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**Geopolitics of Transboundary Water
Relations in the Eastern Nile Basin**

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February 2024

Abstract

This paper discusses the geopolitical dimension of changing hydropolitical relations in the Eastern Nile Basin, which scholars have neglected despite the growing number of studies devoted to transboundary water relations in the Nile Basin. The paper examines the influence of external actors on hydropolitical relations between Ethiopia, Sudan, and Egypt and explores their impacts, particularly those of the Arab Gulf states and private investments, on a longstanding trilateral standoff in hydropolitics between Egypt, Sudan, and Ethiopia over the Grand Ethiopian Renaissance Dam. While the findings do not offer a single and simple conclusion about transboundary water interactions, they highlight the importance of paying attention to the roles of external actors in influencing how riparian states engage in water activities and development projects that can cause adverse impacts in a transboundary context.

Keywords: Nile, hydropolitics, GERD, GCC, Egypt, Sudan, Ethiopia

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This paper discusses the geopolitical dimension of changing hydropolitical relations in the Eastern Nile Basin, which scholars have neglected despite the growing number of studies devoted to transboundary water relations in the Nile Basin. The paper examines the influence of external actors on hydropolitical relations between Ethiopia, Sudan, and Egypt and explores their impacts, particularly those of the Arab Gulf states and private investments, on a longstanding trilateral standoff in hydropolitics between Egypt, Sudan, and Ethiopia over the Grand Ethiopian Renaissance Dam. While the findings do not offer a single and simple conclusion about transboundary water interactions, they highlight the importance of paying attention to the roles of external actors in influencing how riparian states engage in water activities and development projects that can cause adverse impacts in a transboundary context.

1. Introduction

The construction of the Grand Ethiopian Renaissance Dam (GERD) on the Blue Nile, which commenced in April 2011, has been a significant source of tension between upstream Ethiopia and downstream Egypt and Sudan. In addressing transboundary water relations between the three countries, much of the existing literature is informed by mainstream theories of international relations: realism, liberalism, and their variants. From the state-centric realist perspective (Warner and Zawahri 2012, Daoudy 2009, Lowi 1995, Zeitoun and Warner 2006), competing national interests and power disparity are key factors influencing how riparian states interact with one another in transboundary settings. Scholars have argued that variations in power asymmetries in the last decades favor Ethiopia (Cascão 2008), due to its sustained economic growth and relative stability in contrast with Egypt's ailing economy and decline in regional power and status, have affected the wider hydropolitical landscape in the Nile Basin, leading to a major power shift from downstream Egypt to upstream Ethiopia

(Nasr and Neef 2016).

In addition, the realist analytical approach of hydro hegemony (HH) (Zeitoun and Warner 2006) focuses on the dynamics of power in the management and control of water resources and argues that HH determines the nature of the relationship that exists among riparian states in the basin where the HH control of water resources is acquired, sustained, and transformed based on three pillars: (1) riparian position or geography (upstream versus downstream country); (2) hard power such as military strength; and (3) material power such as infrastructural, economic, and technical clout, which enable even downstream states to control and exploit river resources. A subsequent revised analysis of HH by Mark Zeitoun and Ana Elisa Cascão argued that it is based on four forms of power: “geography; material power, bargaining power, and ideational power” (Zeitoun and Cascão 2013, 27), on the basis of which the HH succeeds in imposing its ideological vision of the basin to preserve its interests and maintain the status quo.

In contrast, the water rationality discourse (making decisions based on careful considerations of the allocation, use, and conservation of water resources) proposed by liberalism focuses on mitigating water conflicts by elevating the importance of transboundary water cooperation and governance (Meijerink 1999, Beaumont 1997). While recognizing the importance of national interests, liberal accounts argue that differences among riparian states can be resolved peacefully through cooperation over shared water resources, which includes agreements, treaties, and other dispute resolution mechanisms (Woldemaryam 2020). The liberal perspective emphasizes that diplomatic means, dialogue, and respect for the rule of law in international relations established by legal norms and agreements among riparian states are crucial for facilitating effective transboundary water cooperation and peacefully resolving disputes (Moynihan and Magsig 2014).

Despite theoretical differences, a common denominator between all the abovementioned approaches is their predominant focus on the national level, where states are primarily motivated by preserving their interests. The concepts of asymmetric power relations, the benefits of transboundary water cooperation, and hydrohegemony influence the dynamics, conflicts, and cooperation among riparian states. However, scholars neglect the wider geopolitical dimensions that extend beyond the relations of riparian states in the Nile Basin to the Middle East, especially the oil-rich Arab Gulf states.

The geopolitics of the Nile Basin is particularly relevant in a context where the survival,

power consolidation, and economic viability of the ruling regimes in the Eastern Basin, particularly Egypt and Sudan, depend on maintaining access to financial resources and political and military backing from critical regional Arab Gulf actors that are experiencing severe water deficiency and seeking access to the Nile waters through investments and political influence to ensure their food security. In other words, examining transboundary water relations in the Nile Basin must encompass the increasing intersection between the Arab Gulf region and East Africa. As this paper demonstrates, over the past decades, the highly asymmetrical interdependence between the two regions, driven by political and economic security and strategic engagement by the Arab Gulf states and their regional rivalries, has affected the often tense and unsettled nature of intrastate affairs and interstate relations along the Nile in important ways.

This paper seeks to broaden the analysis of transboundary water interactions by considering the geopolitical dimension of hydrogeopolitics in the Nile Basin for three main reasons. First, the Gulf–Eastern Nile relationships are highly asymmetrical in terms of power resources reflected in the dependence of the Nile states on capital from the Gulf to maintain regime security and social stability. The ability of the Gulf Arab states to impact the Basin and assert themselves as regional powerhouses is part of a larger shift in global politics from unipolarity to multipolarity as well as the fall of traditional regional centers in Cairo, Damascus, and Baghdad in the last few decades. Scholars have described this redistribution of power within the Middle East and North Africa in favor of the Gulf states as the “Gulfization of the Arab world” (Owen Jones, Porter, and Valeri 2018), where the Gulf Cooperation Countries (GCC) devise regional policies to improve their economic development and the security of their regimes (Young and Khan 2022).

