Understanding the Nile Basin Initiative

Balancing historical rights, national needs and regional interests

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This background paper is part of a series on the Political Economy Dynamics of Regional Organisations (PEDRO). It was prepared in March 2017. In line with ECDPM's mission to inform and facilitate EU-Africa policy dialogue, and financed by the Federal Ministry for Economic Cooperation and Development, BMZ, the studies analyse key policy areas of seventeen regional organisations in Sub-Saharan Africa. In doing so they address three broad questions: What is the political traction of the organisations around different policy areas? What are the key member state interests in the regional agenda? What are the areas with most future traction for regional organisations to promote cooperation and integration around specific areas? The studies aim to advance thinking on how regional policies play out in practice, and ways to promote politically feasible and adaptive approaches to regional cooperation and integration. Further information can be found at www.ecdpm.org/pedro.

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List of Acronyms

AIDB  African Development Bank
CIWA  Cooperation in International Waters in Africa
CFA  Cooperative Framework Agreement
COMESA  Common Market for Eastern and Southern Africa
DRC  Democratic Republic of Congo
ENSAP  Eastern Nile SAP
ENTRO  Eastern Nile Technical Regional Office
FAO  Food and Agricultural Organization of the United Nations
GERD  Grand Renaissance Dam
GIZ  Deutsche Gesellschaft für Internationale Zusammenarbeit
ICCON  International Consortium for Cooperation on the Nile
IGAD  Intergovernmental Authority on Development
MDTF  Multi-Donor Trust Fund
NBEC  Nile Basin Economic Community
NBI  Nile Basin Initiative
NBTF  Nile Basin Trust Fund
NCORE  Nile Cooperation for Results Project
NELSAP  Nile Equatorial Lakes Subsidiary Action Programme
NELSAP-CU  Nile Equatorial Lakes Subsidiary Action Programme - Coordination Unit
Nile-COM  Nile Council of Ministers
Nile-SEC  Nile Secretariat
Nile-TAC  Nile Technical Advisory Committee
NGO  Non governmental organisation
SVA  Shared Vision Programme
TECCONILE  Technical Cooperation Committee for the Promotion of Development and Environmental Protection of the Basin
UNDP  United Nations Development Programme
USD  United States Dollar
1. Introduction

The Nile is the longest river in the world (6,825 km), its basin connecting 11 riparian countries: Egypt, Ethiopia, Sudan, South Sudan, Burundi, Eritrea, Kenya, Republic of Congo, Rwanda, Tanzania and Uganda. It is very large both in terms of drainage area as well as in terms of the quantity of water it carries in its watercourse (Tadesse, 2010). It is one of the most important reliable sources of renewable water supplies in the Nile basin countries, and a source of food and water security. This has historically led to tensions around management of the scarce water resources.

The Nile has two major tributaries: the Blue Nile, originating in Lake Tana, Ethiopia; and the White Nile, originating in Lake Victoria and the mountains of Burundi, Rwanda and the DRC. Both the Blue and the White Nile meet at Khartoum in Sudan to form the main body of the Nile, which then flows through Egypt to the Mediterranean Sea. For decades, Nile water rights have been the subject of debate among the riparian states due to the expansion of upstream hydroelectric developments, the heavy reliance on Nile waters of downstream countries, and the historical rights given to downstream countries through colonial-era agreements. This has resulted in a fragile peace amidst a climate of long and unproductive negotiations, with Egypt and Ethiopia in lead, opposing roles. The potential for interstate conflicts is high, especially in a time in which pressures on the world’s water supplies are increasing substantially (Conca et al., 2006, cited by Paisley & Henshaw, 2013).

Sharing transboundary water resources creates both technical and diplomatic challenges, especially given the historical context where the Nile River was not considered a shared resource. Records show that the Nile River has historically long been a source of mistrust among riparians with periodic conflict between upper and lower stream countries. The question is therefore how to design and sustain institutions to equitably share and protect water resources whilst also allowing riparian countries to benefit from their electricity and irrigation potential, both key for reducing poverty and promoting development in the region’s low income countries?

Established in 1999, the Nile Basin Initiative (NBI) is an intergovernmental partnership of 10 Nile Basin countries: Burundi, DR Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, The Sudan, Tanzania and Uganda. Eritrea participates as an observer, partly due to limited interests and stakes in the Nile (Nile Basin Initiative 2011, cited by Salman, 2011). The Nile Basin Initiative (NBI) aims “to ensure that Nile Basin countries work together to unlock the huge potential in order to bring a vast range of benefits to Nile Basin citizens including increased hydropower, food production, improved management of watersheds and better access to water for domestic use, among others” (NBI, 2015).

The objective of this study is to understand the actors and factors shaping how NBI operates by addressing the following three questions: What is the political traction of the NBI in its activities? What are the interests of Member States in engaging with NBI? And what are the areas of work with most traction going forward. The study is primarily desk-based with limited interviews at NBI Headquarters in Entebbe, Uganda.

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1 See Annexes - Figure 2 - The Nile River Basin.
2 For a historical overview of conflicts and tensions, dating back to the era of the pharaohs, see: https://sendkalama.wordpress.com/2013/06/01/who-owns-the-nile-egypt-sudan-and-ethiopias-history-changing-dam/
3 In the year 2009-2010, the total number of staff was 104, with 20 people active in the Secretariat and 30 people in investment programmes. Furthermore, Eritrea has an observer status, but it has been a prospective member for years. FAO Aquastat, 2005.
4 NBI Corporate Report 2015.
2. On “assessing the political traction of regional organisations”

2.1. Structural and institutional drivers and obstacles

The transboundary aspect of shared waters adds political, technical, environmental, and financial complexity to any development effort. This is particularly so with the Nile River. Although evidence suggests that “international water treaties that utilise formal institutions will be more likely to prevent riparian conflicts and alleviate the deleterious consequences of water scarcity for international security” (Paisley, 2004, cited by Paisley & Henshaw, 2013, p. 2), difficulties in getting all countries to sign a formal treaty, here the Comprehensive Framework Agreement (CFA), have forced NBI to take a long-term approach combining trust-building and dialogue with technical cooperation.

