Supporting the Nile Basin Shared Vision with "Food for Thought": Jointly Discovering the Contours of Common Ground

Bart Hilhorst ^a , Peter Schütte ^b , Simon Thuo ^c

^a FAO project "Information Products for Nile Basin Water Resources Management", Entebbe, Uganda; hilhorst@africaonline.co.ug

^b Schuette & Company and Nyenrode Business University, the Netherlands; p.m.schutte@planet.nl ^c Global Water Partnership, Entebbe, Uganda; sthuo@nilebasin.org

Abstract

Ten countries share the Nile. It is the longest river in the world, draining almost ten percent of the African continent. The Nile waters are vital for the livelihood of over 180 million people in the basin. With rapidly rising populations and consequent environmental stresses, water scarcity has been flagged a priority across the basin and has resulted in a complex protracted negotiation over the use and joint development of the shared Nile waters.

Our paper describes an interactive process – called Food for Thought (F4T) – in which a group of some 25 participants from all Nile countries engaged in a joint scenario building exercise. It evolved into a systematic and participatory analysis of a broad set of development issues in the Nile basin.

F4T demonstrated the potential of a multi-stakeholder scenario process to analyze a complex issue in a short period of time. It provided suggestions to decision makers how to address the various underlying drivers of the resource conflict. It put rural areas back on the agenda, and examined the potential role of agricultural development and trade, both to ensure food security and to foster economic development. The exercise also confirmed the scope for regional cooperation.

By taking a wider view, F4T proved useful for stretching the Nile debate. A number of shared-interests were identified and examined, in particular related to agricultural trade. Crucially, these are not directly related to river flow and therefore offer much better prospects for negotiated solutions. It demonstrated the effectiveness of scenarios to support a negotiation or re-conciliation process.

Subsequent interviews with key participants confirmed some of our preliminary observations about the process: 1) it has contributed to mutual understanding and trust among the participants, to the reframing of mental models and to seeing the world in a new way, and 2) based on collective sense making, mutual understanding has grown among the participants and some contours of 'common ground' have been identified.

1 Introduction

The Nile is shared by ten countries. With rising water scarcity concerns within the Nile river basin, it is becoming increasingly important to ensure that water resources are used effectively to meet diverse socio-economic goals. Inability to agree on joint development of the Nile waters could delay the use of this resource for the benefit of its people. Concerted efforts are ongoing to strengthen cooperation among the Nile riparians. Progress is promising but slow. In the face of high poverty levels coupled with high population growth rates, as well as loss of environmental services, it can be argued that any delays in establishing effective cooperation pose a risk to the overall development efforts in the Nile basin region.

Agriculture is the main water consumer in the basin withdrawing over 80% of all renewable resources. A better understanding of the linkage between agriculture

and water is essential for the governments of the ten Nile countries to take informed decisions about water resources allocation, and put in place effective joint management strategies to reconcile competition.

Strengthening this understanding of the agricultural water variable in the Nile Basin is the objective of project "Information Products for Nile Basin Water Resources Management", which is supported by the Government of Italy and carried out under the umbrella of the Nile Basin Initiative (NBI). It is implemented by the ten Nile riparians with technical and operational assistance of the Food and Agriculture Organization of the United Nations (FAO).

A scenario exercise – called "Food for Thought" (F4T) – was initiated to explore the uncertain future of the dominant water user in the ten Nile countries: 'demand for agricultural produce'. The anticipated outcome of the exercise was to obtain a realistic *range* of future agricultural demand levels in the basin, quantified in terms of population growth, nutrition pattern, urban-rural population distribution, and potential of commercial agriculture focused on export.

Early on in the process it became apparent that the structure of demand for agricultural production and the nature of associated livelihoods was determined by a wider range of drivers than originally foreseen. Factors stretching from the overall economic situation and international agricultural trade regime, to technological developments regarding biofuels also had to be considered. Consequently, F4T broadened its scope. It incorporated a joint analysis of a number of critical development issues in the basin, with a particular focus on rural areas. This process - almost inadvertently – led to a broader perspective regarding Nile cooperation. Of particular importance was the convergence of views that emerged among the participants: a diverse group of water and agriculture professionals from all Nile basin states. It showed the potential of a scenario exercise to analyze and reframe a complex contentious issue, break out of rigid conceptual frameworks and discover shared interests in a multi-stakeholder process, and contribute to a conflict resolution process.