Second, unlike the Gulf Arab states, the three Eastern Nile (Blue Nile) states, Egypt, Sudan, and Ethiopia, are inward looking, facing intense political, economic, and social challenges due to uprisings and internal conflicts. Their primary objective is to reinforce domestic regime security, which implies that the interests of the ruling elite need not be synonymous with those of the state, particularly as they constantly face internal challenges to their rule. In addition, the economies of the three countries are reliant on Gulf capital, especially loans (Piazza 2020). In fact, the Gulf states’ growing financial support to the Eastern Nile states, particularly to downstream Egypt and Sudan, has been detrimental to the goal of preserving regime security and blocking any political change since 2011. Third, the Nile Basin in general and the Eastern Nile region in particular lack any institutional

mechanisms or binding international water agreements that govern transboundary water cooperation. This has made it easier for oil-rich Gulf states to invest in Nile River resources by concluding bilateral agreements with riparian states without considering the impact on water flow or the wider landscape of transboundary water relations.

Hence, this study examines the expansion of the Arab Gulf states' economic and security role in East Africa and its effect on Nile hydro-politics. It has been established that considering only the national interests of the Nile riparian states alone when examining hydro-political interactions obscures other significant variables with more potent impacts on interstate water relations, namely the interests of external actors. The rising political and economic influence of nonriparian Arab Gulf states, has equally shaped the hydro-political behaviors of riparian states and the wider interstate relationships in the Eastern Nile Basin.

The remainder of this paper is organized as follows: Section 2 examines the historical role of external actors in shaping the Nile hydro-political relations and demonstrates how features of the current Nile dispute have echoes in the past. Section 3 examines the arrival of new external actors in the Nile Basin and their hydro-agricultural activism. Section 4 examines the rise of the Gulf Arab as the center of economic and political power in the region and the increasing economic and political dependence of downstream Egypt and Sudan on the Gulf region after the 2010–2011 Arab uprisings. Section 5 explores how the Gulf states positioned themselves as influential actors in Nile hydro-politics and the negotiations between Egypt, Sudan, and Ethiopia over the GERD. Section 6 concludes the paper.

2. Geopolitical Dimensions of Hydro-politics in the Nile Basin

This section demonstrates how external actors played a primary role in shaping the evolution of Nile hydro-politics throughout the basin's modern history. In fact, riparian states have little to do with the existing "legal" and political structural configuration of the Nile River. Rather, it was established by Great Britain in the 20th century when it occupied Egypt in 1882 following the Egyptian government's default on loan payments to several European banks. At that time, Great Britain assumed a quasi-hegemonic authority in the Nile Basin, concluding water treaties with other European colonial powers upstream to guarantee that they would not interfere with the flow of the Nile without the prior consent of the British government.

Crucially, the British mainly favored Egypt's use of the Nile to protect their agricultural

interests in the Nile Delta. Given the importance of the Suez Canal, Egypt's political stability and economic development were of vital interest to Great Britain (Kimenyi and Mbaku 2015, 25). Becoming increasingly important to Britain's position in the world economy, Egypt's productivity depended on having secured access to the Nile waters via control of the Nile headwaters. In addition to consolidating its control of the Nile and ensuring Egyptians "historical rights" to the Nile, Britain increased the latter's agricultural productivity by spreading more intensive crop rotation to grow long-staple cotton, which of course increased Egypt's dependence on Nile waters.

The British built extensively on the agricultural systems developed by Muhammad Ali Pasha (1805–1848) "the founder of modern Egypt," and his successors, extending the perennial system throughout the Delta with the completion of the Delta Barrage in 1890 and into Middle Egypt with the Aswan Dam in 1902 and larger irrigation schemes. In 1902, Britain signed a treaty with Ethiopia wherein Ethiopian emperor Menelek II agreed *not* to construct any infrastructural projects on the Blue Nile, Lake Tana, or the Sobat River that would limit the flow of the waters without consent from Great Britain and Sudan. In 1906, Britain signed another agreement in London with France and Italy that also required consultations on any project in the Nile Basin that could threaten Egyptian and British interests (Okoth 2021, 39).

Between 1923 and 1929, upstream Ethiopia attempted to negotiate concessions with imperial powers to build a dam on the Blue Nile with the help of the United States, but it stopped the plan owing to pressure from Britain and Egypt. In 1935, Britain offered to help Ethiopia build a dam at Lake Tana, near the source of the Blue Nile, to generate hydroelectric power, but Italy's invasion in October 1935 derailed that plan. Britain learned of Ethiopia's ambitions to use the Nile waters during negotiations for the 1929 Water Agreement regarding the use of the Nile between Egypt and Great Britain (on behalf of Sudan) (Tesfaye 2013, 60-63). The agreement reserved, respectively, around 4 and 48 billion cubic meters of river water per annum for Sudan and Egypt. For the British, maintaining their control of the Suez Canal and their military bases in Egypt was extremely important, and control of the Nile upstream enabled Britain to use the river as a card to buy the Egyptian people's goodwill. It promised Egypt that none of its upstream colonies would use the Nile waters and granted Egypt the right to veto upstream development projects. However, the exclusive rights that the 1929 agreement gave Egypt was only enforced if Britain maintained its control of the colonies upstream (Yihdego, Rieu-Clarke, and Cascão 2017).

Through irrigation projects, the British managed to make more water available during the summer and succeeded in doubling Egypt's cotton exports from 1888 to 1892. Subsequently, the Egyptian economy became increasingly dependent on the Nile for its cash crops and growing population. The interests of the British and Egyptian rulers were closely aligned in making increased water control a top priority that extended well beyond Egyptian borders. For instance, the Century Water Storage Scheme, developed by British hydrologists, aimed to store water from the Blue and White Niles for use during drought years by building dams in upstream countries. This included storing water in Lake Tana, constructing dams along the Blue Nile and Atbara, and digging channels in the Sudds to improve water flow. By constructing dams on the Blue Nile in places such as Sennar, the British also aimed to develop cotton cultivation in the Gezira region in Sudan (Ertsen 2006).

2.1. The Nile and Cold War Rivalry

When the British occupation of Egypt ended in 1952, the new Egyptian regime headed by President Gamal Abdel Nasser inherited a hydrolegal and political framework that favored Egypt's control over the Nile waters, which as mentioned earlier depended on Britain's continued colonial presence in both Egypt and the Nile Basin. However, the priority of the new Egyptian regime was to eliminate the British presence in Egypt and undermine its objectives in the region through an active anticolonial foreign policy. In his advocacy for pan-Arab nationalism to counterbalance the Western presence in the Arab world, Nasser strongly supported African independence movements, including those in the Nile Basin. In his efforts to undermine the British presence, Nasser even abandoned any Egyptian sovereign claims over Sudan, supporting its liberation and complete independence from Great Britain. Egypt's first republican president, Mohammed Naguib, quotes Nasser as saying that politically "I do not fear an independent Sudan; I fear an occupied Sudan" and that economically, the Sudan was "a burden for Egypt which it is better to abandon" (Jankowski 2002, 42).

