Water politics

Sharing the Nile

When Egyptian politicians discussed sabotaging the Grand Egyptian Renaissance Dam in 2013, they naturally assumed it was a private meeting. But amid all the scheming, and with a big chuckle, Muhammad Morsi, then president, informed his colleagues that their discussion was being broadcast live on a state-owned television channel.

Embarrassment apart, it was already no secret that Egypt wanted to stop the largest hydroelectric project in Africa. When Ethiopia completes construction of the dam in 2017, it will stand 170 metres tall (550 feet) and 1.8km (1.1 miles) wide. Its reservoir will be able to hold more than the volume of the entire Blue Nile, the tributary on which it sits (see map). And it will produce 6,000 megawatts of electricity, more than double Ethiopia’s current meagre output, which leaves three out of four people in the dark.

This boon for Ethiopia is the bane of Egypt, which for millennia has seen the Nile as a lifeline snaking across its vast desert. The river still provides nearly all of Egypt’s water. Egypt claims two-thirds of that flow based on a treaty it signed with Sudan in 1959. But even that is no longer enough to satisfy the growing population and sustain thirsty crops. Annual water supply per person has fallen by well over half since 1970. The UN warns of a looming crisis. Officials in Egypt, while loth to fix leaky pipes, moan that the dam will leave them high and dry.

Herodotus, an ancient Greek historian, called the fertile land of Egypt the Nile’s gift. Countless Egyptian leaders have rattled their sabres in defence of the water supply. This has soured relations with the eight other countries that share the Nile basin. Most of them have agreed to cooperate with each other, dismissing another old treaty which, Egypt claims, gives it a veto over upstream projects.

Only recently has the Egyptian government adopted a more conciliatory tone. In March of last year Abdel-Fattah al-Sisi, who ousted Mr Morsi in a coup, joined Haimanari Desalegn, Ethiopia’s prime minister, and Omar al-Bashir, Sudan’s president, to sign a declaration that tacitly blesses construction of the dam so long as there is no “significant harm” to downstream countries. The agreement was affirmed in December, when the three countries settled on two French firms to study the dam’s potential impact.

That step is long overdue. The impact studies were meant to be completed last year, but bickering over the division of labour, and the withdrawal of one firm, caused delays. Many Egyptians believe that Ethiopia is stalling so that the dam becomes a fait accompli. Already half-finished, experts worry it may be too late to correct any problems. Representatives of the three countries are now meeting to discuss “technical” issues. The contracts for studying the dam are not yet signed.

A sense of mistrust hangs over the dam’s ultimate use. Ethiopia insists that it will produce only power and that the water refusing its turbines (less some evaporation during storage) will ultimately come out the other side. But Egypt fears it will also be used for irrigation, cutting downstream supply. Experts are sceptical. “It makes no technological or economic sense [for Ethiopia] to irrigate land with that water,” as it would involve pumping it back upstream, says Kenneth Strezaek of the Massachusetts Institute of Technology.

A more reasonable concern is over the dam’s large reservoir. If filled too quickly, it would for a time significantly reduce Egypt’s water supply and affect the electricity-generating capacity of its own Aswan Dam. But the Ethiopian government faces pressure to see a quick return on its investment. The project, which is mostly self-funded, costs $4.8 billion.
Some experts say filling the reservoir could take seven years. But “having a fixed time to fill it may not be the best way to do it, because there can be extremely dry years and extremely wet years,” says Kevin Wheeler of Oxford University. He recommends releasing a fixed amount of water from the dam each year, leaving the reservoir to fill at a pace set by nature.

A potential wild card in the negotiations is Sudan, which long sided with Egypt in opposition to the dam, some 20km from its border. But as the potential benefits to Sudan have become clear, it has backed Ethiopia.

Short on energy itself, Sudan will receive some of the power produced by the dam. By stabilising the Nile’s flow, it will also allow Sudan to prevent flooding, conserve more water and increase agricultural output (once old farming methods are updated). Currently much of the country’s allocation of water under the 1959 treaty is actually consumed by Egyptians. To their chagrin, the river will no longer rush past their southern neighbours during monsoon season and end up in Lake Nasser, the huge reservoir behind the Aswan Dam.