The NBI was launched in 1999 “to achieve sustainable socioeconomic development through the equitable utilisation of, and benefit from, the common Nile Basin water resources”. Its objectives include, amongst others, “developing the Nile Basin water resources in a sustainable and equitable way to ensure peace for all its peoples” and “ensuring cooperation and joint action between the riparian countries, while seeking win-win gains”. More specifically, this would be achieved through sharing knowledge and promoting regional cooperation among Nile Basin countries on water resource management, irrigation, hydropower, agriculture, watershed projects and fishing. In terms of water uses, agriculture was, and still is, the dominant sector in most Nile countries.

The NBI was not the first initiative in the Nile basin but builds on various attempts to establish cooperative platforms. These include Hydromet, which aimed to provide a hydrometeorological survey in the Lakes Region in the 1960s. A second initiative between 1983 and 1992 was Undugu, meaning ‘brotherhood’, aimed at establishing the Nile Basin Economic Community and the Technical Cooperation Committee for the Promotion of Development and Environmental Protection of the Basin (TECCONILE). TECCONILE’s key focus was technical cooperation on environmental and water quality. However, none of these initiatives included all riparian states so they could not offer a comprehensive institutional setting with a shared vision, aimed at sharing benefits. Given frustrations with lack of progress, and with World Bank support, member states agreed to form NBI to address these issues.

**Institutional forms**

From the beginning NBI was composed of a two track agenda: a technical track, through which the NBI has worked to gather and analyse technical data and provided technical assistance for the construction of dams; and a judicial track working towards a Comprehensive Framework Agreement (CFA) that, at Member States’ government level unavoidably became a political process. This track would give the current ‘transitional’ NBI a legal basis to operate as a permanent River Nile Basin Commission (NBI, 2011). NBI currently has no legal basis, reducing its authority to that of providing guidelines, but also limiting its financial autonomy. The Nile country governments’ decision to advance technical cooperation in the midst of ongoing CFA negotiations and disagreements is described as unprecedented, reflecting an adaptive approach in a complex environment.

5 For more details, see: http://www.nilebasin.org/index.php/nbi/who-we-are.
9 See: http://www.researchtoaction.org/2015/11/communicating-the-challenges-and-achievements-of-the-nile-basin-initiative/. It should be noted that informal and formal cooperation among riparians started before long before the NBI was established in 1999, with varied degrees of success. However, in contrast to the NBI, all of
Although a transitional mechanism, the NBI has a typical regional institutional structure: its highest decision-making body is the Nile Council of Ministers (Nile-COM), comprised of Ministers in charge of Water Affairs in each NBI Member State. This is supported by a Technical Advisory Committee (Nile-TAC), comprised of 20 senior government officials (two from each Member State) and the Secretariat (Nile-SEC), responsible for the overall corporate direction and serving as the NBI’s headquarters in Entebbe, Uganda. There are two sub-regional offices: one for the Eastern Nile Technical Regional Office (ENTRO), financially autonomous from NBI; and one for the Nile Equatorial Lakes Subsidiary Action Program Coordination Unit (NELSAP). These are responsible for the Subsidiary Action Programmes (SAP’s) with ENTRO responsible for the Eastern Nile SAP (ENSAP) and NELSAP responsible for the Nile Equatorial Lakes SAP (NELSAP). This sub-basin approach arguably allows for champions and sub-regional alignment around shared common interests. In other words, allowing all NBI Member States to agree on certain contentious issues may have been too ambitious, whereas reaching agreement within two sub-groups seemed more realistic.

The Nile Council of Ministers appointed a Rwandan national as the 8th Executive Director at the NBI Secretariat for a two-year term, replacing a Kenyan, whose tenure ended on 31 August 2016. The right to appointment rotates among the member countries in alphabetical order. In addition, regional balance is observed by the institution for the appointment of professional staff of the Secretariat and NBI projects in order to ensure equitable representation of all Basin States. These policies have contributed to mitigate power imbalances between riparian countries.

The NBI is therefore something of a hybrid organisation, with many of the trappings of a formal river basin authority but without the legal underpinning “a strong organisation with a weak mandate” as one interviewee put it. At the same time, the complicated context, and the CFA negotiations in particular, give the NBI considerable political visibility - though Ministers of Water represent their country in the NBI through the Nile-COM, the only Ethiopian who is reportedly authorised to discuss Nile issues or take decisions is the Prime Minister.

**Negotiating a river agreement**

The negotiations of a multilateral and comprehensive CFA, also called the Entebbe Agreement, started in 1997. The CFA aims to provide a basin-wide legal framework for settling disputes over Nile water use by providing a binding agreement on the utilisation, management and development of Nile waters resources. More specifically, the CFA is based on principles of international water law, of equitable and reasonable utilisation, of the obligation not to cause significant harm to other users, of protection and conservation of the river’s ecosystem, as well as observation of equality of sovereignty and good-will and of sustainable development.

However, the maturing of the NBI through the negotiation of a CFA has proven difficult. From 1997 until 2008, there was general optimism that the open discussion at that time would lead to a comprehensive agreement on transboundary issues. When the CFA was finally opened for signature these initiatives lacked inclusiveness with some of the riparians not being represented. There was no comprehensive institutional setting to support the equitable utilisation of, and benefit from, the common Nile Basin water resources. For an overview of earlier forms of cooperation, see Annex, Table 1; see also: http://www.internationalwatersgovernance.com/nile-river-basin-initiative.html; http://hornaffairs.com/en/2014/09/11/nile-basin-initiative-nbi-has-it-delivered-on-its-promises/.

