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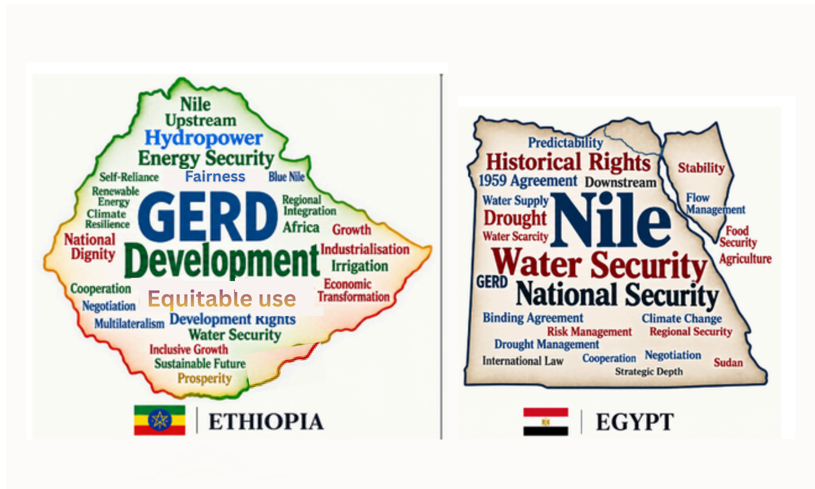

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The Ethiopia–Egypt Conundrum: The Nile, the Horn, and the Red Sea

The Ethiopia–Egypt relationship has evolved from a bilateral dispute over a single dam into something closer to a structural rivalry, in which two ostensibly distinct strategic theatres — the Nile Basin and the Red Sea–Horn of Africa littoral — are increasingly treated by commentators in both capitals as facets of a single, unified contest over regional influence, security, and strategic depth. At the center of this contest sits the Grand Ethiopian Renaissance Dam (GERD) and, more broadly, Ethiopia's future development plans, but the underlying disagreement extends well beyond the technical arithmetic of water releases, filling schedules, or drought-management protocols. It concerns competing conceptions of sovereignty, historical entitlement, regional hierarchy, and the distribution of power between an upstream Ethiopia asserting a newly consolidated developmental identity and a downstream Egypt defending an order it regards as existential. At its most fundamental level, the dispute is a question about hegemonic transition on the Nile: whether the status quo order that Egypt has long controlled can sustain itself, or whether a new, negotiated regional order emerges in its place — and, more troublingly, whether Egypt and Ethiopia would continue to be the deciding countries shaping that order, as Ethiopia is an emerging power whose rise forces the collapse of the existing arrangement without yet succeeding in establishing a stable successor to it. Put differently, the underlying question is whether the old hegemon persists or a new hegemon emerges, and whether that transition can occur without first forcing the collapse of the arrangement both sides, in different ways, still rely on. Neither government approaches the dispute as a narrow water-management problem to be solved by engineers and hydrologists. For Cairo, the Nile is not simply a resource question; it has been presented as the foundational determinant of Egyptian national security and the organizing logic of Egyptian regional strategy more broadly. For Addis Ababa, the Nile has become inseparable from sovereign development — treated as an existential issue in its own right — energy security, national dignity, and a deliberate rejection of the inherited arrangements of an earlier regional order in which upstream claims were structurally subordinated to downstream entitlement. The dam itself has therefore become less a discrete infrastructure project than a symbol onto which each side has projected its broader anxieties about the other's rise or decline.

The Structural Contradiction at the Heart of Egyptian Strategy

Egypt faces a fundamental strategic contradiction that shapes almost everything else in the relationship. It seeks to preserve the substance of the historical Nile order while operating within a regional environment that has changed in ways that make that preservation increasingly difficult. Cairo continues to treat the 1959 Nile Waters Agreement between Egypt and Sudan as an authoritative reference point, and in practice it seeks to defend the principles embedded in that historical allocation system — an effective Egyptian claim to the overwhelming majority of the Nile's flow — as something approaching a red line in negotiations. Yet Ethiopia was never a party to the 1959 agreement, was never consulted in its drafting, and the agreement cannot, by its own terms or under general principles of international law, bind a state that never consented to it. This is one of the central structural problems underlying the entire negotiating architecture: Egypt wants an outcome that preserves the security and predictability of its historical water position essentially unchanged, while Ethiopia is unwilling to accept any framework in which its developmental choices are effectively subordinated to an agreement it never signed and a hierarchy it regards as a colonial-era relic. The dispute is consequently not simply about how much water passes through the GERD's turbines during a particular hydrological year. It is a contest over which historical and legal order — a mid-twentieth-century bilateral allocation regime, or a newer, more genuinely multilateral riparian framework — ought to govern the Nile in the twenty-first century.