However, by rallying behind nationalist movements in Africa and the Nile Basin, Egypt put in question its ability to maintain its hydrohegemony upstream as competition over Nile resources increased and many newly independent Nile riparian states in the 1960s no longer recognized the colonial British water agreements; in the absence of British colonial rule, there were no mechanisms in place to enforce those previous treaties. Furthermore, Nasser's pan-Arabism presented a threat to upstream Ethiopia because he financially and politically

supported Eritrean independence and deprived Ethiopia of its entire Red Sea coastline. In fact, in his efforts to undermine British colonial rule in the Nile Basin, Nasser broke away from the concept of Nile Valley unity under Egyptian leadership, “which has motivated Egyptian nationalism from the late nineteenth century” (Erlikh and Gershoni 2000, 3).

The Cold War rivalry between the United States and the Soviet Union took over Britain’s dominance in the region and left a strong mark on the hydropolitics of the Nile Basin. Egypt’s unique geostrategic location enabled Nasser to gain political and economic support from the competing superpowers for his development projects at home. To counter Soviet influence in the Middle East, the United States and Great Britain agreed to finance the construction of Nasser’s massive dam across the Nile River at Aswan; they also promised Sudan to finance a dam at Roseries. However, the dam reservoir would cause flooding of Sudanese territory and the Roseries dam would reduce the flow of the Nile into Egypt, and therefore, financing for the dams was contingent upon an agreement between Egypt and Sudan regarding these issues, which ultimately was the 1959 Nile Waters Agreement between the two states.

The 1959 agreement enforced the provisions of the 1929 agreement and granted Egypt and Sudan 55.5 and 18.5 BCM (billion cubic meters), respectively, out of the total 84 BCM measured at Aswan, with 10 BCM representing evaporation losses. The agreement also expanded Egypt’s hydropolitical influence into Sudan, granting it the power to monitor the use of the Nile in Sudan and veto any water development projects that would impact the flow of its allocation (Deng 2007). However, when the US and UK withdrew their promised funding for the dam as punishment for Egypt’s ties with the Soviet bloc, the Soviet Union stepped in and offered its financial and technical assistance: The Cold War manifested in Egypt in the construction of the Aswan Dam, which was started in 1960 and completed in 1970, maximizing Egyptian HH power in the Nile Basin and enabled Nasser to seek mass mobilization at home to consolidate his rule.

External actors during the Cold War continued to play an important role in shaping the hydropolitical landscape of the Nile Basin. When the United States helped Ethiopia, an important strategic ally during the Cold War, build the Fincha hydropower dam on the Blue Nile, which was completed in 1973. The potential threat of blocking the Blue Nile and its tributaries upstream stoked fear in Egypt and delivered a clear message to the Soviet Union and Egypt that Ethiopia could control Egypt’s waters. In fact, the location of the GERD had been identified by the United States Bureau of Reclamation as a major site for hydropower and irrigation development in the 1960s under the name of the Border Dam, close to the

Sudanese border (Salman 2018, 162).

The economic and political influence that the United States and the Soviet Union sought to gain with newly independent countries in Africa, Asia, and elsewhere was in tandem with their political, ideological, and military competition. Unlike the British, the United States and the Soviet Union were not after the Nile resources, nor did they have ambitions to control the entire River Nile. Instead, they focused on competing for influence by proxy as decolonialization gained momentum. They financed large development projects in the Basin to maintain political influence in the region, while the Nile riparian states maintained political and economic autonomy from both camps in their policies. Crucially, however, these large and ambitious infrastructure projects clearly demonstrated the hydropower and irrigation potential of the Nile Basin for newly emerging oil-producing Arab Gulf states.

2. Arrival of New Actors in the Nile Basin

The demise of Nasserism and pan-Arabism in the aftermath of Egypt's failed military intervention in Yemen and its crushing defeat in the 1967 war against Israel shifted the balance of power away from Egypt toward the oil-producing states in the Middle East, which reaped the benefits of resurgent oil prices in the wake of the 1973 OPEC oil embargo. Moreover, after the war with Israel in 1973, Anwar Sadat curtailed the state's economic role as Egypt's economy faltered and its external debt rose dramatically. Sadat consolidated his presidency by reorienting Egypt toward *infitah* or open-door economic policies, realigning its foreign policy westward to secure the inflow of economic aid and access to international financial institutions.

Sadat broke with the Soviets and the Arab and African worlds and made peace with Israel in 1978. As an Egyptian diplomat noted, "Sadat is a Westerner, and his dream is that his country would become part of Europe. Belonging to Europe is more important than belonging to Africa or the Arab world" (Ajami 1979, 3). Peace with Israel provided Egypt with billions of dollars in military and economic assistance from the United States, but it neutralized Egypt's political and military role in the region as it transformed the Arab–Israeli conflict into a Palestinian–Israeli issue.

Sadat's neoliberal economic policies and pivot toward the West and the Arab Gulf states marked the beginning of a long-term regime's dependence on economic assistance from the outside world. Among the actors that have shaped Egypt's development and economic

policies are the International Monetary Fund (IMF), the United States, and the Arab Gulf states, particularly Saudi Arabia. The demise of Egypt's leadership in the Arab world also marked a shift in the balance of power between the Gulf Arab region and the Nile Basin, particularly in the Eastern Nile Basin states, where most of the Nile waters originate. Since then, capital from the Gulf has bolstered the ruling regimes in downstream Egypt and Sudan, although as this study demonstrates, this dependence on Gulf capital has cost them notable autonomy in Nile Basin affairs.

The social and economic transformations that the Arab Gulf states experienced in the 1970s, driven by the rapid increase in oil revenue, led to increased demand for food commodities, the result of limited water supplies, a fast-growing population, and steady urbanization. Arable land and renewable water resources are abundant in the Nile Basin, and the Gulf states sought to attain food security by promoting agricultural productivity following the 1972–1975 global food crisis and after the United States had contemplated a food embargo as a response to an oil embargo by Arab oil states (Woertz 2011). Following the October War of 1973, Saudi Arabia and other Arab regimes began promoting Sudan as a potential “breadbasket” for the Arab world to reduce their dependence on the United States for food imports, using their surplus petrodollars, Western technology, vast Sudanese uncultivated fertile land, and cheap supply of agricultural labor. This would shift Sudan's emphasis from cotton production toward food production such as wheat, sugar, and livestock.

