

Abiy opens Grand Ethiopian Renaissance Dam amid escalating tensions in Horn of Africa

Jean Shaoul**15 September 2025**

On September 11, Ethiopia's Prime Minister Abiy Ahmed officially opened the Grand Ethiopian Renaissance Dam (GERD), a \$5 billion megaproject that has been under construction since 2011. Operations started in February 2022, with the reservoir gradually filling behind the massive concrete dam.

The 1.8km wide and 145 metres high dam across a section of the Blue Nile in western Ethiopia, 30km from the border with Sudan, contains nearly double the volume of water in China's Three Gorges Dam. While the latter is largely a water management project for China's Yangtse basin, the GERD, which impacts the Nile's flow to Sudan and Egypt, was designed as a hydroelectric power station, Africa's largest.

It is expected to produce around 5,150MW of electricity, more than doubling Ethiopia's present output, under conditions where nearly half of Ethiopia's 130 million live without electricity, and enable Ethiopia to export power to Kenya, Tanzania, and Djibouti, to the tune of \$427 million in export revenues this fiscal year, eventually bringing in \$1 billion a year.

Abiy declared on the completion of the dam in July, "To our downstream neighbours, Egypt and Sudan, our message is simple: the Renaissance Dam is not a threat, but a shared opportunity." But the dam, which has the potential to transform the lives of millions of people in Ethiopia, the Horn of Africa and East Africa, is mired in toxic geopolitics.

Denouncing the dam as an "existential" threat, Egypt's President Abdel Fattah el-Sisi said he would use "all available means to defend Egypt's interests".

The Renaissance Dam

In 2011, in the aftermath of the revolutionary overthrow of Egypt's President Hosni Mubarak, Ethiopia's then-Prime Minister Meles Zenawi announced that it would construct the "Millennium Dam", now the GERD. The decision caused outrage in Egypt, which relies on the Nile for 97 percent of its water—the lifeblood of this otherwise desert country of 107 million people—especially for farming. Around 80 percent comes from the Blue Nile in Ethiopia.

Egypt denounced Meles's unilateral decision to build the dam as a contravention of international law and sought to get it cancelled, without success, and a war of words began. Amid escalating rhetoric on both sides, the dam project became known as "Africa's water war". Relations between the two countries became so poisonous that fears of an Egyptian military intervention prompted Ethiopia to install Russian and Israeli-supplied missile defence systems around the reservoir's thick walls.

Cairo fears that in times of drought, a now recurring event, Ethiopia may reduce the flow to Sudan and Egypt, plunging millions of farmers into penury. It pointed to the 1929 and 1959 treaties—orchestrated by Britain, the colonial power in Egypt and Sudan—that granted Egypt authority over Nile waters and, under the 1959 treaty, 66 percent of the Nile's flow, to the detriment of the upstream countries of the Blue Nile and the White Nile.

For decades, Egypt was able to marshal its international support, combined with military threats and diplomatic pressure, to sustain its control. But the upstream countries rejected the colonial era treaties, arguing that they privileged Egypt and Sudan at their expense. In 2010, they adopted the Cooperative Framework Agreement (CFA) for the Nile Basin that committed its signatories to using the river "in an equitable and reasonable manner" and to "achieve optimal and sustainable use" while protecting the resource and respecting each other's interests. Under this agreement, the CFA must resolve disputes about the use of Nile water resources. But years of negotiations have failed to produce an agreement on how they will share the water from the Nile, particularly in times of drought.

As yet only Ethiopia, Rwanda, Uganda, Tanzania and Burundi have signed the agreement, with the Democratic Republic of Congo and Kenya still to do so. Egypt, Eritrea and Sudan rejected it outright. Egypt tried to take the case to the United Nations Security Council in 2021, to no avail. The reduction in the Nile flow makes water-intensive crops like rice, a staple food in Egypt, uneconomic and has increased the cost of irrigation, threatening Egypt's food security.

After Egypt lobbied the multilateral institutions such as the World Bank not to finance the dam, Meles turned to domestic banks and the Ethiopian people to finance the dam with donations, low-denomination bonds and salary deductions for public sector workers. As a result, almost all Ethiopians have a financial stake in the dam, with Prime Minister Abiy using the project as a tool to stoke nationalistic fervour in a bid to counter the explosive ethnic tensions in the Tigray, Amhara, Oromia and Afar regions.

Chinese banks have provided some of the finance for the infrastructure around the dam, such as power lines. Nevertheless, the limited investment in transmission and distribution across the country's mountainous and rocky terrain has led to an unreliable electricity supply for Ethiopia's new industrial parks and those households that are connected to the grid, making mass electricity access a distant dream.

Realignment of relations within the Horn of Africa

Both Ethiopia and Egypt sought diplomatic support from other Nile Basin countries, with Egypt seeking support from Sudan where the Blue Nile is also an important source of water for agriculture, electricity production and consumption. While Sudan has long historical ties with Egypt, as well as Saudi Arabia, it has periodically sided with Ethiopia in the dispute.

