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The Nile Basin Initiative: Balancing historical rights, national needs and regional interests[1]

This paper sets out to better inform stakeholders about why the Nile Basin Initiative (NBI) and national level stakeholders operate as they do around their joint agenda. It concludes with implications for support.[2]

Political traction, member states interests and potential

Nile water rights have long been the subject of tensions among its riparian states. These have increased with the expansion of upstream hydroelectric developments, particularly in Ethiopia, and downstream reluctance to revisit colonial-era agreements that gave Egypt and then Sudan priority water rights. These factors point to the need for a river basin organisation to coordinate the use of this shared resource.

The NBI was launched in 1999 with World Bank support, following numerous failed Nile river organisational mechanisms. The NBI is an intergovernmental partnership of ten Nile Basin countries.[3] It aims to promote collaboration and benefit sharing around the Nile waters in terms of hydropower, food production, improved management of watersheds and better access to water for domestic use, among others.

Though yet to be agreed upon after more than a decade of negotiations, a Comprehensive Framework Agreement (CFA) between Nile countries is meant to provide a basin-wide legal framework for dispute-settlement over Nile water use with a binding agreement on the utilisation, management and development of Nile water resources. It is based on international water law principles of equitable and reasonable utilisation, an obligation to avoid significant harm to other users and to protect and conserve the river ecosystem while observing equality of sovereignty, goodwill and sustainable development.

Country interests, and therefore willingness to sign up to the CFA - or not - are largely driven by a country's up or downstream river position. Historically, Egypt and Sudan shared downstream interests in blocking upstream developments and the idea of 'Arab solidarity'. Ethiopia and Uganda share similar upstream concerns around the right

[1] Based on a March 2017 background paper by ECDPM, available at www.ecdpm.org/pedro/backgroundpapers. The Policy Brief and background paper were prepared under the BMZ-financed project on the *Political Economy Dynamics of Regional Organisations (PEDRO)*. Authors: Hanne Knaepen (hk@ecdpm.org) and Bruce Byiers (bby@ecdpm.org). Project team leader, Bruce Byiers.
[2] Other PEDRO papers related to regional water include the Lake Chad Basin Commission, the Niger Basin Authority, the International Congo-Ubangui-Sangha Commission and the Southern African Development Cooperation water paper.
[3] Burundi, Democratic Republic of Congo (DRC), Egypt, Ethiopia, Kenya, Rwanda, South Sudan (since 2012), Sudan, Tanzania and Uganda

to use dams to generate electricity, with Ethiopia an increasingly strong regional player. It has acted unilaterally to mobilise domestic finance for its Grand Ethiopian Renaissance Dam, the GERD, and has received Western backing as a key regional security partner, further heightening its bargaining power in the region. Though Egypt's bargaining power is declining around water politics, its importance to Europe can still influence external support to NBI.

Though most members did sign the CFA, this led Egypt and Sudan to freeze NBI participation in 2010. Nonetheless, they continue to participate in Nile Basin ministerial meetings, underlining their perceived political relevance. With the launch of construction of the Grand Ethiopian Renaissance Dam in 2013, Sudan rejoined NBI activities, having recognised the importance of agricultural investment following the secession of South Sudan with its oil wealth in 2011, and in particular that its irrigation investments will benefit from more controlled Nile flows.

Failure to get unanimous agreement on the CFA has forced NBI to take a long-term, twin-track approach of technical cooperation, and trust-building through political dialogue. The decision to advance technical cooperation through the NBI in the midst of ongoing CFA negotiations and disagreements is considered unprecedented, reflecting an adaptive approach in a complex region of inter- and intra-state tensions and conflicts.

The NBI operates through two sub-regional programmes: the Eastern Nile Technical Regional Office (ENTRO), financially autonomous from NBI; and the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP). Because these have evolved independently of each other, they resulted in differing and more adapted sets of policies and procedures. NELSAP, in particular, has extended its role into energy transmission in order to share the benefits from hydroelectric dams. This sub-basin approach arguably allows for champions and sub-regional alignment around shared common interests, building on a 'Shared Vision Process', considered an international best practice approach.

While awaiting advances on the CFA, functional NBI cooperation was progressing around collation of statistics on water demand and supply to feed a Nile Decision Support System. By encouraging technical-level exchange, partnerships and training among water experts, the Decision Support System has been used for scenario building on country-level data, arguably coming to influence political-level discussions.

NBI's progress has not been without challenges. Critics cite the dominant role of the World Bank, lack of sufficient staff, procedural and policy conflicts, the challenge of coordination and linkages with other regional institutions, and the lack of recognition as a formal river basin organisation. The political deadlock in the CFA negotiations clearly also undermines NBI's overall raison d'être, though these are explicitly recognised by NBI, and indeed have shaped its focus on technical projects. Though subject to some political appointments, technical capacities have reportedly been maintained.