Arab capital also reoriented agricultural production in Sudan from local to oil-producing Arab markets. Saudi Prince Mohamed el-Faisal (president of the Faisal Islamic Bank) had a 99-year lease on 1.2 million acres in the Blue Nile Province, and other concessions to foreign investors reached several millions of additional acres (O'Brien 1985, 29). Although the promised breadbasket did not materialize, Arab financing enabled Sudan to cover the growing deficit on its balance of payments, and its GDP growth between 1973 and 1977 averaged about 10% annually (Brown 1989, 54). During the 1980s, Saudi Arabia remained Sudan's largest creditor, keeping it in the Western-aligned Arab camp against Marxist Ethiopia. Saudi Arabia's investments in Sudan paid off after the 1979 Iranian revolution when Khartoum sent volunteers to fight against the Islamic Republic in the Iran–Iraq War (Berridge 2015, 136).

For decades, the Arab Gulf states hosted hundreds of thousands of Sudanese and Egyptian workers whose remittance inflows became the single most important source of foreign currency earnings for their countries. In Egypt, for instance, at a record USD 31.9 billion in

2021/2022, these inflows accounted for more than the revenues coming from sectors such as the Suez Canal and tourism combined.¹This increasing dependence on remittances sent back by Egyptians and Sudanese citizens working in the Gulf might be exploited by the Arab Gulf states to put pressure on Sudanese and Egyptian governments. In many aspects, the economic survival of the Egyptian and Sudanese states became increasingly dependent on the Gulf rent. Furthermore, through its religious networks, subsidies, and the flow of migrant labor, Saudi Arabia exerted influence on state–society relations in Egypt and Sudan, using Islam to counter Arab nationalism and leftist forces. For example, the capable cohort of professionals produced by Nasser’s educational reforms benefited from the job opportunities present in the oil-rich states. In Saudi Arabia, the oil boom spurred modernization, which was a boon for Egyptian educators, among whom were a sizable number of Islamists; many exiled Muslim Brotherhood (MB) members who had been persecuted under the Nasser regime spread throughout the Gulf states in the 1950s and 1960s and managed to expand in Saudi universities and the business sector, including Islamic banking (Beinin 2005). Most importantly, to counterweight nationalist and leftist regimes, Saudi Arabia directly supported the growth of Islamist groups to the point that the latter played increasingly important roles in the politics of most Arab states, most notably Egypt (Tammam 2012, 67–68).

The revival of the MB in the 1970s and 1980s, which remained a formidable challenge to the Egyptian ruling elite, was aided by such activities and the attraction of student activists to its ranks and created new opportunities for Islamist actors. The economic and ideological influence of the Gulf states was even felt at the elite level in Sudan: Islamists played an important role in Saudi Arabia’s breadbasket strategy by facilitating many contracts that brought the Gulf capital and Sudanese politicians together. Islamists also acquired important positions in the military establishment in the late 1970s and 1980s. They partnered with the military in 1989 to topple the democratically elected government of Sadiq al-Mahdi and established Sudan’s first Islamist republic led by brigadier Umar Hasan al-Bashir and Hasan al-Turabi, the secretary general of the National Islamic Front (NIF) (Jamal 1991).

Under Bashir, Sudan’s Islamist regime adopted a revolutionary ideology that aimed at Islamizing society from the top down and in fact supporting Islamists throughout the region to purge the Arab world (particularly Egypt and Arab monarchies) of what it called corrupt

¹ Español, Marc (June 16, 2023) “Egypt remittance plunge amid economic uncertainty,” *Al-Monitor*. <https://www.al-monitor.com/originals/2023/06/egypt-remittances-plunge-amid-economic-uncertainty> (accessed August 3, 2023).

governments. Cairo's fear of Sudan expanding its Islamist ideology in the region coincided with the emergence of the militant Islamic group known as *al-Gama'a al-Islamiyya* in Egypt during much of the 1990s. As a spate of attacks by militant groups devastated the tourism industry in Egypt, Cairo watched with alarm as Khartoum imposed strict sharia law on Muslims and Christians alike, hosted Osama Bin Laden of Al-Qaeda, provided refuge and training to militant Egyptian Islamists, and declared a brutal war with the south of Sudan under the pretext of Jihad (De Waal 2004). Sudan's relations with Egypt and the Arab Gulf states became palpably worse when Sudan abstained from Arab League resolutions denouncing the Iraqi invasion of Kuwait in August 1990 and was implicated in the June 1995 assassination attempt on Egypt's president Hosni Mubarak. As a result, during the Islamist rule in the 1990s, Sudan became increasingly isolated from Western countries, Egypt, and the Gulf states.

Sudan's pan-Islamist foreign policy and its sponsorship of militant Islamist groups deprived the country of Gulf hydroagricultural investments. An isolated Sudan and a weak Ethiopia due to repeated droughts and internal conflicts (which reached its peak in 1990-91) enabled Egypt to enjoy the lion's share of Gulf capital flowing to the Nile Basin. In addition, Egypt's support for the US intervention against the Iraqi occupation of Kuwait in 1990 proved to be strategic when the Gulf states and the Paris Club reduced Egypt's debt by half. Gulf capital flew into the country, enabling Mubarak to reinforce his patronage networks by embarking on big projects to green the deserts. The two largest were the Toshka Project—also known as the New Valley Project—a system of canals that would divert water from the Nile near the border with Sudan to the west of Lake Nasser that aimed to reclaim millions of feddan (3.36 million hectares) from the desert, and the North Sinai Agricultural Development Project, which aimed to reclaim and irrigate further 400,000 feddan of land. The Egyptian military would benefit handsomely from becoming involved in the agricultural and hydroinfrastructure sectors. For most of the 1980s 1990s, a series of domestic reforms and IMF arrangements brought Egypt substantial foreign investments from the Arab Gulf in agriculture and manufacturing, which increased Egypt's dependence on Nile waters.

Meanwhile, Sudan was isolated and under mounting international pressure to change its revolutionary foreign policy. The only way for Khartoum to manage its deteriorating economy and change its status as an international pariah after almost a decade of isolation was to mend its relations with Gulf states, and the regime began to modify the domestic and external manifestations of its ideology, such as its support for Islamists. Al-Bashir adopted a

series of pragmatic decisions to consolidate his political power triggered by the rise of factional fighting between Turabi and NIF core activists on the one hand and Bashir and his followers in the NIF and the armed forces on the other.