2 The Nile is Unique

The Nile is indeed unique. It is the longest river in the world, shared by ten countries, and draining almost ten percent of the African continent. Its waters are vital for the livelihood of over 180 million people in the basin. The Nile, of course, is at the basis of the ancient civilization of Egypt.

We will now describe, from the perspective of a water policy maker, the determining features that make the Nile unique, and that set the scene for the hydro-political process.

<u>The Nile is a small river in terms of volume of runoff</u>. From a hydrologic point of view, this is among the most characteristic features of the Nile. In spite of the size of its basin, which measures over 3 million square kilometers, the annual renewable Nile flow equals that of the Rhine, and is just above 80 cubic kilometers. If this total yearly volume of runoff were spread over the entire watershed, it would represent a layer of not more than 30 mm.

The Nile is the only significant source of water for the downstream riparians. Egypt and northern Sudan are situated in a hot and arid region with only sparse and insignificant rainfall. Close to 80 million people in the downstream stretch of the river depend exclusively on the Nile for their water supply. They effectively have no alternative. Since their societies have used the Nile waters for over 4

millennia, they have developed a strong sense of entitlement and have adopted the principle of 'prior utilization', which gives right of use to the first user.

The upstream riparians have large rural populations that depend on subsistence agriculture. The upstream riparians have dominant rural populations. For instance in Ethiopia - with a total population of about 79 million in 2005 – some 84% are estimated to live in rural areas. Similar percentages are seen in the other upstream countries. Most rural people depend on smallholder subsistence farming for their livelihood. Farming is their only means for income generation and food security. Alternative employment opportunities are virtually non-existent. The region has a history of food insecurity, mainly during periodic drought years. By and large, people in rural areas do not have the financial means to procure food from international markets. They eat what they grow, or buy from local markets. Small farm size combined with low level of inputs – like fertilizer or improved seeds - result in low agricultural productivity and inefficient water use. The persistent key role of agriculture – without alternatives – accentuates the importance of water.

Ongoing population growth puts unprecedented pressure on natural resources. Family based survival systems lead to high population growth rates. According to the low-variant prospect developed by the United National Population Division, the total population in the Nile basin is expected to increase by 61% in 2030. The high-variant prospect sees a growth of 82%. No effective policies are in place to cope with the unprecedented pressure on infrastructure – like schools and hospitals – and natural resources, but one can witness a clear perception that the Nile waters are essential in providing for food security and rural development.

<u>The Nile stream flow is fully allocated</u>. The limited Nile flows are now fully used for industrial, domestic, and agricultural water supply, almost exclusively by Egypt and Sudan. Each year, only about 10 cubic kilometers reach the Mediterranean, which is considered the minimum requirement for environmental purposes. The potential for further supply increase – for instance by draining wetland areas or reducing evaporation in the various reservoirs – is limited. As a consequence, Nile water allocation has become a near zero-sum game.

<u>Rainfall is abundant but variable in large parts of the upstream riparians</u>. The (sometimes extreme) temporal variability of rainfall in most of the upstream riparians has a marked adverse impact on the productivity of rainfed agriculture. Farmers opt for drought resistant but low yielding varieties, and are unwilling to invest in inputs when they can lose their entire investment in a drought. Some upstream countries, notably Ethiopia, have prioritized investments in (large scale) hydraulic infrastructure and storage capacity in order to mitigate the effects of the weather uncertainties. In their analysis, hydrologic variability is among the key constraints to development. The current discussion on climate change is strengthening this perception.

<u>There are limited direct links between upstream and downstream riparians.</u> Due to geography and history, there is almost a complete absence of economic integration and cultural ties between the upstream and downstream regions in the Nile basin. Without effective north-south road or railroad connections, interbasin trade volumes are small. Apart from the river, there is little that links all 10 states. Hence direct common interests among the Nile riparians are limited.

<u>There is a history of tense relations among the upstream and downstream Nile</u> <u>riparians</u>. It is only in the last decade that we have witnessed a thaw and a strong concerted effort to improve relations. Prior to the 1990-ies, one could argue that sanction discourse based on strongly held beliefs affected the discussions. These eight features broadly define the shape of the Nile water policy context. Other issues, for instance hydropower development or environmental protection, are for now not considered as key obstacles to progress.

