



Prospects of Saudi led mediation efforts towards the Grand Ethiopian Renaissance Dam

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On February 20th 2022, Africa's largest Dam project, the Grand Ethiopian Renaissance Dam (GERD) began generating electricity for Ethiopia at a current operational capacity of 375 megawatts. The multi-billion-dollar plant that harnesses energy from the river Nile took eleven years to complete and the partial opening represents a major milestone for Ethiopia.

Ethiopia's electric strategy has been developed to remain predominately reliant on hydro-electric dams to fulfill its energy demands. As such, the periodic droughts that the country experiences have created significant vulnerabilities in its electric security. The reservoir that will be created as a result of the GERD serves to combat the vulnerabilities and will generate over five thousand megawatts of electricity once operating at full capacity, allowing Ethiopia to potentially export electricity to neighboring countries

Downstream countries such as Sudan and Egypt have maintained their concern that the dam will affect their water resources although such claims have been denied by the Ethiopian government. According to the UN, half of the world's population will face water shortages by 2035 due to population growth dynamics, inefficient water usage, and climate change. Under this backdrop, tensions between the Nile River Basin countries over GERD have risen over the years and attracted international and regional actors aiming to mediate the dispute.

Concerns over Ethiopia's monopolization of the Nile continue, and efforts to mediate by the African union have thus far been unable to bring the parties together in a constructive manner, creating a high risk of growing regional tensions as the GERD fills. While the current level of operations does not impact Egypt's water security, the country has condemned the partial operations of the GERD as the nation has not received prior consultation to the beginning of operations. Saudi Arabia has vocalized its support for the Egyptian position in rejecting the monopolization of the Nile by Ethiopia. However, the kingdom continues to advocate a political solution, that benefits all nations rather than exerting pressure on Ethiopia.

Saudi Arabia and Egypt enjoy close cooperation in economic, cultural, political, and security ties between the two nations. Egypt and Saudi Arabia's trade volume in 2018 accounted for over \$7 billion, and Saudi investments in Egypt in 2019 reached a total of \$54 [billion](#). Since President Sisi assumed power in Egypt, ties between the two nations have strengthened, and efforts to build a transcontinental bridge between Saudi Arabia and Egypt linking the Asian continent to the African continent are underway. Under President Sisi, Egypt and Saudi Arabia also reached agreements on the islands of Sanafir and Tiran to be included within Saudi's maritime territory, further strengthening the relations between the two nations.

At the same time, Saudi Arabia remains one of the largest importers of Ethiopian goods, with coffee constituting the bulk of Saudi imports. Additionally, the Ethiopian economy is a significant beneficiary of remittances from domestic workers from Saudi Arabia. In 2017, the estimated remittances from Saudi



Arabia to Ethiopia were valued at approximately USD190 million. In terms of investment, Saudi Arabia had 233 investments in Ethiopia in [2017](#) with the most concentrated in Addis Ababa and Oromia. In 2019, the [value](#) of Saudi imports of Ethiopian products stood at USD197 million with coffee comprising approx. 67% of the total figure, followed by cut flowers at just over 11%.

With much at stake, there is a need to avoid having the GERD project leading to open conflict among the involved parties. Saudi Arabia's stable relations with Sudan, Ethiopia, and Egypt, makes the Kingdom a plausible facilitator towards an agreement on the Nile. Previously, Saudi Arabia and the UAE have acted as intermediaries to broker the Ethiopian-Eritrean dispute. In 2018, the final peace agreement and normalization of relations between the two nations was signed in Jeddah, Saudi Arabia. The kingdom's involvement here is complimentary to Saudi Arabia's overall objective of stability along the Red Sea, extending political influence in the region, and expanding economic and security relations towards the region. The agreement materialized in part because of the economic incentives offered by both Saudi Arabia and the UAE including two loan agreements of USD140 million with Ethiopia. On the political front and in further efforts to stabilize regional relations, King Salman established a new Red Sea council, aimed at securing the waterways of the Red Sea and the Gulf of Aden. This council, which only included the coastal states, and therefore did not include Ethiopia, aimed to increase cooperation between countries on the Red Sea to promote regional stability and counter emerging threats. One could argue that the inclusion of Ethiopia can increase the council's effectiveness and it would therefore be beneficial to re-consider Ethiopia's involvement, which in turn would allow for institutional mechanisms to be put in place to resolve the dispute over GERD and address the broader issue of regional stability.

While Saudi Arabia by-and-large supports the Egyptian position, the kingdom has not pursued policies of pressure on Ethiopia, instead focusing its diplomatic efforts to resolve the crisis. As such, Saudi Arabia has sought to play a constructive mediating role in the dispute over GERD to ensure and maintain the stability of the eastern coast of the African Continent. In doing so, Saudi Arabia has welcomed the reopening of negotiations between Sudan, Egypt, and Ethiopia in July 2020 and made efforts towards hosting a summit, which addresses the issues related to [GERD](#). Saudi's relative neutral political standing towards interstate disputes across Africa thus allows the country to act potentially as a mediator towards the dispute over the GERD, which in terms strengthens Saudi's global political and diplomatic standing while at the same time contributing to regional stability.

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