After months of increasing political tension, Bashir's faction strengthened its grip on power by removing Turabi and his faction (Verhoeven 2013); furthermore, Osama Bin Laden, several Islamic groups, and al-Jihad leaders were asked to leave Sudan. As the government lost access to most of Sudan's oil reserves with South Sudan's secession in 2011, the primary foreign exchange and income for the country's national budget, Sudan had to increase the export of agricultural goods. Bashir's new domestic and foreign policies paid off with the resumption of Gulf state investments in projects to irrigate farms and generate electricity, triggered by the phenomenal increase in food prices following the 2007/2008 global food crisis. Food security for the Arab Gulf states, particularly Saudi Arabia, UAE, Kuwait, and Qatar, became a top national security issue and pushed them to finance ambitious infrastructure schemes in the Nile. For instance, the Merowe Dam was constructed along the main Nile River past the confluence of the Blue and White Nile between 2003 and 2009, and the Roseires Dam—constructed in 1966 on the Blue Nile—was raised by 10 meters and expanded by 12 km; other projects were funded by large food manufacturing industrial firms such as the Kenana Sugar Company, a joint venture among the Sudanese government, the Kuwaiti government, and other state and corporate partners (Verhoeven 2016). Due to its heavy dependence on Gulf capital, Egypt had to consent to Sudan's dam projects to please its Gulf patrons and ensure their continued financial support. Crucially, the Gulf hydro-agricultural ventures in Sudan gave Khartoum confidence to chart its Nile Basin priorities away from Egypt, and implicit Saudi and Emirati endorsement of upstream infrastructure development projects encouraged Bashir to openly support Ethiopia's right to the Nile waters when it embarked on building the GERD in April 2011.

3. A New Scramble for the Horn of Africa and the Blue Nile Basin

The Gulf states' rising involvement in the Nile Basin and East Africa coincided with the outbreak of 2010/2011 mass popular uprisings in the Middle East and North Africa (MENA). With the region experiencing extended periods of economic and political unrest, the Gulf Arab states emerged as the center of economic and political power in the region. The Nile Basin states, particularly Egypt and Sudan, relied on considerable financial assistance from

the Gulf states to manage their deteriorating economies and crush dissent. Political and financial support from the wealthy Gulf states proved detrimental to the survival of President Abdel Fattah al-Sisi's Egyptian government. Since 2013, financial support from the Gulf Arab states has helped the Egyptian regime to block political change and keep the economy afloat. Politically, Saudi Arabia and UAE feared the political awakening represented by the Arab Spring uprisings of 2011, and the rise to power of Islamist parties, particularly the MB, and the spread of mass protests into their societies. Thus, the rise of political Islam across the region compelled Gulf leaders—feeling intensely vulnerable and obsessed with protecting their regimes—to shift toward projecting power across MENA. The regional crisis of the Arab uprisings amplified their antipathy toward Islamism, which they viewed as a direct threat to their dynastic rule (Menshawy and Mabon 2021).

In the Nile Basin, capital from the rich Gulf monarchies became the lifeblood of downstream Egypt and Sudan. In 2013, Egypt received USD 12 billion from the Arab Gulf monarchies to stabilize its economy after a military coup ousted Muhammad Morsi, Egypt's first democratically elected Islamist president; Saudi Arabia and the UAE actively provided diplomatic, political, and material support for the coup. Between 2013 and 2016, Egypt received approximately USD 30 billion from UAE, Saudi Arabia, and Kuwait. "Estimates suggest over \$100 billion in Gulf money has gone to Cairo via Central Bank deposits, fuel aid and other support since."² By providing aid, the Gulf states were competing to stop the spread of the MB, which Saudi Arabia, UAE, and Egypt had designated as a terrorist organization, in the broader region. However, Egypt's increasing dependence on Gulf and other external capital funding rendered it peripheral in the geopolitics of the Nile Basin and MENA; its mission became solely to secure continued external funding from resource-rich Gulf Arab states. In a bilateral maritime demarcation agreement in 2016 that sparked public protests, the Egyptian government had handed over its sovereignty over two strategically important islands off Egypt's Red Sea coast, Tiran and Sanafir, to Saudi Arabia in apparent gratitude for the latter's support for Sisi's coup against Morsi and for future Saudi loans and aid. Being constantly susceptible to mass uprisings, Nile Basin states were in highly asymmetrical relationships with the stable Arab oil-producing states. Seeing East Africa as central to their economic and security needs, Gulf leaders increased their engagement with the Horn of

² Gambrell, Jon (February 13, 2023) "Egypt's president praises UAE, seeking to heal Gulf aid rift" *Associated Press*. <https://apnews.com/article/russia-ukraine-politics-egypt-government-united-arab-emirates-2e2e35a90ff6a77a83d9749b91d06a37> (accessed August 12, 2023).

Africa.

Among the goals the Gulf states were attempting to achieve were to (1) shape the outcomes of the 2010–2011 Arab Spring uprisings to safeguard their rule at home and maintain the security of their allies; (2) contain and reverse Iran’s regional influence in the Red Sea and the Horn of Africa; Iran had a strong presence in Eritrea and Sudan, and Saudi Arabia aimed to flip these countries to its side; (3) secure and control naval bases in the Horn of Africa, particularly Djibouti, Somaliland, and Eritrea, for the Saudi-led war in Yemen since 2015; Saudi Arabia and UAE saw the conflict in Yemen as an extension of their conflict with Iran. Gulf state leaders also aimed to (4) strengthen their alliances and sphere of influence in the Horn of Africa following the fallout of the 2017 GCC dispute between Qatar and the Saudi-led bloc (Saudi Arabia, Bahrain, UAE) to ensure that most of the states are on their side; and (5) secure and control maritime trade routes passing through the Horn of Africa and the Red Sea, particularly as Saudi Arabia and UAE were attempting to diversify their economies away from oil. Beyond this, broader great power politics are playing out in the Red Sea, the Western Indian Ocean, and the emergence of the Indo-Pacific as a unified region. For the Gulf states, spreading their security umbrella is crucial for expanding their influence beyond the Persian Gulf, especially in Eastern Africa, and their economic ties to Asia, especially India and China, the largest Asian powers.

Meanwhile, upstream Ethiopia was going through promising and sustained socioeconomic transformations. With a population of 110 million, Ethiopia is in the center of the Horn of Africa and is close to the Red Sea shipping lanes. Ethiopia is increasingly perceived by regional and international actors as a center of political and economic importance. While Egypt and Sudan were facing internal challenges, Ethiopia widely appeared to be advancing political, economic, and foreign policy reforms aimed at redefining itself as a regional powerhouse in a volatile region. For instance, mending ties with Eritrea (through a peace treaty brokered by Saudi Arabia and UAE in 2018), Somalia, South Sudan, and Sudan allowed the government in Addis Ababa to focus on promoting long-term economic development and poverty reduction. This resulted in a massive increase in infrastructure-related projects such as dams, roads, telecommunication systems, and electrical installations (Cowen 2018).