After the pre-emptive military coup that brought down longtime dictator Omar al-Bashir in April 2019 to put an end to the months of mass protests and strikes calling for the ouster of his regime, the Sudanese government drew closer to Egypt, with both countries hardening their positions against the GERD.

Abiy's declaration of war on the secessionists in Tigray province in 2020 spilled over into Sudan's al-Fashaga, a fertile area belonging to Sudan but where Ethiopian farmers have settled for decades. As the Tigray crisis (2020-22) and tensions over the first rounds of filling the GERD basin escalated, the two countries exchanged fire in a border conflict of varying intensity.

Those attending the official inauguration of the dam last week included Kenyan President William Ruto, African Union chairperson Mahamoud Ali Youssouf and Djiboutian President Ismail Omar Guelleh. Also attending was Somali President Hassan Sheikh Mohamud, who has drawn closer to Egypt, preparing to welcome Egyptian troops to Somalia, ostensibly to fight Al-Shabaab.

Egypt and Sudan refused to send representatives, releasing a joint statement warning that the dam "breached international law and would cause grave consequences to the two downstream countries".

In recent talks with US CENTCOM Commander General Michael Kurilla, el-Sisi insisted the Nile was a "national security issue" and expressed his appreciation for President Donald Trump's efforts to broker an agreement. Trump pledged swift resolution of the dispute, saying the dam was "closing up water going to the Nile", which he described as "a very important source of income and life ... to take that away is pretty incredible."

Ethiopia's Red Sea ambitions

The GERD project has become entangled with Ethiopia's efforts to gain access to a port on the Red Sea, drawing in Somalia and Eritrea, where tensions are rising over issues of national sovereignty, water disputes, historical border disputes and the rival interests of the major as well as regional powers.

Ethiopia, the headquarters of the African Union, the Horn of Africa's powerhouse and for a long period the region's anchor state on behalf of US imperialism, is sited at the crossroads between Africa, the Middle East and the Mediterranean.

The Red Sea, a vital global trade route connecting Asia and Europe, has become a geopolitical hotspot drawing the attention of international naval forces. The US, Turkey, Saudi Arabia, Qatar, the United Arab Emirates, Russia, Israel and China—which paid for the Addis Ababa-Djibouti railway as part of its Belt and Road Initiative and gained significant control over Ethiopia's main import-export route—are all jockeying for position, backing rival states and competing factions within them.

As the world's most populous landlocked country, Ethiopia is reliant on neighbouring countries to provide trade access, with 95 percent of its trade by volume going through Djibouti, following Eritrea's secession from Ethiopia in 1993 after a 30-year war.

Two years ago, Abiy declared that Ethiopia wanted greater access to a seaport, calling it an "existential matter" to avoid over-reliance on Djibouti which has refused Ethiopia's requests for a naval base while

granting a similar request from Egypt. He said he wanted to discuss with neighbouring countries access to a port. He was, however, reportedly "considering all options" to achieve this objective, alongside increased defence spending and the procurement of naval training and equipment through partnerships with Turkey and France, despite Ethiopia's landlocked status.

This raised alarm in neighbouring states, particularly Eritrea and Somalia, due to historical animosities and unresolved territorial disputes. Eritrea called Ethiopia's maritime ambitions "reckless" and warned Abiy to back off in a bid to pre-empt any Ethiopian attempt to reassert control over its Red Sea port of Assab.

This prompted border closures, the termination of flights, the rupture of diplomatic relations and support for opposition factions in each other's politically fragile countries that threaten a resumption of the fratricidal war in Tigray. Around one million people remain displaced, and tens of thousands of refugees have still not been able to return home since the war ended in 2022. It marks the unravelling of the 2018 peace accord between Ethiopia and Eritrea that won the Nobel Peace Prize for Abiy.

In January 2024, Ethiopia signed a memorandum of understanding with Somaliland, which broke away from Somalia in 1991, with a long coastline on the Red Sea, promising to recognise it as an independent state in exchange for the lease of a 20km section of its coastline near the port of Berbera for 50 years to set up a naval base. This sparked uproar in Somalia, Djibouti and Eritrea, who viewed it as an aggressive move and responded with diplomatic countermeasures.

Egypt seized the opportunity to find allies against Ethiopia and offered to replace Ethiopian troops in the new African Union Support and Stabilization Mission in Somalia, while joining Eritrea and Somalia in a pledge to safeguard Somalia's sovereignty and collaborate on Red Sea issues—tantamount to a hostile encirclement of Ethiopia.

It took an intervention by Turkey, which has become an important geopolitical player in the Horn, having close economic ties with Addis Ababa and security deals with Mogadishu, for the two countries to restore diplomatic relations, with Ethiopia suspending the deal and agreeing a conditional recognition of Somali territorial unity in return for a compromise maritime access arrangement.

Ethiopia's GERD and demand for Red Sea access reflect its growing economic aspirations and strategic insecurities that threaten to destabilise the entire region. More fundamentally, they are rooted in objective structural contradictions deriving from the private ownership of the means of production and the outmoded and reactionary nation-state system. They can only be resolved by the advance to a new and higher form of global society, international socialism.



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