinki Rules 1966, which deal with the uses of waters of international rivers, adopted by the International Law Association, state that each basin state is entitled to a reasonable and equitable share in the beneficial uses of the waters of an international drainage basin within its territory. This means that Ethiopia has the right to utilize its fair share of water from the Blue Nile just as much as Egypt does. Currently, Egypt is using an overwhelming share of water from the river, with 85% of it originating in Ethiopia, which historically has not utilized this water for many reasons.

The UN Watercourses Convention, adopted by the UN General Assembly on May 21, 1997, is a treaty that governs shared water resources and applies to all member states. The convention comprises 37 articles arranged into seven parts, with Article 5, contained in Part 2, reflecting the principle that is widely regarded as the cornerstone of the convention. Article 5 requires that a state sharing an international watercourse with other states must utilize the watercourse in its territory in an equitable and reasonable manner, taking into account the interests of the other sharing states. This principle emphasizes the importance of considering the needs and interests of all riparian states in the utilization of shared water resources. It entered into force on August 17, 2014. Its universal applicability and

emphasis on equitable and reasonable utilization and participation makes it an important instrument in the management of shared water resources.

So as per the UN laws and the Watercourses Convention, all countries sharing an international watercourse have an equitable right to utilize its waters. This means that no single user, whether it is an upper riparian or a lower riparian, can have a monopoly on the use of the transboundary river.

Q. What options can work as a win-win situation for the involved states?

All countries in the Nile basin need to work together to find a mutually beneficial solution that allows for the sustainable development and utilization of water resources in the region. There are various methods for water cooperation and management that can be used to ensure a win-win situation for all the riparian countries involved. These methods include, but are not limited to, joint management and development of water resources, sharing of data and information, and cooperative agreements for water allocation and use.

These methods can help to ensure that all parties benefit from the use of the water resources while also addressing any concerns or issues that may arise. It is important for all riparian countries to work together and find a mutually acceptable solution that takes into consideration the needs of all parties involved. The current situation requires a balanced approach that takes into account the rights of all riparian countries to utilize their fair share of water following existing international laws and conventions.

The complexity of the geopolitical dynamics has already escalated the tensions. The situation underscores the urgent need for diplomatic efforts to resolve the dispute and ensure the sustainable management of the Nile's waters for all countries involved. The challenges of water resource management are evident worldwide but some regions have managed to diplomatically handle this issue well, with a notable example being the Danube River, which flows from Germany to Turkey with multiple countries sharing its waters without any major disputes.

Q. In what ways can water management and cooperation be promoted to ensure a solution?

Cooperative water management mechanisms can be utilized by the three countries in the region. There are many examples of such cooperation being undertaken internationally. The Mekong River Basin arrangement is one such example, where six riparian states have come together to develop a cooperative framework for the management of shared water resources. This framework involves regular consultations and dialogue among the riparian states, as well as joint planning and management of water resources, including measures to address the impacts of climate change and other challenges.

Cooperative utilization of shared water resources is essential for ensuring equitable and sustainable use of these resources. There are several methods available for promoting such cooperation, and the following eight basic principles can serve as a basis for countries to work together:

1. **Joint commission:** Formation of a joint body or commission, such as a river basin commission. Such a body can help facilitate international cooperation among riparian states and can provide a forum for discussion and decision-making on matters related to the management and utilization of shared water resources.

2. **Joint implementation of an integrated approach:** It is another approach for promoting cooperative utilization of shared water resources and water resources management. This approach involves the development and implementation of a shared vision and strategy for the sustainable and equitable utilization of shared water resources and can help to ensure that the interests of all riparian states are taken into account. The concept of integrated water resources management has been developed as a framework for implementing this approach and has been promoted by the UN as part of the Sustainable Development Goals.

3. **Joint benefit assessment**: This involves the assessment of the potential benefits that can be derived from the shared water resources, and the development of a shared understanding of how those benefits can be shared among the riparian states. To promote effective joint benefit assessment, it is important to involve a range of stakeholders at multiple levels. This can include civil society organizations, scientific bodies, and other stakeholders who can contribute to the development of cooperative arrangements for sharing the benefits of the shared river. Involving stakeholders at multiple levels can help to promote transparency, accountability, and stakeholder engagement, and can help to ensure that the interests of all stakeholders are taken into account. This can in turn help to promote greater trust and cooperation among riparian states, and can contribute to the sustainable and equitable utilization of shared water resources.

4. **Community-level engagement:** Enhancing community-level engagement in the design, risk assessment, and implementation of measures for the cooperative utilization of shared water resources is worth considering. Involving local communities can help to promote more effective and sustainable management, as local communities often have a deep understanding of the local water resources and the challenges and opportunities associated with their management.

5. **Data gathering and sharing:** It is equally important for riparian states to have access to reliable and timely data on water resources, including information on water quality, water flow, and other relevant variables. This can help to facilitate effective planning and management of water resources, as well as early warning and response to potential water-related hazards such as floods or droughts.

6. **Regional dialogue:** Multi-level stakeholder involvement and cooperation such as institutions and stakeholders that are active at different levels in time (sequential interventions) and also at different scales (transboundary actors) as well as continued regional/basin level dialogue is imperative and forms a basis for cooperation.