10 See Annexes, Figure 3 - Organisational structure of NBI & Figure 4 - Set-up of the NBI.
12 The first part of the agreement dealt with guiding legal principles, i.e. the adoption of principles of international water law, such as the principle of equitable utilisation and the principle of no significant harm. The second part was on specific principles with regards the institutional structure of the would-be Nile River Basin Commission (Cascao & Nicol, 2016).
in 2010, Ethiopia, Rwanda, Tanzania and Uganda signed immediately, followed closely by Kenya. Other riparians signed or ratified the CFA in the following years: Burundi signed in 2011, Ethiopia and Rwanda ratified in 2013, Tanzania ratified in 2015. In contrast, Egypt and Sudan froze their participation in all NBI activities and projects. Sudan reactivated its membership in 2013, while Egypt participates in limited NBI events only.

One of the main issues at play is the fundamental schism regarding the rights and obligations of upstream and downstream riparians (Paisley & Henshaw, 2013, pp. 11-12). Egypt in particular still claims water usage rights based on two colonial-era agreements: the 1929 Nile Water Agreement between “His Majesty’s Government in the United Kingdom and the Egyptian Government in Regard to the Use of the Waters of the River Nile for Irrigation Purposes” gave Egypt full use, while the post-independence 1959 Agreement between the Republic of Sudan and Egypt for the Full Utilisation of the Nile Waters provided access to both states with no regard for upstream states. The 1959 Treaty then signed by Egypt and Sudan, gave Egypt access to three-quarters of the total water volume and thereby the ability to construct the Aswan Dam, while Sudan was allocated a quarter of the volume (Di Nunzio, 2013).

The treaties have been heavily criticised by other riparian states for being outdated, not least since they were not independent states at the time and unable to fight for a claim over water (Di Nunzio, 2013). Yet, on this basis Egypt still resists the CFA. More specifically, the wording of Article 14 (b) on “water security for other Nile nations” is said to impinge on pre-existing water rights and usage allocations (e.g. the 1929 Treaty) (Di Nunzio, 2013)17. While this led Egypt and Sudan to withdraw from the NBI, Ethiopia began building the Grand Renaissance Dam (GERD), the largest dam in Africa (Paisley & Henshaw, 2013, pp. 11-12). These construction works have in the past been met with military threats from Egypt (Di Nunzio, 2013).

In November 2012, Sudan changed position and reinvigorated its membership of the NBI and ENTRO after coming to the conclusion that there was no alternative to basin-wide cooperation between all Nile Basin countries, and recognising that it may actually stand to benefit from more controlled flows. Although the process of adoption of the CFA has yet to be finalised, a major breakthrough was achieved when both countries and Ethiopia concluded negotiations on a trilateral ‘Nile Deal’ in March 2015, although this focused on the GERD and not the wider principle of water sharing. The dynamics among Nile Basin countries have therefore changed in recent years, discussed in Section 2.

Civil society engagement

Below the country level, NBI aims to include a range of stakeholders and interest groups in the programmatic process. At the project level, relevant stakeholders participate during the design and preparation phase by way of regular stakeholder consultations and public information processes. In addition to public participation activities implemented by the NBI, an independent network of civil

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16 See http://www.internationalwatersgovernance.com/nile-river-basin-initiative.html. The 1929 Treaty was rationalised on the basis that Egypt is more dependent on the Nile than other riparians, which have more access to the sources of the Nile. The British decision was also motivated by Egypt’s geopolitically strategic importance to the Empire: Egypt controlled the Suez Canal and thus the British access to India. There are even a number of pre-1929 agreements that provide contact to the Egyptian and Sudanese monopoly over the Nile Basin. These include an agreement, signed in 1902 between Britain and Ethiopia that sought to establish a border between Ethiopia and Sudan, while prohibiting construction along the Blue Nile, among others, which could restrict the Nile’s flow into Sudan. The other agreement was signed by Britain and the Independent State of Congo (1906) that disallowed the construction of projects in the Congo along the Semliki or Isango Rivers (Di Nunzio, 2013).


society organisations in the Nile Basin, called the Nile Basin Discourse, has emerged as a counter-weight to the government-led Nile Basin Initiative.\footnote{See \url{https://cmsdata.iucn.org/downloads/nile.pdf}.}

In spite of these initiatives, the impact of civil society on NBI’s agenda has been limited. Paisley and Henshaw (2013) claim that although NBI’s mandate is to promote an inclusive dialogue, the process of negotiating the CFA has not been sufficiently inclusive. The core of the discussions is held by government officials from the Nile riparians and representatives from the World Bank, UNDP and/or CIDA. In fact, very few additional stakeholders have been allowed to participate in the negotiations and opportunities for public debate or involvement have been extremely limited.\footnote{The Nile Basin Discourse was established with World Bank support and the International Union for Conservation of Nature (IUCN) was given the role to deliver on this project. However, IUCN took a strong environmental approach with a less strong, but much needed focus on socio-economic development and inclusivity. Despite efforts, also from donor agencies, it turned out to be challenging to reach the goals of the Nile Basin Discourse, mainly due to the lack of political will, most notably from Egypt, to promote a dialogue, involving civil society (Interview, Expert, International Water Management Institute (IWMI), Addis Ababa, Ethiopia, 11 May 2017).}

Even after the CFA was signed by a number of countries (with significant press coverage), the actual text of the agreement was nearly impossible to find online (Paisley & Henshaw, 2013, p. 11). However, efforts have been made to increase inclusivity: in June 2001, the International Consortium for Cooperation on the Nile (ICCON) brought together the Nile riparian countries, the international development organisations, NGOs, civil society, academia and media for the first time in Geneva. This meeting allowed NBI to present its Strategic Action Programmes and projects to a large group of international development institutions.