There is now a wide acceptance of the importance of jointly managing a shared water resource, in particular when water is scarce. Recognizing these realities, and in a break with history, the Nile riparians have started an unprecedented effort to enhance cooperation in order to optimize the use of the river. They are guided by a Shared Vision to "achieve sustainable socio-economic development through the equitable utilization of, and benefits from, the common Nile Basin water resources". To make this vision a reality, the Nile Basin Initiative (NBI) was established in 1999. Progress is being made but is slow.



Box 1: The Nile Basin

Ten countries share the Nile: Burundi, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda.

The Nile is made up of two major tributaries including the White Nile, originating from the Equatorial Plateau of East Africa, and the Blue Nile, with its source in the Ethiopian highlands.

Both tributaries begin their journeys in relatively humid areas, with an annual rainfall of 1200 to 1500 mm. The downstream stretch of the river, by contrast, flows northwards to the Mediterranean through the Sahara Desert.

The White Nile waters have a steady flow and contribute some 10 – 20 percent to the total Nile runoff.

The Blue Nile and the other tributaries coming from the Ethiopian highlands contribute 80 – 90 percent to the Nile flow, but are highly seasonal and carry high sediment loads.

Lake Nasser, a major reservoir on the Sudanese-Egyptian border provides inter-annual regulation for Egypt.

3 Scenarios as a Tool for Discovering Common Ground

Scenarios are stories about the external environment that show how relevant elements might evolve over time, and describe the logic behind these possible

developments. Although scenarios must be based on the best available knowledge and insights, the rationale for using scenarios is the fact that the future is fundamentally uncertain and in fact 'unknowable'. The more we move away from the present, the more uncertain the future becomes. Scenarios are not predictions; they build on best insights about the most important and consequential uncertainties, and follow a clear logical and plausible path. Unlike predictions or forecasts, scenarios are used in a "what if" mode. As such they are less concerned with the question "will this happen?", or whether a scenario actually proves right or not right. Instead, they emphasize the question "what would we do if it happen?" Used in this way, they help sensitize parties on important issues and prepare for the future by considering consequences and generating new options.

Taken collectively, basic human aspirations are within a remarkably narrow spectrum. It is quite easy to agree on the contours of a future world in which most of us could live a fulfilling and comfortable life, one that accommodates different interests, ambitions, or lifestyles. Hence thinking about the future in a scenario development process is a safe way to bring antagonists together, produce a level of alignment of views and mutual understanding. The differences of today easily fade away into a conversation on possible paths towards this shared future: how to capitalize on opportunities, dispel threats, right old wrongs, and so on. Joint goals and objectives could emerge. No hard choices are required at this point, helping to improve relations and establish a basis of confidence.

Scenarios are also useful for diagnosing a negotiation situation. Finding out "how the other party sees the problem" is a crucial first step in a negotiation exercise. Asking the "what if" question – in each scenario from the perspective of all key stakeholders – is instrumental in appreciating concerns and discovering the extent of the interests involved: conflicting, differing but complementary, or shared interests. The latter two present the contours of common ground and are the building blocks for an agreement. Capturing multiple plausible futures in concise stories provides vocabulary and lingo that makes communication among the negotiators easier. The "how to" question helps to find out how to influence the course of events and identify options to pursue. Furthermore, most participants experience the scenario process as a stimulating activity. This positive joint experience contributes to improved relations.

Most protracted conflicts are characterized by strongly held positions in which underlying interests have faded to the background. Sanction discourse – the implicit taboos that shape the identity of a party – limits the discussions to a ritual exchange of well-rehearsed arguments. There are penalties for individuals to move outside this rigid conceptual framework. Scenarios have proven effective in breaking this confinement, in particular because the exercise employs a multistakeholder process that systematically identifies and prioritizes the main factors involved. The group dynamics are important here. With a diverse group of participants, this robust approach leads to a better, more comprehensive analysis of the issues at stake. With the underlying interests more clearly articulated, preset positions based on only a partial analysis are much harder to maintain.

4 The F4T Project: Participants and Setup

The scenario process was designed and conducted by the FAO project team in Entebbe, supported by an external adviser / process facilitator.

Active stakeholder participation was considered critical to ensure the relevance of the scenario exercise. A scenario group was formed including members from all

Nile countries, from inside and outside government, and with a background mostly in water resources and agriculture. The group changed somewhat during the course of the exercise but key elements like full Nile basin representation and multi-disciplinary perspective were carefully maintained.