How much water Sudan uses in the future, and other variables such as changes in rainfall and water quality, should determine how the dam is operated. That will require more co-operation and a willingness to compromise. Disagreement between Egypt and Sudan over such things as the definition of “significant harm” bodies ill. But all three countries will benefit if they work together, claims Mr Strepek, citing the dam’s capacity to store water for use in drought years and its potential to produce cheap energy for export on new transmission lines are built.

The Renaissance Dam is merely the latest test of countries’ willingness to share water. There may soon be more difficulties. Ethiopia plans to build other dams on the river, which could further affect downstream supply. Sudan has promised foreign investors an abundance of water for irrigation. If Egypt is made to feel at the mercy of its neighbours, it may not have finished rattling its sabre.

Botswana

Losing its sparkle

Gabon

Africa’s exemplar of good governance faces rockier days

Two gleaming new towers rise from the dry savannah of Gaborone, Botswana’s capital. The country’s tallest buildings are billed by their developers as offering the city’s residents “their first true glimpse into the benefits of inner-city dwelling”. No doubt these stylish apartments make comfortable pads—particularly for the mistresses of wealthy businessmen who are installed in quite a few—but building upwards rather than outwards seems rather odd: at four people per square kilometre, Botswana is one of the world’s least densely populated countries. Yet Gaborone’s small city centre—originally designed for 20,000 people, a tenth of the current number—is hemmed in by communally owned tribal land that is almost impossible to buy and develop. It must grow up or not at all.

Botswana’s wider economy and politics are similarly constrained by outmoded traditions and laws, even though at first blush the country is doing astonishingly well. Since its independence from Britain in 1966, Botswana has been one of Africa’s most stable and prosperous democracies. Elections are so peaceful, fair—barring a little gerrymandering—and boring that the country is held up as a model for Africa. The Ibrahim Index of governance, for instance, ranks it third among African states.

More impressive is that this was achieved in the face of a potential “resource curse” from diamonds, which were discovered in 1967. Instead of perverting politics, the riches Botswana has gathered as the world’s second-largest diamond producer (see chart) have paid for infrastructure and development. Income per person has quadrupled over 35 years and the country has tackled challenges including one of the world’s highest HIV rates.

Yet Botswana’s complacency is being sorely tested. In the short term it faces the worst market in “living memory”, in the words of one diamantine. Diamond mining accounts for a quarter of Botswana’s economy and it is being hurt by a sharp downturn in demand almost everywhere—particularly in China, where a clampdown on corruption has curbed public displays of wealth. Analysts reckon that De Beers, which digs up most of Botswana’s gems through a joint venture with the government, and Alrosa, a Russian firm, have slashed sales of rough diamonds by as much as half. Despite this brake on supply, diamond prices have still fallen by close to 30%. Botswana’s economy, which has expanded by 5% a year over the past decade, probably grew by half that rate in 2015 and is unlikely to do much better than 3% this year. Having balanced its books for the previous four years, the government ran a small deficit in 2015 and will probably do so again this year.

This economic shock, mild as it may be, is but a taste of the adjustments that will have to be made as the country runs out of diamonds. That is likely to happen within the next 5-20 years, analysts reckon. Diamond mines are not forever.

Botswana has made some progress in diversifying its economy, about half of which was directly tied to mining in the early 2000s. Much of this growth has come from poorly-paid service industries, but Botswana manufactures almost nothing and exports little other than diamonds. It needs not only to create manufacturing jobs to reduce an official unemployment rate of almost 20% but also to find new sources of export earnings.

Yet its efforts to promote new industries are hobbled by labour policies that are meant to promote the employment of locals. Bosses complain that is almost impossible to get work permits for skilled foreigners. Some talk of firms having to close because their expatriate founders could not renew permits.

Another test will be for the Botswana Democratic Party (bdp), which has run the country for five decades. In national elections in 2014 it lost its outright majority for the first time, though it was still able to form a government because the opposition was divided. If its rivals were to unite, the bdp could be pushed out of government in 2019, not least because it has failed to deal with water and power shortages in the capital. As its grip on power is weakening, the bdp is beginning to dabble with repression. Journalists complain of arrests and harassment, while the independence of the judiciary is under attack.

With its well-educated people, Botswana could live up to its promise as a model that combines democracy and good governance. But if it falters, it will struggle to attract the investment it needs to put the sparkle back in its economy.