### 2.2. Expanding agenda and implementation challenges

**Technical programmes to support political progress?**

Until the CFA is adopted by all countries, the NBI acts as a regional coordinating entity, with a collaborative governance framework that aims to ensure peaceful cooperation among its member states. According to the former Executive Director of the NBI, “the NBI has been very successful in bringing the states together and informing them about the challenges of conserving and preserving Nile water resources so that the River can continue flowing. [...] The NBI has been building the capacity of the Nile Basin states on how they can cooperate and negotiate with each other.\footnote{See \url{http://weekly.ahram.org.eg/News/12818/17/Egypt-and-the-Nile-Basin-Initiative.aspx}.}

In trying to reach its objectives, NBI has steered a number of programmes, the most important of which are the Shared Vision Programme (2011) and two Subsidiary Action Programmes (SAPs); one for the Eastern Nile (EN SAP) and one for the Nile Equatorial Lakes (NELSAP). The SVP approach is something of a ‘best-practice’ approach in the global water community, aiming to be collaborative and build confidence and capacity across the basin and the SAPs.

As a multi-country, multisectoral programme, the SVP was made up of seven themed projects, including an Environmental Action Project, a Power Trade Project, and one coordination project, all aimed at unlocking the Basin’s development in complementary ways.\footnote{See here for the full list of projects under the SVP: \url{http://nileis.nilebasin.org/content/shared-vision-program}.} Although the SVP has not been able to fully achieve a ‘shared vision’, according to Egypt’s General Director for Nile Water and International Water the SVP’s Applied Training Project had a positive impact on capacity in the Ministry of Water Resources and in other Egyptian Ministries (NBI, 2011). Water has been the initial focus of NBI’s activities, but the idea is to move towards broader socioeconomic development and regional integration in the form of investments, trade, and exchange of experiences.
As a concrete outcome of the Shared Vision process, the NBI was entrusted with three core functions: water resources management, water resources development, and promotion of basin cooperation (NBI, 2014, cited by Cascao & Nicol, 2016). These have led to concrete projects. For example, the NBI Secretariat (Nile-SEC) is running the Nile Cooperation for Results Project (NCORE) to facilitate cooperative water resource management (January 2016 to December 2017). NCORE engages in irrigation, watershed management, small-scale hydropower and drinking water. On a broader scale, NCORE aims at advancing Nile basin-wide cooperation, promoting sustainable development and planning in the Nile equatorial lakes region and in the eastern Nile region.

While awaiting political advances on the CFA, one of the key areas that NBI considers its success relates to statistics on water demand and supply that can then feed their Decision Support System. By encouraging technical-level partnerships and training among water experts, the Decision Support System can be used for scenario building on country-level data. Combining these with national investment plans involving the Nile, NBI has been able to present a Nile Basin Atlas and other work to Ministers to highlight the challenge of fulfilling all planned river investments given current flows.

Despite the above advances, it was under the two Subsidiary Action Programmes that the much needed normative changes took place in terms of thinking and action about water resources and development at a transboundary level (Cascao & Nicol, 2016). Their goals were to identify cooperative investment projects at the sub-basin level to confer mutual benefits on the co-riparians, and contribute to realising transboundary development projects on the ground (NBI, 1999, cited by Cascao & Nicol, 2016). Their respective offices support identification, negotiation, and implementation of transboundary investment projects, with a focus on mutual and sustainable benefits for the countries involved. Because these programs have evolved independently of each other, they resulted into differing and more adapted sets of policies and procedures (Belay et al., 2010) with NELSAP in particular extending into energy transmission, in order to share the benefits from hydroelectric dams.

Although both SAP’s have developed an impressive portfolio of investment projects, the scope of actions is also expanding. Reflecting the interlinked nature of development challenges, this means that NBI is simultaneously engaged in water management but also environmental management, infrastructures, energy, and even conflicts where these relate to water usage.

Overall, the political challenges around the CFA have encouraged NBI to focusing on technical and trust-building projects where it has made considerable progress, not least in sharing data and encouraging trust at a technical level, as well as working on concrete infrastructure projects. This includes sharing procedures and guidelines around disclosure of water-related projects which, though not legally binding, try to create a more coherent approach to Nile governance. This has been used to gradually underpin legal and political progress in negotiations but has led to considerable expansion in its scope of activities. In particular, NELSAP has expanded its role from water management to energy transmission, a very different area of work and one that overlaps with other regional initiatives.

**Competing or complementary mandates?**

As is common across Africa, the Member States of the NBI have overlapping memberships with other economic, river-based and energy-related regional organisations, often covering similar issues. Though this includes a whole range of Central African and Great Lakes organisations, as well as the

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24 With regards to river investments in Africa, the World Water Council created a water management and development investment framework for policy makers, water and other stakeholders and investors across Africa, with, among others, a focus on the investment potential of the Nile (World Water Council, 2011).
25 All the NBI countries are part of the NELSAP (although Ethiopia had always been an observer and joined as a full member in 2011; and South Sudan did so in 2012). In the ENSAP, Egypt, Sudan and Ethiopia are the three members (Earl et al., 2013).
Southern African Development Community (SADC) in which DRC is a member, all NBI members are also members of the Common Markets for Eastern and Southern Africa (COMESA). While this represents opportunities for future trade relations to complement water and energy relations, of perhaps most relevance is the East African Power Pool (EAPP), COMESA's specialised institution for electricity trade. This then creates a degree of mandate overlap with NELSAP, which has been building its power transmission capacity in conjunction with Nile river energy generation.

Similarly, Ethiopia, Eritrea, Sudan, South Sudan, Kenya and Uganda are also members of IGAD (Byiers, 2016). Though this excludes Egypt, as an AU-recognised REC IGAD has been given a mandate across a wide range of issues affecting the region. Water is among them, not least given its origins as an organisation to address drought and development (see separate PEDRO study). IGAD is currently developing a regional water policy to mirror those in other RECs, particularly SADC, requiring close coordination with NBI to avoid duplication and ensure synergies. At the same time, many water issues are outside the boundaries of the Nile, e.g. Lake Turkana on the border of Ethiopia and Kenya.