While the NBI agenda is widening, according to some, NBI's actual sphere of influence has potentially narrowed. The NBI has become increasingly focused on hydropower, while upstream countries are expanding irrigated agriculture, drawing on Nile resources. These initiatives are often unilaterally taken with little or no explicit discussion through the NBI, while the regional organisation has little power over country level decisions.

Most NBI members are also members of the Intergovernmental Authority on Development (IGAD), itself currently creating a regional water strategy. The Lake Victoria Basin Commission (LVBC), under the East African Community (EAC), and the East Africa Power Pool (EAPP), under the Community of East and Southern Africa (COMESA), also play different roles in managing Nile waters, requiring cooperation to find synergies and avoid duplication.

The NBI Secretariat's core functions are intended to be self-financed by the member states, with contributions made in equal shares. However, in the period 2013-2014, just 48% of the operational budget was financed by the member states. Those with least arrears include Ethiopia, Kenya, Rwanda and Sudan. Much of the remainder came from the donor-financed Nile Basin Trust Fund (NTBF), with critics finding it excessively in the hands of development partners. Lessons from the NBTF led to the establishment of the Cooperation in International Waters in Africa (CIWA) Trust Fund in 2011 to cover river basins across Africa. The NBI benefits most from CIWA, with 32% of its overall funding.

Overall, NBI appears to be adaptive to a complex environment by promoting technical work to underpin political rapprochement and a regional collective understanding of Nile resources.

Implications for support

1. While ambitions must remain realistic, on-going support will enable NBI to continue its key technical role, underpinning political rapprochement in an ever-changing, highly complex wider environment.

- Given the historical tensions around the Nile and its importance to regional development ambitions, there is a clear need for a regional river organisation like the NBI.
- Despite (or thanks to) a weak formal mandate, NBI has been obliged to operate in an adaptive manner, operating at sub-basin level with trust-building among technocrats while informing and altering political discussions through technical analyses of the costs and opportunities of different river-related investments.
- Location of the member states in the basin cannot be altered, but changing water and energy dynamics can alter the incentive environment for countries. Sudan, for example, sees new opportunities in Ethiopia's dam and hydropower, thereby also creating opportunities for NBI to adapt its role to the changing incentive environment.

2. Though 'agenda inflation' is a danger, the connections between water, energy, agriculture and trade suggest opportunities to link different agendas and stakeholders in brokering deals around the Nile.

- The incentives around regional water cooperation relate to the distribution of benefits. NBI is engaged in regional energy interconnections through NELSAP, but links to irrigation and trade and investment agreements may be important in further altering incentives around water use.
- NBI also needs to consider the appropriate level at which to operate - that is, the level where the value added of regional cooperation and integration actually lies. Some local-level coordination may be required, but should only take place where there are transboundary or regional implications.

3. Relatedly, NBI will increasingly need to engage other regional bodies to ensure complementarity and avoid duplication.

- This relates to water and energy bodies such as IGAD, the LVBC and EAPP but also potentially regional trade bodies such as COMESA and the EAC.
- Civil society outreach may also come to influence positions and in the long-run may help to hold governments to account around the water, energy, land nexus.

Behind the formal structures of regional organisations is a messy world of regional power and politics. This messiness is often difficult to capture in the language of development cooperation and institutional development. Working with regional organisations and their programmes therefore implies engaging with complex, multi-level power and interest dynamics.

PEDRO, the Political Economy Dynamics of Regional Organisations, is an ECDPM project that looks at the politics behind regional organisations, and the structural factors, institutions and incentives that ultimately define the way in which countries and different stakeholders engage at a regional level. PEDRO covers 17 African regional organisations and 11 policy areas. For each of these, ECDPM has applied a political economy approach to help understand the dynamics and their effects in different regions and policy areas.

The studies are framed around three key questions: the first relates to the political traction of the regional organisation as this helps assess whether the regional organisation has enabled regional decision making and if it has contributed to implementation. The second focuses on the member state interests in engaging with the regional organisation, especially the more resourceful and powerful ones (the so-called 'swing states'). The third looks at the areas with most traction where regional and national level interests seem to be most aligned for regional outcomes.

The reports aim to present information and insights that can help regional stakeholders navigate the obstacles and better respond to reform opportunities. Rather than providing specific operational recommendations, the political economy approach encourages more reality-based discussions among practitioners and reformers about feasible ways to address regional challenges. It is hoped that this may help tailor the ambitions and approaches of donors and reformers and help identify ways to support national or regional champions or coalitions to take regional cooperation and integration forward.