Egypt's anxiety is understandable given its longstanding, unchallenged authority on the Nile for its freshwater needs and the acute vulnerability that dependence on the river appears to create. But that anxiety becomes considerably harder to reconcile with Ethiopia's developmental trajectory once the historical allocation framework is treated as effectively non-negotiable rather than as one input among several. Ethiopia, a country of roughly 130 million people with chronic energy poverty and an economy urgently in need of industrial and agricultural transformation, cannot reasonably be expected to accept an arrangement in which its hydropower generation, irrigation expansion, and broader economic development remain permanently conditioned by downstream demands that were decided before Ethiopia had the capacity to act on its own upstream position. At the same time, Ethiopia cannot simply wave away Egyptian concerns about prolonged multi-year droughts, the compounding effects of climate variability on an already stressed river system, and the very real consequences of Ethiopian operational decisions during a sustained dry cycle. The central analytical and diplomatic challenge, therefore, is distinguishing between legitimate downstream concerns — which could be compelling and deserving remedy through binding technical mechanisms — and the persistent claim of riparian hegemony dressed in the language of security. A sustainable settlement would need to protect Egypt against genuinely catastrophic, low-probability but high-consequence risks during a multi-year drought, without allowing what should be temporary or conditional operational arrangements to harden into permanent limits on Ethiopia's sovereign development trajectory.

The "Alternative Water Sources" Argument, and the Case for Egyptian Restraint

A recurring feature of Egypt's public diplomacy on the GERD is the claim that Ethiopia has abundant alternative water resources and should therefore leave the Nile alone, since Egypt's survival depends on the river in a way that Ethiopia's does not. This argument is analytically misleading and deserves closer scrutiny. The Nile basin — principally the Blue Nile, the Tekezé, and the Baro-Akobo systems — accounts for roughly two-thirds of Ethiopia's total water resources, and a comparable two-thirds of Ethiopia's population lives within these basins, concentrated in the country's demographic, agricultural, and political core: Amhara (the Nile and its feeder rivers and lakes), Oromia (Nile feeder rivers), Tigray (the Tekezé), Benishangul-Gumuz (the GERD), Gambella (the Baro-Sobat), and the highland areas that have historically anchored the Ethiopian state. The Nile system is not, in other words, a peripheral or dispensable component of Ethiopia's hydrology that can be quietly set aside in favor of alternative basins elsewhere in the country. It is the central water system on which the majority of Ethiopians already depend for agriculture, domestic consumption, and, increasingly, energy. Ethiopia's other basins — the Rift Valley, the Genale-Dawa, the Wabi Shebelle, the Awash — serve different, generally more arid and less densely populated parts of the country and cannot substitute for the Nile's role in the nation's demographic and economic heartland, any more than Egypt could relocate the Aswan High Dam's reservoir to the Western Desert without fundamentally altering what it does for Egypt. The premise that Ethiopia has a spare, underused hydrological endowment sitting idle elsewhere, waiting to absorb the demand currently met by the Blue Nile, does not withstand scrutiny.

The argument is also incomplete in a second, more pointed sense: it applies the alternative-sources logic asymmetrically. Egypt itself possesses two significant categories of alternative water resources that could, with sustained investment, reduce its dependence on Nile flows over time — yet these are rarely offered by Cairo as part of its own side of the ledger, in the way the alternative-sources argument is offered to Ethiopia. The first is the Nubian Sandstone Aquifer System, one of the largest fossil groundwater reserves in the world, underlying Egypt's Western Desert and shared with Libya, Sudan, and Chad; Egypt has already developed portions of it for the New Valley and Toshka projects, and considerably more remains technically accessible. The second is seawater — from both the Mediterranean and the Red Sea — which Egypt could desalinate at far larger scale than its current program allows, using the kind of capital-intensive infrastructure investment that a country of Egypt's economic weight and access to international financing could plausibly mobilize over a decade-long horizon, particularly with Gulf co-investment. Neither option is costless, and neither is a short-term substitute for the more than fifty-five billion cubic meters of Nile water Egypt currently draws each year unilaterally. But their existence undercuts the force of an argument that treats Ethiopian alternatives as available and Egyptian alternatives as irrelevant.

A more honest framing would hold that neither side can invoke the other's alternatives as grounds for treating its own position as immovable — though some would add that this formulation, on its own, understates the deeper inequity of an arrangement from which Egypt has long benefited and still insists on preserving.

This points toward a further consideration that is often absent from the technical GERD negotiations altogether: the possibility that Egypt's own long-term security would be better served not by tighter control over Ethiopian dam operations, but by a changed posture toward the Horn as a whole. One underexplored avenue is for Egypt to allow the Horn of Africa greater latitude to exercise its own regional agency in addressing its internal fault lines — Sudan's civil war, Somalia's federal disputes, Ethiopia-Eritrea tensions, Somaliland's unresolved status — rather than treating each of these as an arena in which Cairo should actively position itself against Ethiopian influence. Egypt’s ending this pattern of regional meddling may not, by itself, resolve the Nile dispute, but it could open space for a more productive conversation between Cairo and Addis Ababa, one less encumbered by the accumulated mistrust that Egypt's engagements in Sudan, Eritrea, and Somalia generate in Ethiopia.. A region allowed to manage its own fault lines with less external instrumentalization is, likely to be more stable, one that would enable Ethiopia to resist reading every Egyptian diplomatic initiative as an encirclement effort and correspondingly less incentive to treat the Nile negotiations as a zero-sum extension of that wider contest. In this sense, Egyptian restraint in the Horn would not be a concession offered to Ethiopia out of good-will; but a plausible route to addressing Egypt's own long-run anxieties, by reducing the regional tension that currently makes every Nile-related move look, from Addis Ababa's side, like a further instalment in a broader pattern of Egyptian containment.