This raises the question about what level different resources could and should be discussed to ensure consistency and potentially bring peer-pressure, while also only working with relevant parties. IGAD has also played a role in ‘standing in’ for Somalia to defend its water interests in the absence of an effective government. That said, there is anecdotal evidence that FAO together with IGAD was trying to develop a project on tributaries of the Nile river that got halted, because of mistrust of the Ethiopian Government, who blocked the initiative - member state interests still dominate.

All East African Community countries are NBI members, with Nile water issues covered in the EAC subsidiary organisation, Lake Victoria Basin Commission. This is particularly important as the mandate of maintaining Lake Victoria water levels, an interest of upstream Nile countries, potentially conflicts with the objective of Uganda, for example, which uses the outflow from the lake for energy generation. While raising potential challenges, the NBI has begun to establish institutional links to IGAD and LVBC.

**Implementation challenges**

The achievement of NBI's goals has not been without challenges. In 2010, Belay et al. (2010) pointed to the key challenges to NBI as: the dominant role of the World Bank, the lack of sufficient staff, procedural and policy conflicts, lack of coordination and linkages with other regional institutions, and the lack of recognition as a 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.

In the 2000s, NBI's 'shared vision for the Nile Basin' was challenged by a number of projects that were implemented outside the NBI sphere. New hydropower dams were built in Sudan, Ethiopia and Uganda. Also, agricultural projects, including irrigation, were built in Egypt, Sudan, Kenya and Tanzania (Earle et al., 2013, p. 23). As such, while the NBI agenda is widening, according to Earle et al. (2013), NBI's actual sphere of influence has potentially narrowed: the NBI had become increasingly focused on hydropower, while upstream riparians are continuing to expand irrigated agriculture, drawing on Nile resources. For example, since the global food crisis in 2008, many of the upstream riparians became preferential countries for large investors in foreign land acquisitions, developing large-scale projects. These were unilateral initiatives, with little or no explicit links to the NBI (Earle et al., 2013, p. 23). More concretely, agriculture and other issues are increasingly being
captured by national level policies and mechanisms, which results in the actual sphere of influence becoming limited to hydropower. Finally, the construction of the GERD, a national project, is the most striking example of a rising unilateralism over regional coordination, as explained further below.

The NBI is also obliged to function amidst increasing external Nile-related threats and challenges. It faces a complex environmental, social, economic, political and legal context. Factors that make the management and sustainability of basin difficult include extreme poverty, food insecurity, climate change, environmental degradation worsened by high population growth, inadequate sanitary services, unreliable electricity and water scarcity (World Bank, 2008; World Bank, 2003a, cited by Belay et al, 2010, p. 9). These are further exacerbated by unsustainable practices such as the development of new settlements in the desert, and farming of relatively water-intensive crops. Climate change will probably become evident through reduced river flow, land degradation, droughts, floods and increasing rates of water-borne diseases.

Population growth then is particularly alarming for Ethiopia where the population is expected to increase from 77 million in 2007 to around 146 million by 2050 (an increase of almost 90 percent). Water demand will also increase, much to the concern of downstream Egypt. By contrast, in 2010 Egypt had 10 percent more people (82.06 million) than Ethiopia, but by the year 2025, the latter is expected to have 20 percent more people than Egypt. The population growth, especially in Egypt, Uganda and Ethiopia, will exacerbate environmental issues, most notably increases in municipal, industrial and agricultural waste (Tadesse, 2010). Political unrest, including in Sudan, has impeded the work of NBI, and it will continue to do so.

2.3. Finance, external drivers and blockers

**Member state commitment?**

While operating in a complex environment, NBI has nonetheless identified more than 30 projects with an investment potential worth US$6 billion, benefitting Nile Basin citizens in terms of food, energy and water security. This means that NBI is looking for resources. That then raises a challenge for an organisation that although gathering regular contributions from some countries, also entails countries with accumulating arrears (see Figure 1).

![Figure 1 - Status of Country Contribution Arrears June 2015](link)

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29 The population in SSA is expected to increase from 700 million in 2007 to 1 100 million in 2030, and 1500 million by 2050, and populations will increasingly urbanise. Overall water demand can therefore be expected to more than double in the first half of the 21st century, without considering rises in per capita demand for food and water (Tadesse, 2010).


The Nile Basin states have financed minimal functionality to the NBI since 2012. They have increased their contributions from US$35,000 per year to US$50,000 and then to US$135,000. By 2017, the contributions are expected to go up to US$314,000 per year. The Nile-SEC’s core functions are supposed to be self-financed by the NBI Member States with contributions made in equal shares. In the period 2013-2014, 48% of the operational budget was financed by the member states (NBI, 2015).

Of the two action programmes, ENSAP is funded by the participating countries but NELSAP is funded through an institutional development grant from international donors.

Figure 2 - NBI Revenues and expenditures for the FY 2014/15

The role of development partners

The NBI therefore relies heavily on development partners for resources (See Figure 2). At the time of its launch in 1999, the main donors of the NBI were the World Bank, UNDP and CIDA (Paisley & Henshaw, 2013). However, over the course of the past years, a considerably wider range of other donors have joined, including the African Development Bank (AfDB), the Global Environment Facility (GEF), the Belgian Ministry of Foreign Affairs, Ministry of Foreign Affairs of Denmark, DFID, AFD, EU, Sweden, Germany (GIZ), the Ministry of Foreign Affairs of Finland, Norway, Japan, South Korea, Switzerland and the Netherlands. In addition, involvement of the Italian Cooperation in Nile Basin cooperation started in 1996 with investments projects leading up to a modest total of investments of US$11m (NBI, 2015, p. 30). This reliance on external funding is clearly a risk, especially given the potential undermining of NBI by Egypt.