7. **Institutional capacity-building**: Institutional capacity development for main stakeholders/actors is the key. The major areas for institutional capacity development to ensure

effective transboundary water resources management include (1) Legal frameworks, (2) Cooperative/coordination mechanisms, and (3) Implementing capacity.

8. **Financing mechanisms:** Financing mechanism for transboundary water resources management needs to be in place for the development and implementation of a legal framework, capacity-building, establishment and tailoring of institutional arrangements, management costs of transboundary institutional arrangements, cost of basin management, joint data collection, planning, and monitoring, and long-term investment in water-related infrastructure for shared river management.

Q. Pakistan and India resolved their water issues under the Indus Water Treaty brokered by the World Bank. How can Pakistan assist the three states in this case?

In the regional context, the most pressing issue confronting Pakistan as a nation is the equitable distribution of water resources and the construction of dams by its upper riparian neighbor, India. Egypt, which heavily relies on agriculture, shares similar concerns as water availability is critical for its economy, despite having other resources at its disposal, such as tourism, industry, and energy.

As a lower riparian state, Pakistan must adhere to universally recognized principles of equitable water distribution as well as advocate for the rights of lower riparian countries and ensure that they have adequate control over their water resources. This will prevent excessive control and exploitation of water resources by upper riparian states, which can negatively impact the economy and agriculture of the lower riparian countries.

Despite engaging in several wars, Pakistan and India have not fought a single war over the water-related dispute, which highlights the success of the Indus Water Treaty as a mutual agreement between the two rival states. While concerns have been raised regarding the lack of data sharing between the countries regarding water usage, the existence of a framework in itself is a noteworthy achievement. Therefore, the Indus Water Treaty should be recognized as a successful model for managing water resources between India and Pakistan. So, a comparative analysis can be conducted between the Indus Water Treaty and any existing treaties governing the utilization of water resources in Africa. Such an analysis can shed light on the extent to which other regions have a framework for managing water resources and identify best practices that can be adapted to the Pakistani context. Pakistani experts can then leverage their expertise to navigate through negotiations and potential disputes without resorting to war or violent conflict.

Q. What are the possible policy options or the framework that Pakistan can put forward in this regard?

Pakistan's ability to help resolve the GERD dispute is limited due to various factors. The involvement of international politics and controversies surrounding the project make it difficult for developing nations like Pakistan to take effective action, especially since bigger powers like the UN and the US have distanced themselves from the issue. Some of the possible policy options are:

1. **Balanced mediation:** Given these constraints, Pakistan's best approach may be to act as a mediator and facilitate negotiations between the parties concerned. This could help reduce tensions and promote peaceful dispute resolution. But Pakistan must be cautious in the matter and not get involved in international politics as, firstly, Egypt is important for great powers and, secondly, Pakistan already has a lot on its plate.

2. **Support negotiated solution:** Pakistan can play its role by encouraging a negotiated settlement between the parties concerned. The dam has already been constructed and filled twice, making it clear that it will operate at full capacity regardless of the objections raised. To promote a peaceful resolution, Pakistan should advocate for fair and equitable distribution of water among all parties. This would require close collaboration and cooperation among the stakeholders. Pakistan can also share its experiences and expertise in water management if needed, as it has successfully implemented various water management projects in the past. This could help facilitate discussions and build trust among the parties. Overall, Pakistan should promote negotiations, fair distribution of water, and cooperation among all stakeholders to achieve a peaceful resolution of the GERD dispute.

3. **Promote regional dialogue:** Another approach could be facilitating a memorandum of understanding between the involved parties, outlining mutually agreeable terms for the distribution of water. Pakistan can draw upon its own experiences in water management to help forge a workable solution. It is crucial that efforts to resolve the GERD dispute do not stall, as this could lead to a full-scale regional conflict similar to the ongoing war between Ukraine and Russia. Therefore, Pakistan should use its diplomatic channels to promote constructive dialogue and support the parties in reaching a peaceful resolution.

Conclusion

The construction of the GERD on the Blue Nile River has led to geopolitical tensions and created significant regional impacts. Ethiopia's construction of the dam has created fear among Egypt's leadership and people, who view it as a potential threat to their water security. As an upper riparian state, Ethiopia has a strategic advantage in managing the region's water resources. However, this could potentially lead to disruptions in water supply downstream and poses a significant challenge for Egypt, a country already facing water scarcity issues. Given that almost 90% of Egypt's water supply and more than 90% of its population rely on the Nile, the country's concerns are understandable.

Ethiopia argues that the dam will bring much-needed electricity and help in its economic development, and so it is willing to negotiate a mutually beneficial agreement. Nevertheless, the potential impacts of the GERD must be carefully evaluated and addressed through diplomatic negotiations to ensure the sustainable management of the Nile's water resources for the benefit of all involved parties. Pakistan can play a significant role in this regard.

As a nation with a long-standing history of involvement in UN peacekeeping missions, Pakistan is well-positioned to contribute to the efforts of resolving this dispute. Pakistan's extensive experience in peacekeeping operations and conflict resolution can be leveraged to facilitate negotiations and cooperation between the involved parties, with the ultimate goal of achieving a mutually beneficial agreement. By playing an active role in promoting peace and stability in the region, Pakistan can reinforce its position as a responsible member of the global community and contribute to the larger cause of world peace.

Picture Gallery

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Disclaimer

This report outlines the salient points that emerged in the discussion and does not necessarily reflect the views of all the participants or the IPS.

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