The Limits of Give-and-Take

This is where the conventional diplomatic instinct toward reciprocal concessions runs up against its practical limits. Negotiation in this context does not mean that both sides possess equivalent bargaining chips on every issue, and it certainly does not mean that a workable compromise can be engineered by simply splitting the difference between Cairo's opening position and that of Addis Ababa,s. The negotiating space is bounded, on both sides, by what each government regards as politically and strategically non-negotiable — the kind of red line that no leadership, whatever its private calculations, could cross and survive domestically. Egypt cannot easily concede anything that it believes exposes the country to unacceptable uncertainty over Nile flows, given how tightly Nile security is bound up with the legitimacy of the Egyptian state itself. Ethiopia, equally, cannot accept an arrangement that effectively institutionalizes the principle that its upstream development remains subject to an Egyptian veto, however softly that veto might be phrased in diplomatic language. The most viable settlement would therefore need to move decisively away from the zero-sum logic of historical entitlement versus sovereign entitlement, and toward a framework organized around predictable operating rules, transparent data-sharing, joint early-warning and drought-management mechanisms, and reciprocal assurances across the entire basin that are technical and verifiable rather than purely political. Such a framework does not resolve the underlying philosophical disagreement about whose historical claim is superior — it simply makes that disagreement less consequential in practice by reducing the material stakes of any single operational decision.

Sudan: The Pivot Between Two Theatres

The deeper structural problem is that the Nile and the Red Sea, though governed by very different political and geographical considerations, are becoming increasingly fused within the strategic calculations of both Cairo and Addis Ababa. The Nile is a transboundary freshwater system in which Sudan occupies the critical middle position between Ethiopia and Egypt — geographically, hydrologically, and now politically. This geography gives Sudan an importance that neither capital can afford to ignore, and it is precisely this reality that has made Sudan's ongoing civil war so consequential well beyond its own borders. Ethiopia's continued development has the potential to expand Sudan's own economic and infrastructural opportunities, particularly through cross-border electricity trade, coordinated irrigation and flood management, and deeper regional connectivity along the Blue Nile corridor. At the same time, a more empowered, more developed Ethiopia necessarily changes the terms of Sudan's strategic relationship with Egypt, potentially giving Khartoum — under any future government — a genuine alternative to automatic alignment with Cairo's Nile position. Egypt therefore has a direct interest not only in the technical management of the river itself but in the political orientation and internal stability of Sudan, since a Sudan solely aligned with Egyptian preferences forecloses Ethiopian options that a more autonomous Sudan might otherwise open up.

This is precisely why the Sudanese conflict cannot be treated as a discrete, self-contained civil war separable from the broader Ethiopia–Egypt strategic competition, however much each of the immediate belligerents, SAF and/or RSF, has its own local grievances and objectives. Sudan is not a passive geographical corridor through which the Nile happens to flow; it is a pivotal political actor whose internal fragmentation, external alignments, and bilateral relationships with both Egypt and Ethiopia can materially alter the wider regional balance. A more economically integrated and politically autonomous Sudan could, in principle, pursue a more independent Nile policy and derive tangible benefit from closer cooperation with Ethiopia on power trade and water management. A severely weakened, externally dependent, or externally captured Sudan, by contrast, becomes correspondingly more susceptible to the strategic preferences of whichever neighboring state or external patron holds the greatest leverage over its fractured institutions — a dynamic already visible in the way Gulf patronage of the war's rival factions has entrenched competing external dependencies within Sudan itself. Egypt consequently has a strong structural incentive to retain substantial influence over both the Nile negotiations and Sudanese political outcomes simultaneously, treating the two as mutually reinforcing levers rather than separate files. From Addis Ababa's vantage point, this pattern can look less like ordinary diplomacy and more like an attempt to manage not only the downstream consequences of Ethiopian development but the entire political environment immediately to Ethiopia's northwest — reinforcing the widespread belief, including in Ethiopia, that Cairo's Sudan policy and its Nile policy are, in practice, a single undertaking pursued through different instruments.