Important reforms have also taken place concerning the coordination of donor funding. At the request of Nile-COM, a Nile Basin Trust Fund (NBTF) was established. This aimed to pool contributions from the international development partners into one common financial mechanism to help streamline implementation procedures according to only one set of reporting, procurement and disbursement guidelines, while responding also to reporting requirements demanded by contributing development partners. Given the young age of the NBI at the moment of its establishment, the NBTF was managed by the World Bank. However, this also resulted in the questioning of ownership by riparian states, who claimed the NBTF has remained excessively in the hands of development partners (Earle et al., 2013, p. 26). The NBTF closed in 2015.

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32 In the period 2014-2015, Nile-SEC, ENTRO & NELSAP-CU received grants of US$25,255,179 (See NBI, 2015 for more details). In 2012-2013, the general budget was US$39.2m.
In the meantime, the apparent successes and lessons from the NBTF experience led development partners to establish the Cooperation in International Waters in Africa (CIWA) Trust Fund in 2011 to cover river basins across Africa. The NBI benefits the most from CIWA funding, receiving 32% of its overall funding. This allowed the Eastern Nile Council of Ministers to set up regional dam safety units following the endorsements of the ENTRO regional dam safety guidelines, seen by many as an example of best practice. Another achievement has been the Nile Basin Discourses partnerships with governments and regional development organisations that ensure that social concerns shape water, power, and commodity investments in eastern Africa.

In addition, a basin-wide hydromet network designed by the NBI Secretariat and the Nile countries has received ministerial-level approval from countries. When operational, this system will provide people monitoring and forecasting services. In addition, CIWA has also influenced investments: it is estimated that US$3 billion worth of investments have been influenced by CIWA in the Nile Basin, thereby creating direct benefits for approximately 4.2 million people (World Bank, 2016). The Nile region is also one of the EC’s water diplomacy priority regions leading them to support NBI and the above-mentioned CIWA trust fund.

China is an additional external factor in the region’s hydro-political status quo: while there is much interest in China’s imports of oil and mineral resource from Africa, less well known is that China is the main partner in Sudan’s dam program and increasingly involved in Ethiopia’s hydro-infrastructure (Verhoeven, 2012, cited by Byiers, 2016). Sinohydro, the world largest dam building company, owned by CCP and actively encouraging constructor of further dams on the Sudanese and Ethiopian Nile means that growing Chinese influence has reduced Western leverage over both Khartoum and Addis (Verhoeven, 2012). At the same time, China seeks regional stability for its business activities and interests, providing a further drive towards collaboration rather than conflict (Byiers, 2016).

The outgoing Chairman of the Council of Ministers in 2015 stated that “NBI’s greatest challenge today, and in the coming years, is inadequate funding, threatening sustainability of its institutions and

products” (NBI, 2015 Corporate Report). Although the NBI has enjoyed consistent and flexible financial support from development partners, it remains uncertain however whether the development partners will continue supporting the NBI, as stated by NBI’s Former Executive Director in 2014. Although he suggested that this may alter “once the Initiative converts itself into a Commission”. Although this would enable direct funding from agencies such as the EU, the CFA stalemate is reportedly leading to lobbying from Egypt to block further funding, a considerable blockage for an organisation tasked with promoting cooperation.

3. On the “political interests” of member states

The long and complex history of Nile Basin agreements and cooperative action among groups of basin states with two earlier agreements, signed in 1929 and in 1959, has resulted in the uneasy relationships between the upstream and downstream riparian countries.

A challenging environment to gain traction

Despite efforts to promote cooperation among the riparians, with the NBI being the most important initiative, the two commonly understood opposing sides seeking their own respective advantages are: Ethiopia, a growing economic power and also the country where the Blue Nile starts, and Egypt that is extremely dependent on the Nile, given that it is its only source of water, but that for decades, has benefitted from a stronger position to decide how to use the Nile Water thanks to colonial agreements and the support of Western powers (Paisley & Henshaw, 2013).

These two opposing nations are backed by others: Egypt has historically been backed by Sudan that is also a downstream country, based on a common interest in blocking upstream developments and the idea of ‘arab solidarity’. Ethiopia on the other hand, has been sided by Uganda, based on the similar upstream concerns around the right to use the dam to generate electricity.

In recent years, Sudan has begun to understand the substantial benefits that it can reap in technical and economic terms of cooperation with Ethiopia: it would actually gain a lot from buying cheaper energy from Ethiopia, and it has therefore gradually been throwing its support behind the GERD (Di Nunzio, 2013; Cascao & Nicol, 2016). Further, studies suggest it stands to benefit from a more consistent water flow from the GERD dam, rather than water losses.

Egypt - a defensive hegemon?

Egypt’s position is without a doubt the most defensive one, fuelled by a perceived threat of water shortages. In order to better understand Egypt’s foreign policy and geostrategic interests, it is important to recognise that Egypt sees its socioeconomic survival and national security as interdependent with maintaining access to Nile waters (Lie, 2010). However, although Egypt consumes 99% of the Nile’s water supply, little water originates within Egypt’s sovereign borders. (Obengo, 2016, p. 98). In this respect, Egypt, together with its “ally” Sudan, has historically been favoured over other riparians, thanks to the wording in the colonial Nile-related agreements and treaties. Not only did Egypt receive the greatest share of the Nile’s water supply, the 1929 agreement also gave it a veto over upstream projects.

However, after the Egyptian Spring in 2011, water issues became increasingly politicised and securitised. This also included the return to a more confrontational tone during President Muhammad Morsi’s short presidency when even the threat of military action against Ethiopia was expressed in public (Cascão & Nicol, 2016). These threats were directed particularly against Ethiopia’s GERD. The


40 Interview, Expert, FAO Water Division, Rome, Italy, 2 December 2016.
key concern from Egypt is that the dam would cause the evaporation of 3 billion cubic metres of Nile water each year, although this amount lost is only a quarter of the 12 billion cubic metres lost via the Aswan Dam in Egypt each year. Egypt continued to resist the GERD as a threat to national security, even when a panel of experts concluded the GERD would not harm Egypt’s interests. Di Nunzio (2013) however argues that these had been verbal and that Egypt, due to internal instability, fiscal deterioration and economic crisis, probably did not have force to intervene in Ethiopia and to - as claimed - “destabilise government” (Di Nunzio, 2013). Another “white elephant” project is Egypt’s Toshka New Valley Project that started in the 1990s and that is to be completed by 2020. It aims to develop agricultural production and new jobs away from the Nile Valley by creating a second Nile Valley. This would be done by redirecting water from Lake Nasser to irrigate the Western Desert of Egypt via canals. However, the project has been criticised for not fully taking into account social and environmental impacts (Warner, 2013).