Despite longstanding poverty, Ethiopia was one of the fastest-growing economies in the region between 2007 and 2017, with annual GDP growth averaging over 10% (Degefu, He, and Zhao 2015). Ethiopia defined itself as a developing state through massive investments in

hydroelectric projects along its rivers (Clapham 2018). The country is endowed with vast acres of fertile arable land, substantial freshwater resources (12 major river basins and 11 large lakes), and renewable energy resources with huge potential for hydro, solar, wind, and geothermal power (Tiruye et al. 2021). Between 2005 and 2015, more than 305 Saudi investors obtained licenses to “implement 141 projects in the field of agriculture and livestock production and 64 project in the industrial sector.”³ The UAE has also increased its investments in Ethiopia in food security, agriculture, and livestock. With more than 113 investment projects, the UAE Minister for Foreign Trade, Thani bin Ahmed Al Zeyoudi, stated that Ethiopia could become an essential channel for Emirati exports and reexports across the African continent.⁴ Thus, the Gulf Arab states have vested interests in seeing the GERD materialize. Saudi Arabia and UAE also know that downstream Sudan and Egypt rely on access to freshwater flowing out from Ethiopia. Hence, their presence in Ethiopia can be used to strengthen their political influence with the authorities of the Nile Basin states and grant them leverage over Egypt and Sudan during periods of disagreement.

4. Gulf Arab States and the Grand Ethiopian Renaissance Dam

The involvement of many of Egypt’s allies and private actors in the construction of the GERD changed the historical balance of power between Egypt and Ethiopia. They have embraced neutrality in the Nile dispute but have sometimes been inclined to support the Ethiopian position on the GERD. Essential food imports (e.g., wheat, rice, maize) account for between 80% and 90% of the food consumption of the Arab Gulf states (Bani 2018); when wheat, corn, and rice prices tripled during the 2007–2008 global food price crisis, these states were exposed to serious vulnerability. In response, Saudi Arabia shifted its strategy from using its groundwater for agricultural irrigation to investing in foreign lands.

In January 2009, the government launched the King Abdullah Initiative for Saudi Agricultural Investment Abroad, which established an investment fund of approximately USD 800 million to purchase and lease agricultural lands overseas by private Saudi firms

³ Fatehelrahman, Yousif (April 5, 2022) “Saudi Arabia, UAE Top Gulf Investments in Horn of Africa” *Asharq Al-Awsat*. <https://english.aawsat.com/home/article/3574081/saudi-arabia-uae-top-gulf-investments-horn-africa> (accessed June 1, 2023).

⁴ Nigussie, Daniel (August 19, 2023) “UAE officials want Ethiopia to act as key entry point for exports to East Africa” *The Reporter*. <https://www.thereporterethiopia.com/36031/> (accessed September 4, 2023).

(Lippman 2010). For instance, in the same year,

the Hail Agricultural Development Company announced a two-year investment of \$45.3 million to develop 9,000 hectares of farmland in Sudan. Another Saudi company (Star Agricultural Development Company) invested in the cultivation of rice and other crops on 1.2 million acres in Ethiopia. (Ulrichsen 2013, 165)

Star Agriculture Development Company is a firm belonging to Sheikh Mohammed Hussein Al Amoudi, an Ethiopian-Saudi billionaire who has significant shares in Ethiopia's agricultural sector. The largest private employer in Ethiopia, Al Amoudi, was ranked by Forbes as the 63rd richest person in the world.⁵ Having ties to the ruling elite in Addis Ababa, he owns the biggest gold mine in Ethiopia and is the country's exclusive gold exporter (Lefort 2015, 381). Al Amoudi was the first to donate to the GERD campaign launched by the late Ethiopian Prime Minister Meles Zenawi and to pledge USD 88 million to finance the project.⁶ His ventures in Ethiopia irrigate about 10,000 ha of land to produce rice for export to the Saudi kingdom (Guyalo, Alemu, and Degaga 2022, 6) and have devoted tens of billions of dollars to agricultural and livestock investments in the Nile Basin. Saudi Arabia ranks third among foreign investors in Ethiopia in agriculture and livestock. It is also the biggest importer of coffee from Ethiopia, with an estimated 44 tons yearly and 15% of world coffee exports.⁷

By having control over food production overseas, Saudi Arabia and other Gulf Arab states seek to avoid being held hostage for their food security. More than 17 million hectares of land in East Africa have been leased or sold to foreign cooperation from Saudi Arabia, the United States, India, and the UAE (Pemunta et al. 2021). Their investments focus on water-intensive agricultural products such as rice, wheat, corn, and livestock. The rush for agricultural investments in Ethiopia and elsewhere in the Nile Basin explains the motivation behind Ethiopia's increased demand for dam construction and its efforts to advance year-round

⁵ Hakim, Danny and Hubbard, Ben (March 16, 2018) "He Owns Much of Ethiopia. The Saudis Won't Say Where They're Hiding Him." *New York Times*. <https://www.nytimes.com/2018/03/16/business/saudi-arabia-purge.html> (accessed June 11, 2023)

⁶ Akkad, Dania (November 21, 2017) "The Sheikh of Ethiopia: How Saudi purge could disrupt an African country" *Middle East Eye*. <https://www.middleeasteye.net/news/sheikh-ethiopia-how-saudi-purge-could-disrupt-african-country> (accessed August 21, 2023).

⁷ "Ethiopia's Coffee Export Sets New Records; Germany, U.S., & Saudi Emerge as Top Buyers," (July 13, 2022) *Ethiopian Monitor*. <https://ethiopianmonitor.com/2022/07/13/ethiopias-coffee-export-sets-new-records-germany-u-s-saudi-emerge-as-top-buyers/> (accessed March 6, 2023).

irrigation and crop production for domestic and international markets. This also explains Ethiopia's attempts to gain equal access to waters in the Nile Basin (Onencan and Van de Walle 2018) and avoid reaching binding water agreements with Egypt that could limit its ability to expand the use of Nile waters. Ethiopia's ability to control its water resources would translate into an increase in crop production for the Gulf states and other foreign investors.