The Sudanese Vulnerability

If there is a single actor most likely to emerge as the principal casualty of this unresolved contest between an entrenched downstream hegemon and a rising upstream challenger, it is Sudan. Sudan is not merely the geographical hinge between Ethiopia and Egypt; it is also the most direct beneficiary, at least on paper, of a reformed Nile order — and, not coincidentally, the actor with the least capacity at present to translate that potential benefit into an actual improvement in its position. Sudan's own allocation under the 1959 Nile Waters Agreement entitles it to 18.5 billion cubic meters of water annually, yet Sudan has historically used only around ten billion cubic meters of that entitlement, constrained by limited irrigation infrastructure, underdeveloped storage capacity and flooding, and chronic underinvestment in the agricultural schemes that would allow it to draw down its full share. The practical consequence of this gap is that the remaining more than eight billion cubic meters or so has, in effect, continued to flow downstream and been absorbed into Egyptian use, without Cairo ever compensating Sudan, or indeed any other Nile riparian, for water that was nominally Sudan's under the very agreement Egypt insists must be honored. This is a significant and underappreciated asymmetry within the status quo order that Egypt otherwise presents as a settled, fair, and mutually respected legal arrangement: the order's chief beneficiary has, for decades, quietly captured a portion of a formally allocated Sudanese entitlement simply because Sudan lacked the infrastructure to use it.

Upstream Ethiopian development changes this calculus in ways that cut directly against Egypt's long-term interest that Sudan remains a backwater. The GERD's principal hydrological effect, as filling is complete, produces a more even, more predictable year-round flow by capturing seasonal flood peaks and releasing water more consistently across the calendar rather than concentrating it in a short and often destructive flood season. A more sustainable and predictable flow of this kind is precisely what would allow Sudan to finally invest in the irrigation and storage infrastructure needed to draw its full eighteen-billion-cubic-meter entitlement — and, beyond that, to make the case for renegotiating its allocation upward as its agricultural capacity grows, since the 1959 framework was never intended to be a permanent ceiling on Sudanese ambition so much as a snapshot of what Sudan could use at the time. Ethiopian dams, in other words, would tend to empower Sudan rather than threaten it, by giving Khartoum both the technical basis and the political argument for using more of its so-called own share. Sudan possesses vast cultivable land, particularly across its central clay plains and the Gezira scheme's surrounding areas, and a more reliable Nile flow paired with serious investment could plausibly transform Sudanese agriculture into a genuine regional breadbasket, not to mention the leverage that such expansion generates. Sudan would have the potential to reshape the agricultural and industrial balance of the wider Nile Basin and, by extension, challenge the structural position Egypt has occupied as the basin's dominant economic and political power for the better part of a century.

This is precisely why Sudan's empowerment poses a distinct and serious challenge to the durability of Egyptian hegemony over the Nile order, quite apart from anything Ethiopia itself does. A Sudan capable of using its full allocation, financing its own irrigation and storage infrastructure, and pursuing an increasingly independent agricultural and industrial strategy is a Sudan considerably less dependent on Egyptian goodwill and considerably more capable of aligning its Nile policy with Ethiopian rather than Egyptian preferences. It follows, on this reading, that Egypt has a structural incentive to prevent Sudan from realizing this potential — not necessarily through any single deliberate decision, but through a sustained pattern of policy choices oriented toward keeping Sudan weak, fragmented, and dependent rather than developed and autonomous. One plausible expression of this incentive is a preference, whether explicit or simply revealed through the pattern of Egyptian engagement, for a Sudan that functions primarily as a secure corridor for the Nile and its banks — a transit and buffer state whose main strategic value to Cairo lies in remaining stable enough not to disrupt the river's flow, but not so developed or autonomous that it could ever emerge as an independent voice in Nile governance. Egypt's continued backing of the Sudan Armed Forces (SAF) in the current civil war is consistent with this pattern: framed publicly as support for legitimate state institutions against an insurgent paramilitary force, that backing has coincided with, and arguably helped prolong, a conflict that neither side currently has the capacity to win outright, and that has devastated precisely the agricultural infrastructure, human capital, and state capacity that a more autonomous Sudanese Nile policy would require. Whether or not this outcome is the product of deliberate Egyptian design, its practical effect is to keep Sudan locked in a condition where full use of its own Nile entitlement, let alone a renegotiated upward claim, remains a distant prospect — leaving Sudan bound, in practice if not in formal doctrine, to function as Egypt's security backyard on the Nile rather than as the increasingly capable riparian partner.