However, Di Nunzio (2013) argues that its position has weakened and due to a wide variety of pressures, the country is finding itself in an increasingly precarious situation: extreme water shortages, with projections warning Egypt to run out of water by 2025, strong population growth and only limited arable land, have already resulted in Egypt being the world’s largest grain importer (in total, Egypt imports 60 per cent of its total food needs) (Di Nunzio, 2013).

Egypt’s precarious position has led it to firmly and aggressively oppose any project that could diminish its water access, particularly the CFA and Ethiopia’s GERD. In 2010, Egypt froze its participation in the NBI, while rejecting the CFA on the basis of the claim that the CFA goes against previous colonial agreements (Di Nunzio, 2013). Egypt’s critical position has often been complemented by a confrontational tone and even by threats of military actions. Lie (2010) argues that Egypt softened its approach since the 1990’s by publicly discarding the military option (Lie, 2010, p. 16).

More recently, Egypt’s President Abdel-Fattah El-Sisi has been trying to reinvigorate Egypt’s relations with African nations, visiting Uganda, Rwanda and receiving the South Sudanese President Salva Kiir in Cairo to discuss the current situation in his country. In addition, the water ministers from Egypt, Sudan, Uganda and Rwanda met in March 2017 to discuss issues raised by Egypt over the CFA. The NBI has also been preparing a delegation to visit Egypt to discuss its possible return to the NBI after seven years of inactivity. This rapprochement by Egypt can be explained by the succession of facts taken together, discussed in Section one, and it weakening capacity, especially since 2011, to influence its neighbouring countries. Furthermore, the agreement can be seen as a ‘tipping point’ concerning the norms and processes in Nile basin cooperation. The technical cooperation in the drafting of GERD is more specific and project-oriented than the studies conducted under ENTRO, for example. Furthermore, the cooperation on GERD is nationally driven and has almost no involvement from external partners, counting on technical and financial support from the countries themselves (and not development partners). Lastly, the GERD is the result of an idea that started at the multilateral level under the JMP project, re-emerged as a national-level Ethiopian project, and was later enshrined in an intergovernmental trilateral legal-political agreement with Egypt and Sudan (Cascão & Nicol, 2016: 566).

Ethiopia - a rising hegemon?

At the same time, Ethiopia has grown from an extremely poor country to a strong regional player with considerable bargaining power, driven by hydro-political ambitions. This increased power is...
showcased best by its unilateral decision to start building the Grand Ethiopian Renaissance Dam (GERD) in 2011. The GERD, the biggest dam in Africa, is financed by Ethiopian Government money (US$4.7bn), and probably with more support to come in from China, a loyal ally and the world’s major developer of hydroelectric power. It is planned to be completed in the course of 2017. The construction of the dam has created controversy, with protests, especially in Egypt. Sudan, on the other hand, has been rather peripheral in the disputes over the GERD, “downplaying the dam’s potential negative effects and throwing its support behind Ethiopia” (Di Nunzio, 2013). However, it is still clear that, due to the sheer volume of its reservoir, GERD is likely to undermine the “hydropolitical status-quo” that for decades gave Egypt disproportional influence in regional politics (Verhoeven, 2015, cited by Woolfrey, 2016). Analysts describe Ethiopia’s move as planning to “tie the region to Ethiopia by exporting thousands of megawatts of electricity generated by dams on the Blue Nile and Ethiopian rivers” (Verhoeven, 2015). The Ethiopians argue that the new dam, as a source of hydroelectric power for the entire region, will manage flood control thus reducing risk of flooding and silting, extending the life of the dams below stream.

Besides Ethiopia’s apparent hegemonic aspirations, this shift toward unilateral actions might also be fuelled by disappointment in the regional framework. According to Cascão and Nicol (2016), Ethiopia’s accession to the NBI was based on the belief that an eventual CFA would create the possibility to develop multipurpose infrastructure in the Ethiopian highlands. According to the authors, it was Ethiopia that pushed the hardest for the CFA to be signed by upstream countries and that tried to forge a new type of upstream alliance with the equatorial Nile countries. However, when regional investments were once again undermined or delayed, its belief in the NBI as the right framework for short-term actions faded, leaving unilateral investments as the most realistic solution.

Despite Ethiopia’s unilateral decision to go ahead with the GERD, the uncertain institutional and legal situation after 2010 and the lack of implementation of projects, the NBI has not ceased to exist. On the contrary, Ethiopia has continued without interruption to provide political, technical and substantial financial support to the NBI and ENTRO, whilst reiterating the need for a guiding comprehensive agreement that can support equitable utilisation of the Nile Basin’s waters.

**Other regional players**

South Sudan’s independence from Sudan in 2011 changed the geopolitical balance in the region, and soon after, South Sudan requested to join the NBI. This interest was likely triggered by the other signatories of the CFA that wanted South Sudan to become a party to the CFA so as to provide the “desperately needed sixth state for the CFA to enter into force and effect” (Salman, 2011, p. 165).