In other words, these huge investments in the Nile Basin are not only countering Egypt's decades-long hydro hegemony but also positioning the Gulf states as influential actors in Nile hydrogeopolitics. They have increased the bargaining power of Ethiopia and Sudan regarding their "rights" to Nile waters. Hence, when Egypt warns of a potential conflict with Ethiopia over the GERD, it risks threatening foreign investment projects in the basin, especially those linked to the Gulf monarchies, on whom Egyptian elites are heavily dependent for their survival. In addition to investing in Nile resources, Saudi Arabia and the UAE have increased their investments in ports and military bases in key locations in the Red Sea and the Horn of Africa to protect their trade flows and support their war against the Houthis in Yemen. Eritrea, for instance, sent approximately 400 soldiers to support the Saudi-led war in Yemen (Hokayem and Roberts 2016) and hosted an Emirati military base from which the latter launched operations into Yemen in 2016. In 2018, the UAE announced an oil pipeline project linking landlocked Ethiopia to the Red Sea port city of Assab in Eritrea,⁸ which will also provide the Gulf states with better access to Ethiopia's agricultural production. These investments enabled the Emiratis and Saudis to promote themselves as consequential mediators and security providers in Africa and considerably stabilized their allies in Ethiopia, Sudan, Djibouti, and Somalia.

While UAE's foreign aid and investment diplomacy is generally driven by a short-term transactional logic that seeks quick returns on investments, its engagement in Ethiopia seems to have a long-term vision. In 2016, the UAE and Ethiopia signed a comprehensive agreement to encourage investment between the two countries, crucially, to protect UAE investments in Ethiopia.⁹ In 2018, in support of the then-newly appointed prime minister, Abi

⁸ Obulutsa, George and Fick, Maggie (August 10, 2018) "UAE plans oil pipeline from Ethiopia to Eritrea in latest Horn of Africa move." *Reuters*. <https://www.reuters.com/article/idUSKBN1KV0VR/> (accessed July 1, 2023).

⁹ (December 8, 2016) "Ethiopia, UAE Conclude Investment Promotion, Protection Agreement" *Ethiopia Investment Commission*. <https://eic.waliatechnologies.net/index.php/news-resources/news-and-events/374-ethiopia-uae-conclude-investment-promotion-protection-agreement.html> (accessed

Ahmed, the UAE gave Ethiopia USD 3 billion in aid and investments to ease the country's foreign currency shortage.

The UAE also provided extensive military support to the Ethiopian federal government in its fight (2020–2022) against forces from the northern Tigrayan region, led by the Tigray People's Liberation Front.¹⁰ In fact, foreign intervention in the recent Ethiopian civil war helped Prime Minister Abiy Ahmed reverse the Tigrayan march on the capital. The UAE and Ethiopia's allies in the Persian Gulf and the Middle East (Iran and Turkey) were determined to keep him in power.¹¹ These countries have vested interests in stabilizing the region and preserving their interests in Ethiopia and the Horn of Africa.

However, a stable Ethiopia runs counter to Egyptian interests because Cairo had historically remained the Nile hydrohegemon by profiting from the political instability of the upstream riparian states that prevented them from consolidating political power and using the Nile waters. This explains Ethiopia's strong position against Egypt and its unwillingness to negotiate a legal and binding deal that would limit its ability to use the Nile waters. In other words, Ethiopia is aware that Egypt must consider the geopolitical and economic interests of its Gulf patrons when negotiating an agreement over the dam.

Crucially, having a high stake in the GERD, many foreign states have contributed to its construction. The dam is being constructed by the Italian firm Salini Impregilo (now Webuild SpA), which has built many of Ethiopia's dams. In 2013, China granted Ethiopia USD 1.2 billion in loans to build power transmission lines between the GERD and cities, and in 2019,

China promised an additional US \$1.8 billion to advance the expansion of Ethiopia's renewable energy sector. Chinese companies—including Sinohydro, the Gezhouba Group, Voith Hydro Shanghai, and the state-owned China International Water and Electricity Corporation—have also been central to the construction of the dam. Ethiopian Electric Power (EEP) contracted China's Gezhouba Group for US \$40.1 million in 2019,

September 2, 2023).

¹⁰ (November 25, 2021) "UAE air bridge provides military support to Ethiopia gov't." *Al Jazeera*. <https://www.aljazeera.com/news/2021/11/25/uae-air-bridge-provides-military-support-to-ethiopia-govt> (accessed February 4, 2023)

¹¹ Walsh, Declan (December 20, 2021) "Foreign Drones Tip the Balance in Ethiopia's Civil War," *New York Times*. <https://www.nytimes.com/2021/12/20/world/africa/drones-ethiopia-war-turkey-emirates.html#:~:text=Prime%20Minister%20Abiy%20Ahmed%20pulled,Arab%20Emirates%2C%20Turkey%20and%20Iran.> (accessed February 5, 2023)

expecting them to “work aggressively in partnership with other companies” to finalize the GERD on schedule.¹²

In 2019, French and German companies signed agreements with EEP to accelerate the construction of the GERD and supply turbines. The World Bank Group approved USD 375 million in International Development Association credit to support Ethiopia grid electrification, off-grid services, and sector capacity and institutional reform. In January 2023, the UAE’s renewable energy company Masdar signed an agreement with Ethiopia for the joint development of a solar project with a capacity of 500 megawatts.¹³

5.1. GCC and GERD Negotiations

The GCC has a long involvement in conflict resolution efforts in the Horn of Africa that has allowed them to expand political and economic ties. However, since 2015, the Gulf Arab states, particularly Saudi Arabia and UAE, have opted for more assertive regional policies to bolster their influence and ensure regime survival (Darwich 2019). There has been rising GCC awareness of the strategic importance of this region both as a place along the Red Sea corridor and as a commercial and economic opportunity and growth base. This is aligned with the direction that the Gulf states are headed geopolitically and economically, such as the conflict in Yemen, the tension with Iran, and the need to secure maritime navigation freedom (Ardemagni 2018). The most recognizable breakthrough UAE and Saudi Arabia achieved was the signing of September 2018 Jeddah peace accords between Ethiopia and Eritrea.

In the Nile Basin, the UAE is reported to have played an important role in the negotiations that led to the Declaration of Principles (DoP) in 2015 over the GERD between Egypt, Sudan, and Ethiopia. The negotiations were mediated on behalf of the UAE by Muhammad Dahlan, a senior adviser to President Muhammad bin Zayed al-Nahyan, in Abu

¹² Klaassen, Lisa (October 27, 2021) “Everywhere and Nowhere to be Seen: How China’s role in the GERD dispute challenges Beijing’s non-interference principle” *The London School of Economics and Political Science Blog*: <https://blogs.lse.ac.uk/cff/2021/10/27/everywhere-and-nowhere-to-be-seen-how-chinas-role-in-the-gerd-dispute-challenges-beijings-non-interference-principle/> (accessed March 27, 2022).