The Red Sea as a Distinct but Entangled Dimension

The Red Sea introduces an entirely different strategic dimension, one that cannot simply be read as an extension of the GERD dispute even though the two issues increasingly intersect within the regional strategic thinking in Addis and Cairo. Ethiopia's search for reliable, economically productive, and politically sustainable access to the sea is a structural imperative flowing from its status as the world's most populous landlocked country, not a bargaining tactic invented for the purposes of the Nile negotiations. Egypt, for its part, occupies an exceptionally important position on the Red Sea through the Suez Canal and its broader maritime geography, a position that gives it both genuine security interests in the sea lane and an outsized sense of ownership, empowering it to choose who else gains meaningful access to it. Ethiopia's maritime aspirations are connected to a much larger question about how a major landlocked state — one with a rapidly growing population and industrial base — can secure diversified and politically guaranteed access to international maritime trade in the short and medium term. Crucially, that question cannot be addressed by Egypt alone, however central Cairo may consider itself to Red Sea-Gulf of Aden affairs, because Ethiopia's actual access depends primarily on its engagements with present -day littoral states: Sudan, Eritrea, Djibouti, Somalia/Somaliland, and, further afield, the Indian Ocean coast of Kenya. Nor does the calculus stop at the Horn's own coastline. The relationships that these littoral states maintain with Egypt, and more broadly with the states arrayed along the eastern flank of the Red Sea and the Gulf of Aden — Saudi Arabia, Jordan, Israel, , Yemen in its fragmented present form — and the way those external relationships in turn shape each littoral state's own interactions with the Horn, will materially affect how Ethiopia's sea-access question is eventually resolved. Djibouti's calculations are not made in isolation from its Gulf financing relationships; Somaliland's and Puntland's are not made in isolation from Gulf and Turkish patronage; Eritrea's are not made in isolation from its own alignment with Egypt and Saudi Arabia. Egypt is consequently one significant node within a considerably wider lattice of external relationships bearing on Ethiopia's maritime future, not the solo determinant of how that future unfolds, and Cairo's diplomacy would be more effective, and more credible in Addis Ababa, if it proceeded from that more modest premise rather than from the pretense of exclusive gatekeeping authority over Red Sea access.

This is precisely why the Red Sea cannot be treated, in negotiating terms, as an asset belonging exclusively to Egypt that Cairo could in principle trade away. Egypt has strategic interests in the Red Sea — commercial, military, and symbolic — but it does not possess a transferable concession over Ethiopian maritime access that it can simply hand over in exchange for Ethiopian concessions on the Nile. Nor, conversely, does Ethiopia possess an equivalent Red Sea concession that it could trade against Egyptian water demands, since Ethiopia's actual leverage over Red Sea outcomes is itself contingent on the goodwill of third parties. The two issues are strategically connected in the sense that each side's anxieties about the other are amplified by developments in the adjacent theatre, but they are not symmetrical bargaining chips that a skilled mediator could simply pair off against one another. Any durable Ethiopian maritime arrangement will ultimately depend on the political choices of the concerned littoral states themselves, the commercial viability of the specific corridors under consideration, the security environment of the Red Sea and Gulf of Aden — an environment now shaped as much by Houthi attacks on shipping and great-power naval deployments as by traditional Horn politics — and the broader web of relationships linking Ethiopia, its immediate neighbors, and the external powers now competing for influence across the wider Gulf–Red Sea–Horn security complex.

This asymmetry implies that Egypt's most constructive available role in the maritime dimension is not to offer Ethiopia something Cairo itself does not actually control — a maritime concession it cannot deliver — but rather to reduce the perception, widely held in Addis Ababa, that Egypt is actively working to constrain Ethiopia's maritime options by applying pressure on smaller littoral states such as Eritrea, Somalia, and Djibouti. Egypt could contribute meaningfully to regional stability simply by accepting that Ethiopia's search for maritime access is a legitimate structural consequence of its landlocked status. Agreements reached between Ethiopia and Red Sea/Gulf of Aden littoral states regarding any matter relating to access to the sea should be of no concern to Egypt.

The Geography of Ethiopian Maritime Diversification

The geography of the Horn makes this diversification imperative particularly salient, and it is worth being specific about the actual menu of options rather than treating "Red Sea access" as a single undifferentiated Ethiopian objective. Djibouti remains overwhelmingly the principal commercial gateway for Ethiopian trade, handling the large majority of the country's import and export volumes, but this near-total dependence on a single corridor creates exactly the kind of chokepoint vulnerability that gives Ethiopia strong structural reasons to diversify regardless of how any particular Nile negotiation unfolds. Somaliland offers a second potential route through Berbera, a route that has already attracted substantial Gulf investment and infrastructure development but remains entangled in the unresolved question of Somaliland's international recognition and Mogadishu's continuing objections. Eritrea possesses strategically significant deep-water ports at Massawa and Assab that would, in a different political environment, offer Ethiopia its most geographically direct access to the sea, but the bitter legacy of the 1998–2000 war and the volatile, still-unresolved state of the post-Pretoria Ethiopia-Eritrea relationship makes this option politically the most fraught. Sudan provides a further potential corridor to the Red Sea via Port Sudan, but that option is currently foreclosed by the country's devastating internal conflict and the collapse of central state authority needed to negotiate and guarantee any such arrangement. Kenya, finally, offers an alternative southern corridor through Lamu and the broader LAPSSET framework, geographically more distant but politically less encumbered by the historical grievances that complicate Ethiopia's relations with its immediate northern and eastern neighbors. The viability of each of these options depends not merely on physical geography but on political trust, infrastructure financing, security conditions along the relevant transport corridors, and the underlying willingness of each neighboring state to enter into agreement with Ethiopia on the latter's access to the sea. In this sense, Ethiopia's maritime strategy is for the most part a question of sustained diplomacy covering from one to five States.

