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Bonn, 25 March 2015. The Declaration of Principles on the Grand Ethiopian Renaissance Dam (GERD) signed by the three Eastern Nile countries (Egypt, Ethiopia and Sudan) on 23 March 2015 in Khartoum has sparked much controversy among experts and commentators in Egypt. Some consider it a breakthrough between Egypt and Ethiopia after four years of tensions. Others opine that Egypt is bound to lose from this declaration, because it does not include a clear reference to Egypt's historical rights in the Nile waters and does not ensure any reduction of the huge storage capacity of the GERD. The declaration is a positive step towards reaching a compromise on the largest dam project in an upstream Nile country. However, only the translation of this declaration into balanced technical agreements can build the missing trust between Egypt and Ethiopia and pave the way for sharing the dam's benefits and reducing its potential negative impacts on downstream countries.

A realistic compromise on a complex dilemma

The Declaration cannot be evaluated without taking into account the current political context and the historical relations in the Nile basin. During the last decade the balance of power in the Nile basin has been changing in favour of Ethiopia. After decades of Egyptian domination, Ethiopia has managed to combine the hydrological advantage of its position as an upstream country that controls 86 % of the Nile waters and the economic advantage of sustained economic growth. This comes at a time when Egypt, which depends on the Nile for more than 90 % of its water needs, is struggling to sustain its economy after four years of instability. Trapped by its domestic political instability and economic challenges, Egypt was forced to accept the GERD as a fact on the ground. Although the International Panel of Experts that examined the dam recommended conducting more comprehensive studies on the impact of the project on downstream countries, Ethiopia has rejected freezing the construction of the dam until these studies are finalized. Historical mistrust and threats of using force by both sides have raised tensions and brought a halt to technical negotiations.

In this context, the Declaration is a realistic compromise on a complex historical dilemma and a true reflection of the current balance of power. On its positive side, the declaration states that the three countries will cooperate to implement the recommendations of the International Panel of Experts, and to reach an agreement on the guidelines of filling and operating the dam. It sets a timeframe of 15 fifteen months from the start of preparing the required studies on the dam for the conclusion of this agreement. Ethiopia is committed, according to the declaration, to take the necessary steps to avoid causing a significant harm to Egypt and Sudan, to mitigate this harm in case it happens, and to discuss compensation "whenever convenient". However, the Declaration includes no reference to historical agreements or to Egypt's acquired share in the Nile waters. Furthermore, it did not commit Ethiopia to reconsider the size of the dam and the 74 billion cubic meters storage capacity of the reservoir, a size that several experts considered as technically unnecessary and economically irrational.

What next?

Much effort and good will is needed to build trust between the three Eastern Nile countries, in particular between Egypt and Ethiopia. The implementation of the recommendations of the international consultancy firm, which will conduct the required studies on the dam, and the resulting technical agreements that will be reached in light of the Declaration will be a necessary step in this direction. Any financial support for the project by international donors and organizations should remain conditional on this implementation. Only these technical agreements and the political will to implement them will determine if the GERD will provide a new example of win-win projects on shared rivers or a quest for development in one riparian state at the expense of others.