

different to that of the Ethiopian Highlands. It remains environmentally, economically and politically controversial to this day, especially in Sudan, and is heavily silted. This reduces the flow and helps to explain Egypt's alarm at an additional expected loss from the GERD (AC Vol 51 No 14).

Some scientists blame China's Zipingpu Dam, which lies close to a seismic fault, for the devastating Sichuan earthquake of May 2008 that killed more than 80,000 people. Egyptian critics also point to a lack of information about the engineering designs for the GERD and the role of the main contractor, Italy's *Salini Costruttori*. Ethiopia claims the dam will be good for the two downstream states: it will reduce evaporation by shifting some of the Nile basin's storage away from Lake Nasser and protecting Sudan from floods. It will also produce electricity for the region and beyond: this week Ethiopia was discussing supplying Yemen.

Officials in Addis Ababa say they have shown Cairo goodwill by working with the tripartite commission. Ethiopia had also delayed its ratification of the Nile Basin Cooperative Framework Agreement, which changes the regional rules for

the use of the Nile to the detriment of Egypt and Sudan. However, reacting to Egypt's hostility, on 13 June the Ethiopian Parliament unanimously ratified the Agreement. This new agreement breaks with the series of treaties between 1891 and 1959, which allocated Egypt and Sudan 87% of the Nile waters.

Egypt and Sudan have refused to sign the new agreement unless the treaties are explicitly upheld. They want a clause stating that parties to the agreement should 'not affect in a significant manner the water security of any other Nile Basin State' to be reworded to oblige the parties 'not to adversely affect the water security and current uses and rights of any other Nile Basin State.'

Mamdouh Hamza, one of Egypt's leading hydraulic engineers (and a fierce critic of both ex-President Mohamed Hosni Mubarak's and Mursi's regimes), would like Cairo to concentrate on negotiating with Ethiopia over the most critical elements of the project. He told the Cairo daily *Almasry Alyoum* that the key points Egypt should establish were:

- The dam must be used for electricity generation alone, not for irrigation.

- The price of electricity sold to downstream states should be at cost, minus compensation for losses incurred during the filling of the reservoir.

- The reservoir should be filled over at least six years, to minimise downstream disruption and allow monitoring of the seismic impact.

- The operation of the hydroelectric plant and the sluice gates should be coordinated with Egypt, to ensure that the volume of water in Lake Nasser does not drop below 90 bcm, which would stop the High Dam turbines from working.

Given Egypt's currently low diplomatic standing in Africa, it is unlikely that Ethiopia will pay much attention to Hamza's proposals. However, even a marginal loss of water supply and electricity generating capacity could further damage Egypt's already tottering economy. Accordingly, the risk of conflict between a beleaguered regime in Cairo and Ethiopia cannot be entirely dismissed. The length of time Ethiopia takes to fill the 74 bcm reservoir is crucial: the longer it takes, the less the stress on downstream water resources. The latest estimates from Ethiopia are that it will take five to six years. ●

GUINEA

Condé takes on Steinmetz

The President claims mining interests lie behind the increasingly effective opposition campaign in Conakry

President Alpha Condé has escalated his government's row with Geneva-based Beny Steinmetz Group Resources over the legitimacy of its stake in the Simandou iron ore mine. He publicly accused the company of being linked to the worsening political unrest in Conakry (AC Vol 54 No 6). Condé was speaking on the record at London's Chatham House on 14 June. Guinean officials are investigating how BSGR secured its stake in Simandou under the late President, General Lansana Conté, and have arrested some of the company's staff in Conakry.

BSGR dismissed Condé's claims as 'completely untrue' and 'a desperate attempt to throw dust in the eyes of international observers who have been increasingly critical of Alpha Condé's lack of enthusiasm to hold legislative elections'. When *Africa Confidential* asked why BSGR's Managing Director, Asher Avidan, was declared *persona non grata* by Guinea in March, Condé said, 'We know why we did that although we cannot reveal all the reasons at this stage. We know... the role they played in some of the political turmoil that we face at the moment in the country.' Condé added that although he

could reveal no details, major news about the BSGR affair would 'burst soon'.

Condé said that Britain's Serious Fraud Office was helping with the investigation into BSGR's associates and employees by the United States and Guinean authorities. The SFO declined to comment. BSGR insisted it has received no communication from the SFO and said there were ulterior motives for the Guinean government's claims: 'Allegations that there was anything improper about the manner in which BSGR obtained its mining rights in Guinea are entirely baseless and motivated by an ongoing campaign to seize the assets of BSGR.'

Condé's cryptic remarks about what would 'burst soon' may be related to the US government case against Frédéric Cilins, a French intermediary who once owned a share in BSGR Guinea. The US Federal Bureau of Investigation (FBI) arrested Cilins in April after Mamadie Conté, née Touré, the fourth and last wife of Lansana Conté, secretly recorded her conversations with him in her role as a 'cooperating witness' for the US government (AC Vol 54 No 9). The US government claims that in one taped conversation, Cilins was trying to acquire contracts between an 'entity

(believed to be BSGR) and companies linked to Touré so as to destroy them and thus scupper the US investigation.

Referring to an 'unidentified co-conspirator', Cilins says on the tape, 'He [the co-conspirator] told me, "That's good, but I want you to go see - I want you to tell me "I saw that the documents [noise] were destroyed; it's over, there are no more documents."'" The US-based Main Justice website identified Steinmetz as the 'unidentified co-conspirator'. When asked about these allegations, BSGR replied that Steinmetz 'denies any knowledge of wrongdoing in relation to any ongoing FBI investigations'.

Quite separately from the simmering dispute between Condé and BSGR, some Conakry officials are concerned about relations between Victor Kenan, an Israeli diamond trader long resident in Guinea, and Israel's Global CST, a security company whose board includes former generals and government ministers. Kenan introduced Global CST to the former military leader, Captain Moussa Dadis Camara, in March 2009 but the company's agreement to train security forces in Guinea was blocked by the Israeli government (AC Vol 51 No 11).

Meanwhile, there is persistent talk in Guinean diaspora circles in Paris of shadowy agents offering substantial sums of money to anyone who can help to unseat Condé. Army officers have been approached but declined to help nor is there much enthusiasm from civilian politicians, so far. ●