F4T development comprised of the following main activities:

- Interview series to set the scenario agenda;
- First workshop to develop the scenario frame and first generation scenario stories (Cairo, November 2006, 2 days);
- Research phase, in which a number of key questions were examined in depth;
- Second workshop examining critical assumptions, and verifying and deepening the scenario logics and stories (Entebbe, February 2007, 2 days);
- Third workshop in which the scenario set was presented to a new audience; F4T was used to analyze implications, and to identify signposts and trend breaking events (Cairo, April 2007, 1 day);
- Fourth workshop, which focused on analyzing impacts, stakeholder reaction, areas of influence, and options to influence the course of events or adapt to new realities (Entebbe, May 2007, 2 days).

The process started with a round of over 50 interviews, with government officials, experts, academicians, business people, in the main countries involved, aiming to collect perceptions, issues and concerns on the future of the countries. The focus of the interviews was clearly agriculture and agricultural demand in relationship with water resources. The goal of this interview round was to provide an overview of views and issues that could serve to develop an initial strategic agenda for the workshops. The content of the interviews traveled well beyond the narrow water related issues into areas such as international trade, rural development, population growth, poverty, education and health, and issues of (national) food security.

The 'interview feedback' served as an input for a first workshop, where a hand picked group of some 25 participants discussed issues and uncertainties for the basin's future. During this meeting, the participants agreed upon a so called 'first generation' scenario framework that reflected those uncertain factors that were considered 'key' for future developments in the region. Alignment among the participants on the factors that would "really make a difference" emerged very early during this workshop. Interestingly, both key uncertainties that emerged form the group's discussions were not directly 'water' or 'agriculture' related, but related to international trade opportunities for the countries involved and to what was coined 'quality of governance' in times to come. Notably, this latter factor, on which consensus was very high, had not or hardly been touched upon during the initial interviews but moved to the center of the group's strategic conversations about the future.

In much the same composition, the group reconvened for three subsequent 2 day workshops, which were used to discuss and probe the initial framework, develop and test the four emerging scenario story lines and so called 'story maps', and subsequently to ponder scenario implications and the question: "what if we do nothing?". During the final workshop the group addressed new insights and the question "what would / could we do if?" A series of new insights was agreed and – per scenario and across all four scenarios – options were developed. Over time confidence grew that the group's scenarios – as a set - were both highly plausible and highly relevant. More importantly, alignment grew among the participants on ways forward (along with shared insights on risks and 'dead ends streets').

5 Summaries of the Scenarios

Four scenario story lines were developed based on two principal uncertain elements: 1) effectiveness of governance, and 2) international agricultural trade regime. It is important to consider the scenarios as a set, with none being regarded as more likely. The four stories that emerged are:

<u>Unintended Consequences</u>: Nile countries suffer high food prices when they fail to increase their agricultural output after OECD countries cut surplus production. Only large export oriented farms benefit from improved market conditions, but the majority of smallholders are unable to respond to price incentives because of lack of enabling environment. Subsistence farming dominates. With persistent high population growth rates, livelihood conditions deteriorate and economic development stagnates.

<u>Joint Effort</u>: robust governance and improved agricultural market conditions propel Nile countries into the middle class. Governments stimulate rural development and, responding to higher commodity prices, agricultural productivity increases. Rural economies benefit and improve. Favorable economic conditions result in smaller families and reduced population growth.

<u>Nile on its Own</u>: regional trade grows owing to improved Nile governance and limited international trade options. World commodity prices remain low but governments stabilize prices through regional tariffs. Policies promote local production and interregional trade. Gradually, Nile countries experience an increase in wealth, food security and a decline in poverty.

<u>Double Burden</u>: inefficient governance conspires with unfavorable international trade conditions to frustrate agricultural development and keep Nile countries in poverty. Rural areas stagnate. High poverty levels and insecurity lead to adoption of family-based survival strategies, resulting in accelerated population growth and a downward spiral of economic decline.

A scenario booklet presents the four comprehensive narratives, together with information on starting conditions, key uncertainties, and predetermined factors. A DVD 'Flash presentation' has been developed and distributed, presenting the scenario frame, the annotated scenario logics, and the four story lines.

6 F4T: Why is it relevant?

Those involved in the Nile process can clearly sense that the NBI spirit has taken hold, and witness a genuine willingness of key players to cooperate and deepen relations among their fellow co-basins states.