Why the Military Option Offers Neither Side a Durable Solution

A direct military confrontation between Ethiopia and Egypt would be fundamentally zero-sum, because neither side could realistically translate battlefield pressure into the specific political settlement it ultimately seeks. Egypt cannot reasonably expect that bombing GERD infrastructure, applying coercive military pressure, or attempting to manipulate Ethiopia's internal political balance would reverse the underlying structural forces driving Ethiopia's development and maritime access and diversification. Even a military strike capable of damaging dam infrastructure or imposing meaningful short-term economic costs would not eliminate Ethiopia's basic geographical position as an upstream Nile state, nor would it extinguish Ethiopia's long-term interest in economic and maritime access — it would simply delay and embitter the pursuit of goals that Ethiopians across the political spectrum, not merely the current government, regard as existential to the country's development. Indeed, military escalation could plausibly produce the precise opposite of what Cairo seeks, by consolidating Ethiopian nationalism around the GERD as a unifying symbol, hardening domestic Ethiopian resistance to any future compromise, and pushing Addis Ababa further toward alternative strategic partnerships — with the UAE, with China, with other external patrons — specifically to reduce its vulnerability to future Egyptian pressure.

For Ethiopia, the military option is equally unattractive, if for somewhat different reasons. Ethiopia's principal vulnerabilities at present are internal rather than external — the unresolved aftermath of the Tigray war, active conflict dynamics in Amhara and Oromia, tension in Afar along the Tigray border, instability in Benishangul-Gumuz, and the broader unresolved constitutional questions now being tested through the National Dialogue process. A direct military confrontation with Egypt, even a limited one, could impose substantial economic, diplomatic, and security costs at precisely the moment when the Ethiopian state is already stretched across multiple domestic and regional fronts, and could invite exactly the kind of external opportunism — for instance from Eritrea, or a wider Egypt-aligned axis a weakened, distracted Addis Ababa can least afford. Ethiopia's genuine comparative advantage lies not in conventional military confrontation with a considerably better-resourced and more externally supported Egyptian military, but in its broader geopolitical position: its population size, geography, economic potential, upstream location on the Nile, relationships with Sudan and across the Horn, its centrality to regional stability more broadly, and last but not least, unlike Egypt, the recognition it receives as a prominent African state whose political identity and politics reflect its authentic African nature. These are all forms of leverage that cannot be reduced to, or usefully expressed through, military capability, and any Ethiopian strategy that converted these structural assets into a conventional military confrontation would risk sacrificing durable, long-term strategic advantages for the sake of short-term political objectives that a military clash could not reliably deliver in any case.

This general caution against direct confrontation should not, however, obscure a more specific and underappreciated form of Ethiopian leverage that operates through Sudan rather than against Egypt directly. Given the SAF's precarious military position and the sheer scale of ongoing violence inside Sudan, Ethiopia retains a genuine, and currently under-exercised, capacity to shape battlefield outcomes there in ways that would materially alter Egypt's own options and leverage. Sudan's Armed Forces have, to a significant degree, been able to hold eastern Sudan and limit the RSF's eastward and northward momentum precisely because Ethiopian-linked actors from Tigray have helped constrain RSF movement along that eastern corridor — a contribution that has gone largely unacknowledged in public accounts of the war but that has nonetheless been consequential to the SAF's continued survival. This means Ethiopia possesses the practical capacity to reverse that contribution, or alternatively to deepen it in a different political direction, in ways that could help install or empower a Khartoum-based actor that can resist the pressures from Egypt that are deeply resented by the Sudan population at large.. Such an outcome would not need to take the form of a formal Ethiopian military intervention to be consequential: even a marginal shift in Ethiopia's posture toward the eastern Sudan corridor could meaningfully degrade Egypt's Sudan-based leverage over the Nile dispute, since a substantial share of that leverage rests on Cairo's presumed ability to count on a SAF-aligned Khartoum as a reliable partner in the wider Egypt-Eritrea-SAF alignment against Ethiopia. This dimension of Ethiopian capability should not be underestimated in any assessment of the military balance between Addis Ababa and Cairo — not because Ethiopia has an interest in escalating the Sudanese war for its own sake – far from it; but because the mere existence of this option constitutes a form of indirect leverage that operates entirely below the threshold of direct Ethiopia-Egypt confrontation, and one that Cairo must factor into its own calculations about how far it can safely press Ethiopia on the Nile.