The secession of South Sudan had implications for Sudan’s position in the NBI. While in 2010 Sudan left the NBI with its historical ally Egypt, South Sudan’s independence and the consequent decline in oil revenues, the global food crisis in 2008 and other factors made Sudan redefine its priorities. Sudan decided to refocus its economic development on the agriculture sector, depending on irrigation within

45 The World Bank, the European Investment Bank, the Chinese Import-Export Bank, and the African Development Bank provided financing for some of the other dams; but concerns about the environmental and political impact of the GERD have discouraged lenders. The International Monetary Fund suggested that Ethiopia put the dam on a slow track, arguing that the project will absorb 10% of Ethiopia’s Gross Domestic Product, thus displacing other necessary infrastructure development. Nevertheless the Ethiopian government insists that it will stick with its schedule and finance the project domestically. See [https://sendkalama.wordpress.com/2013/06/01/who-owns-the-nile-egypt-sudan-and-ethiopias-history-changing-dam/](https://sendkalama.wordpress.com/2013/06/01/who-owns-the-nile-egypt-sudan-and-ethiopias-history-changing-dam/).


47 The Gulf States, including Saudi Arabia, have also shown interest in the GERD construction, to the strong disapproval of Egypt that considers this as a “direct threat to Egypt’s national security”. See [http://www.middleeasteye.net/news/egyptian-gulf-relations-take-new-dip-after-saudi-delegation-visits-ethiopia-dam-30425904](http://www.middleeasteye.net/news/egyptian-gulf-relations-take-new-dip-after-saudi-delegation-visits-ethiopia-dam-30425904).

the Blue Nile schemes. As a result, Sudan regained interest in negotiating water and hydraulic infrastructure (Cascão & Nicol, 2016). This led it to renew its membership in 2013 and urge Egypt to do the same49. Sudan also embarked on heightening of the Roseires Dam to increase water storage capacity, and even supported Ethiopia’s GERD project, expecting it to provide additional water for the country’s ambitious irrigation plans (Cascão & Nicol, 2016). This worsened Sudan’s historical diplomatic ties with Egypt, whilst its relations with Ethiopia have improved (Cascão & Nicol, 2016).

In July 2016, the Egyptian Irrigation Minister Mohamed Abdel Ati attended the 24th annual meeting of Nile-Com in Uganda, unveiling Egypt’s request to rejoin the initiative and try to solve CFA issues50. In addition, in March 2015, Egypt, Sudan and Ethiopia signed the Declaration of Principles on the GERD in Khartoum, aiming to give priority to downstream countries for electricity generated by the dam and providing compensation for any damages (Tawfik, 2015). The GERD Declaration ended a four-year dispute over Nile water sharing arrangements and recognised the right of upstream countries such as Ethiopia to prioritise electricity generation. Though not led by the NBI, it is a preliminary draft of an agreement for the CFA (Cascão & Nicol, 2016), thereby reflecting an acknowledgement of Ethiopia’s enhanced status in the region (Verhoeven, 2015, cited by Woolfrey, 2016).

What becomes clear from this analysis is that the work of NBI reflects the reality of Member State relations around the Nile, divided as it is between a political and technical track. Eventually the two strands will meet, but at present Heads of State are working very much at the political level, meaning that NBI is obliged to work around or alter the incentives in place to ensure sustainable Nile River use.

4. On the “areas with most traction for regional cooperation”

Given the complexity of issues, NBI has struggled to play a strong coordinating role around water issues by failing to deliver on the benefit-sharing mechanism and more specifically, to balance interests and concerns around the construction of the GERD in Ethiopia. Despite this, NBI has proven that it can be in the right position to move technical work, for instance, thereby potentially underpinning a political rapprochement and informing a regional collective understanding of Nile resources. In the short-run, therefore, NBI seems likely to generate more development benefits or outcomes when it acts on the operational and technical level.

The Nile history and more precisely, lessons from NBI, have shown that discussions about the entire, cross-border Nile can lead to stalemate. They often end in heated debates and in some cases, military threats. Hence, traction appears to lie at the micro level and seeing how investment on different sides of a border can be beneficial to the populations of both sides. In the region, success cases of sub-basin cooperation, for instance, in Kenya and Ethiopia, exist, but they are not widely understood. This might suggest a need for better understanding of the political economy dynamics around successes and particularly sub-basin initiatives, for these to be replicated and upscaled, potentially under the lead of NBI. The African Development Bank, via their Water Facility, has done this kind of mapping exercises51.

Despite Egypt’s militaristic rhetoric, the country is increasingly driven into a corner: since October 2013, military aid and USAID aid have been suspended in response to its military coup. At the same time, upstream riparians are continuing to claim their rights over the Nile. In addition, Washington as

49 See http://english.ahram.org.eg/NewsContent/1/64/104174/Egypt/Politics-/Sudan-asks-Egypt-to-rejoin-Nile-Basin-body.aspx.
51 Interview, Expert, FAO Water Division, Rome, Italy, 2 December 2016.
well as Europe are offering significant military support to Ethiopia. Yet, a strong relationship for Egypt and Ethiopia with these Western powers is important, but not assured (e.g. uncertain foreign relations in Trump era). Therefore, Egyptian cooperation with other riparians, particularly with Ethiopia, is one of the only ways forward. The CFA is internationally recognised, despite Egypt’s and Sudan’s renunciation. And, Egypt has put an ultimatum to only signing the CFA on the condition that the colonial treaties were recognised, but this position has not gained regional support.

Yet, the GERD Tripartite Commission, involving Egyptian, Sudanese and Ethiopian experts, may be a yardstick for further dialogue among the major Nile Basin nations. The Commission’s impact assessment that the GERD would not have a strong impact on Egypt and Sudan, may have reduced the criticism on the negative impact of the dam. A 2013 study however says that Egypt had requested further studies on the GERD impact and that it wanted to postpone the report’s recommendation. What is promising though was that Ethiopia has welcomed the participation of Sudan and Egypt in the project, which could pave the way for stronger future dialogue and cooperation over the management of the Nile (Di Nunzio, 2013). Such initiatives might also help overcome the blockages that risk limiting funding to NBI and the rather politically adaptive work that it has so far been carrying out.
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