¹³ (January 18, 2023) “Ethiopia signs deal with UAE’s Masdar for 500 MW solar plant.” *Reuters*. [https://www.reuters.com/business/energy/ethiopia-signs-deal-with-uaes-masdar-500-mw-solar-plant-2023-01-18/#:~:text=ADDIS%20ABABA%2C%20Jan%202018%20\(Reuters,prime%20minister%20said%20on%20Wednesday.](https://www.reuters.com/business/energy/ethiopia-signs-deal-with-uaes-masdar-500-mw-solar-plant-2023-01-18/#:~:text=ADDIS%20ABABA%2C%20Jan%202018%20(Reuters,prime%20minister%20said%20on%20Wednesday.) (accessed June 1, 2023).

Dhabi, Addis Ababa, and Cairo.¹⁴ The DoP accepted the GERD project and gave Ethiopia the legal right and legitimacy to continue building the dam (Yihdego, Rieu-Clarke, and Cascão 2016).

Moreover, the agreement did not refer to the 1999 Nile Basin Initiative (an intergovernmental partnership of 10 Nile states that aimed to promote equitable usages of the Nile waters) and lacked mutually accepted enforcement mechanisms. Crucially, the agreement did not recognize Egypt's "rights" according to the 1902 Treaty and other treaties, or any defined water allocation or distribution policies with Ethiopia and Sudan after the completion of the GERD. In short, the agreement had no clause that assured Egypt of its long-held legal rights, "water security," or water allocation rights in the Nile. Instead, the DoP reduced Egypt's agenda to negotiations over the schedule for filling its reservoir. Furthermore, the DoP undermined Egypt's ability to internationalize the dispute with Ethiopia, as Article 10 of the DoP stipulates that if the parties reach a deadlock in their negotiations, the matter must be referred to the heads of the three states. This constraint became all too evident in June 2021 when Egypt took the dam dispute to the UN Security Council (UNSC), but all its members underscored the need to continue negotiations under the auspices of the African Union (AU). The UNSC echoed Ethiopia's long-held position that the AU was the right space for solving the GERD negotiations.

Following the signing of the DoP, the UAE stated that the DoP remained the underlying reference point for future negotiations. Foreign investors, including GCC states, have strong interests in having Egypt, Sudan, and Ethiopia reach a legally binding agreement on water allocation to ensure that their investment upstream is fully protected from transboundary water disputes. The agreement would also enable Ethiopia to access financing from foreign investors and international financial institutions to materialize industrial and agricultural projects related to the Dam.

6. Conclusion

This paper presents an overview of how external actors, with a focus on the Gulf Arab states, have affected hydropolitics among riparian states in the Eastern Nile Basin. It argued

¹⁴ Moore, Jack (April 28, 2015) "Exiled Palestinian Leader Looks for Regional Allies in Mediation of Nile Dam Deal," *Newsweek*. <https://www.newsweek.com/exiled-palestinian-leader-looks-regional-allies-mediation-nile-dam-deal-326036> (accessed March 7, 2020).

that a state-centric analysis confined to transboundary water politics, competing national interests, and power disparities between the Nile riparian states is insufficient for and largely ineffective in exploring the changing hydropolitical landscape in favor of upstream states in the Nile Basin. The case has been made that the ruling regimes in the Eastern Nile Basin, particularly Sudan and Egypt, increasingly depend on maintaining access to financial resources and political backing from critical regional Arab Gulf actors, and therefore, their foreign policies are unlikely to go against the interests of their external patron states in the Nile Basin.

The ability of the Gulf Arab states to impact the basin and assert themselves as regional powerhouses is part of a larger shift in global politics from unipolarity to multipolarity as well as the fall of traditional regional centers in Cairo, Damascus, and Baghdad in the last few decades. Egypt and Sudan are dependent on Gulf financial assistance and backing to crush domestic opponents and breathe life into their ailing economies. Hence, control of the Nile resources comes as a second priority to regime security, and appeasing external patrons in exchange for their continued support seems like a working solution.

This paper demonstrated how the engagement of the Arab Gulf states in the Nile Basin and the Horn of Africa has not only shaped the political and economic development of Egypt and Sudan but also redrawn the hydropolitical landscape in the wider Nile Basin. Nonriparian involvement in hydropolitics becomes particularly significant where water scarcity and transboundary water issues are prevalent in the basin. For instance, the Gulf hydro-agricultural ventures in Sudan have had significant political impact by giving Khartoum confidence to chart its Nile Basin priorities away from Egypt, ending a hydropolitical alliance of decades.

Furthermore, Saudi Arabia's and UAE's implicit endorsement of infrastructure development projects upstream encouraged Sudan's former president Bashir to openly support Ethiopia's rights to the Nile waters when it embarked on building the GERD in April 2011, not to mention the UAE mediation between Ethiopia, Sudan, and Egypt, which led to the Declaration of Principles in 2015 that accepted the GERD project and gave Ethiopia the legal right and legitimacy to continue building the dam. The UAE's and Saudi Arabia's strong ties with upstream Ethiopia, support for its government against domestic opposition and socioeconomic issues, and leverage on and strong ties with Egypt make understanding the positions, actions, and interests of Saudi Arabia, UAE, and Qatar crucial for comprehending hydrological relations in the Nile Basin.

Geopolitical rivalries in the Red Sea and Horn of Africa continue to affect the political undercurrents and security in the Nile River basin and the riparian states struggle over the sources of the Nile River. Faced with diminishing water resources and keen to achieve food security, massive agricultural and farming development, and investments by Gulf companies in the Nile basin have put further pressure on dwindling natural resources as they claim their share of the Nile River. Crucially, the lack of regional institutions and water agreements that regulate the utilization and governance of the Nile River waters between riparian states has made it easy for external state and non-state actors to expand their influence in the basin through bilateral deals.

Egypt must now contend not only with its riparian neighbors but also with powerful external actors who want their share of the Nile waters. Their long-term strategic objectives include achieving food and water security for their populations by allocating more financial resources in the region. The Nile Basin is increasingly becoming geopolitically contested by riparian and nonriparian states, which raises Egyptian fears and limits its options. In other words, the political economy of the Eastern Nile Basin is being increasingly linked with the Gulf region, regional powers, and superpowers. When negotiating a water agreement with upstream states, Egypt must now consider the interests of those actors in the Nile Basin upstream. This has resulted in reducing Egypt's material, bargaining, and ideational powers, forcing its leadership to reach a compromise when it signed the 2015 DoP in Khartoum, which accepted the GERD project and bestowed Ethiopia with the legal right and legitimacy to continue building the dam.

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