Indirect Competition as the More Likely Trajectory

None of this means that the military dimension can simply be dismissed as irrelevant — deterrence postures, arms transfers, and periodic saber-rattling will likely remain features of the relationship. But the most consequential competition between Ethiopia and Egypt is likely to remain indirect rather than direct, expressed through the accumulation of political, diplomatic, intelligence, and economic influence across third countries rather than through open interstate confrontation. Egypt has considerable incentive to employ exactly these indirect instruments across the region, in places where they can be used to constrain Ethiopia without producing an overt bilateral crisis that would carry its own risks and costs for Cairo. Such activities — diplomatic coordination with Eritrea and Sudan's SAF-aligned authorities, trilateral tracks with Somalia, engagement with Red Sea littoral states on maritime security — offer Cairo strategic flexibility and a useful degree of deniability, allowing Egypt to pursue containment objectives while formally maintaining a posture of restraint toward Ethiopia itself. Ethiopia, for its part, has comparatively fewer practical opportunities to exert equivalent pressure directly on Egypt, given the geographic distance and the to-date inadequate Ethiopian counterweight to Egypt's dense web of Arab-world and Red Sea relationships. Addis Ababa's more effective instruments are at least in the short term to remain regional diplomacy, its relationships with Sudan and the Red Sea littoral states, economic partnerships — particularly with Gulf investors such as the UAE — and the cultivation of external relationships that expand Ethiopia's strategic room for maneuver.

The danger inherent in the present asymmetry is that it can – in the short term - produce a self-reinforcing cycle of proxy-style competition without either side ever formally declaring an adversarial policy toward the other. Egypt may continue seeking to prevent the consolidation of an Ethiopian regional sphere of influence by cultivating relationships with Eritrea, with SAF-aligned Sudanese authorities, and with actors in Somalia wary of Ethiopian influence, while Ethiopia attempts to counter this by deepening its own regional partnerships, most visibly with the UAE. This is precisely the dynamic already evident in the informal Egypt-Eritrea-SAF alignment against Ethiopia and its Ethiopia-UAE counter-alignment, and it is worth noting explicitly that this configuration contains its own internal contradiction: the same UAE that serves as Ethiopia's principal Red Sea and port-development partner is simultaneously the RSF's patron in Sudan, standing in direct opposition to Egypt's own SAF ally in that conflict. This cross-cutting entrapment risk — in which neither the Egypt-aligned nor the Ethiopia-aligned bloc is internally coherent — means that the Sudan war's trajectory functions as something close to a leading indicator for the wider Ethiopia-Egypt-Horn system as a whole. Neither side necessarily needs to declare an adversarial policy for this kind of competition to intensify further; it can simply accumulate through the ordinary conduct of each government's regional diplomacy. The Sudanese conflict, instability in Somalia, tensions surrounding Somaliland's unresolved status, Eritrea's own strategic positioning between Ethiopia and the Egypt-aligned axis, and the broader contest over Red Sea access can all become — and to a considerable extent already have become — arenas in which the underlying Ethiopia-Egypt rivalry is indirectly expressed, even though each of these disputes also has its own distinct local origins and logic. The cumulative result is a regional security environment in which disputes that might, taken individually, be manageable become interconnected and mutually reinforcing, raising the odds that a crisis in one theatre spills over into the others.

An Internationalized Red Sea That Neither Capital Controls

The fundamental conundrum, then, is that Ethiopia and Egypt cannot resolve the Nile dispute while treating the wider Horn as strategically irrelevant, yet neither can they realistically settle the Horn's broader geopolitical questions through a purely bilateral Nile agreement. The Nile requires a genuinely cooperative multilateral framework among all the riparian states, not merely an Ethiopia-Egypt-Sudan trilateral understanding, while

Ethiopia's maritime future depends on negotiated relationships with sovereign littoral actors whose own interests do not reduce neatly to either Cairo's or Addis Ababa's preferences. Sudan occupies a particularly critical position within this environment precisely because it links the two strategic theatres both geographically and politically, sitting simultaneously astride the Nile while bordering the Red Sea.or. The Red Sea itself, meanwhile, has become an increasingly internationalized security environment in which Gulf states, Turkey, Iran, Israel, the United States, European actors — including the EU's Operation ASPIDES framework and its engagement with Djibouti — and regional Horn governments all possess distinct and sometimes contradictory interests that neither Cairo nor Addis Ababa can unilaterally control or exclude. This internationalization is itself a structural constraint on any purely bilateral Ethiopia-Egypt settlement: even a hypothetical (God forbid) Nile-for-maritime-access grand bargain between the two capitals – as undesirable as it would be- would not fly without the support of littoral actors whose cooperation neither government can simply command.

Toward a Layered Rather Than a Grand Settlement

The most realistic pathway forward is therefore not a grand bargain in which Ethiopia trades maritime access for water concessions, or in which Egypt trades water concessions for Ethiopian restraint across the Horn. Such a bargain would be structurally unstable from the outset, because neither country actually controls all the variables required to deliver its side of the exchange — Egypt cannot deliver Ethiopian maritime access that depends on Eritrean, Djibouti, Somalia's, or Somaliland's cooperation, and Ethiopia cannot deliver the kind of ironclad water-security guarantee that would satisfy Egyptian domestic political requirements. What could be considerably more feasible is a layered settlement in which the Nile and maritime questions are pursued through parallel diplomatic tracks rather than a single fused negotiation. They are different issues. On the Nile, the emphasis should fall on predictable dam operating rules relating to all existing dams, not the GERD in isolation, jointly agreed drought-management protocols, systematic data exchange, early-warning mechanisms for low-flow years, and technical safeguards against genuinely catastrophic downstream consequences — all of this pursued without freezing Ethiopia's long-term development trajectory or treating the operational arrangements as permanently fixed. In the Red Sea and the Horn more broadly, the corresponding objective should be to establish shared principles under which Ethiopia can pursue various levels of maritime access through negotiated bilateral arrangements with individual littoral states, each conducted in a manner that respects those states' own sovereignty and security concerns rather than treating them as passive terrain in an Ethiopia-Egypt contest. Because they are not.

On the Nile track specifically, there is little to be gained, and considerable structural risk, in trying to resolve the dispute bilaterally with Egypt by bypassing the multilateral forum that already exists for exactly this purpose — the Cooperative Framework Agreement (CFA) — while simultaneously drawing Egypt into the separate question of Ethiopia's access to the sea. Folding the two tracks together in that particular direction would replicate precisely the fused, asymmetric bargain this analysis has already argued is unworkable, while also undercutting the multilateral legitimacy the CFA process offers Ethiopia and the other upstream riparian states. Ethiopia therefore has good reason to stay away from any bilateral Nile settlement negotiated directly and exclusively with Egypt, outside the CFA framework, since a bilateral arrangement of that kind would tend to reproduce the very bilateral logic — one downstream state effectively setting terms for the basin — that the CFA process was designed to move beyond.

On the access-to-the-sea question, a more concrete and sequenced set of measures suggests itself. In the near term, Ethiopia's priority should be to strengthen its existing commercial port and corridor arrangements through deepened bilateral agreements with Djibouti, with Somalia and Somaliland, and with Kenya, consolidating and diversifying the commercial access it already has rather than waiting on more ambitious or politically fraught options to materialize. Alongside this, Ethiopia should pursue a dedicated naval port agreement — with Djibouti in the first instance, and with any other state willing to provide the opportunity — addressing the distinct question of naval and security access separately from ordinary commercial trade logistics, since the two carry different political sensitivities and should not be allowed to become hostage to one another. Over a longer horizon, and contingent on a genuinely changed political climate between Asmara and Addis Ababa, Ethiopia should work toward deeper economic integration with Eritrea, pursued in tandem with a negotiated land-and-resource swap arrangement that could, in principle, deliver Ethiopia sovereign access to a Red Sea corridor through Eritrean territory. This last option is necessarily the most distant and the most politically contingent of the three, given the unresolved legacy of the 1998–2000 war and the volatility of the current Ethiopia-Eritrea relationship, but it remains the option that would most directly and durably resolve Ethiopia's landlocked status on managed terms, rather than through continued dependence on the goodwill of third-party transit states.

Conclusion: Managing a Redistribution of Power

Ultimately, the Ethiopia–Egypt conundrum is less a matter of locating a single concession that one side could offer the other than of both governments accepting that the underlying regional order itself is changing, and changing in ways that neither can fully arrest. Egypt cannot indefinitely preserve a Nile order designed around the political geography and power distribution of an earlier era, one in which Ethiopia lacked both the engineering capacity and the political will to alter the river's use unilaterally. Ethiopia, in turn, cannot expect its newly consolidated strategic weight to translate automatically into acceptance by downstream and littoral neighbors who have their own legitimate anxieties about a larger, more assertive Ethiopian state on their borders. The central task facing both capitals — and the wider set of regional and external actors with a stake in the outcome — is to manage this redistribution of power without allowing it to become militarized or to metastasize across every adjoining conflict in the Horn. That requires Egypt to recognize the legitimacy of Ethiopia's developmental and maritime imperatives as structural rather than merely tactical; it requires Ethiopia to recognize the genuine, not merely rhetorical, character of Egyptian water-security concerns; and it requires both countries to resist the considerable temptation to instrumentalize the political vulnerabilities of smaller neighboring states — Sudan, Eritrea, Somalia, Somaliland, Djibouti — as proxies in a contest that properly belongs to Cairo and Addis Ababa alone.

The strategic choice, in the end, is between managed competition and the uncontrolled regionalization of the rivalry. If Ethiopia-Egypt tensions remain confined to difficult but structured negotiations over water — however slow, frustrating, and periodically acrimonious those negotiations prove to be — they remain potentially manageable within existing multilateral frameworks. If the rivalry instead becomes simultaneously embedded within Sudan's civil war, Red Sea security politics, Somali and Somaliland dynamics, Eritrea's positioning between the two camps, and the wider Gulf-Horn competition for influence, the dispute could become considerably more difficult to contain, with each theatre's escalation dynamics feeding into the others. The Nile and the Red Sea are two separate questions to be negotiated in isolation. While the Nile and the Red Sea are two theaters that are influenced by the balance of power across the Horn of Africa, they are two separate questions to be negotiated in isolation.