But in spite of good intentions and the urgency of the issues facing the Nile countries, progress towards actual cooperation is slow. Why is that so?

The reasons are complex and interwoven. An important aspect is that prevalent thinking on Nile cooperation is still primarily focused on classic hydrologic issues: hydro-electricity, flood forecasting and protection, irrigation development, reducing evaporation losses, watershed management, water resources modeling, and so on. Their common theme is river flow. It reflects the historic context in which the Nile is in fact the only factor that links the ten riparians. But river flow is indeed a sensitive issue, in particular in the water scarce Nile basin. It is here that strongly held positions tend to prevail over a more rational analysis of the underlying interests. Water allocation is largely considered a zero-sum game. Progress is naturally slow when compromise may require difficult adjustments to national economies.

While it is true that the various NBI programs also address socio-economic and other issues – albeit to a limited extent - these are not at the core of the current discussions. It is still hard to argue that Nile cooperation in these domains adds value to in fact normal bilateral relations or national programs.

What seems missing is a joint analysis of the full spectrum of shared interests among the Nile riparians. This is cause for worry. A number of individuals, although realizing that Nile cooperation makes sense in principle and is valuable to pursue, do not see what it would look like in practice and where it will benefit their constituencies. Combined with the perception that time is running out to address the serious development challenges, their (reluctant) instinct is to resort back to unilateralism.

F4T – inadvertently – played a role in filling the gap. Its anticipated objective was to assess the future range of 'demand for agricultural produce': the principal parameter when calculating water use in the Nile basin. At first glance this seemed a rather technical question. But in order to capture the subject, F4T necessarily evolved into a much bigger exercise: a joint analysis of a broad set of development issues related to demography, rural-urban migration, the agricultural sector, and conditions in rural areas in the Nile countries. Because of this broad range, the analysis also gained relevance for discussing the future path of the overall Nile economies.

By taking a wider view, F4T proved convenient for stretching the Nile debate, from the near zero-sum topic of water allocation and hydrologic regime, to a broader discussion focusing on agricultural trade regime, rural development, and effective management and governance. A number of new shared-interests emerged, in particular related to agricultural trade. Crucially, these are not directly related to river flow and therefore offer much better prospects for negotiated solutions. It opened opportunities for enlarging common ground.

The key factor here is not the refocus per se. Many will rightly claim they were aware of the insights all along. The relevance of F4T lies in the joint discovery of these insights by a group of Nile experts and decision makers, from all riparians countries. The strong communality of views that emerged in the scenario group is considered an important outcome of the exercise.

"Scenarios form a base from which we can deepen our understanding and become aware of the limitations of our current thinking" (From Scenarios: An Explorer's Guide, Shell International, 2003, p. 82)

Subsequent interviews with key players among the participants confirmed some tentative observations about the scenario process:

 quickly moving away from the problems and differences of today into a conversation about the future, enabled a quick process of 'unfreezing' among the participants;

- the scenario process has contributed to mutual understanding and trust among the participants, to the reframing of mental models, and to seeing the world in a new way ('re-perceiving');
- specifically the process has made the sensitive factor 'effectiveness of governance' discussable;
- mutual understanding and alignment on issues and options has markedly grown among the participants [NB a number of interviewees considered this to be the single most important outcome of the process].

Box 2: Supporting a Negotiation Process

The project organized a negotiation skills training in December 2007 for some 50 policy and decision makers in the Nile Basin. F4T was used as backdrop to assess interests, identify options, and examine the implications of possible agreements. The exercise created heated debate and demonstrated the effectiveness of scenarios to support a negotiation or re-conciliation process.

An informal discussion emerged in a small group. It plotted negotiation issues on a two-dimensional 'negotiation space', with polar axis: 1) impact of agreement, and 2) anticipated difficulty to reach agreement. Flow regime was clearly judged a very difficult subject. Consensus emerged that an eventual compromise on flow regime would - most probably - not drastically alter the existing situation. Its overall impact on the Nile economies, therefore, was considered comparatively low. Establishing joint agricultural trade policies was considered easier, with higher expected benefits in particular for rural area.

Although the findings seemed obvious and logical in hindsight, the participants in this improvised exercise found the outcomes quite unexpected. It demonstrates how a scenario exercise can assist to 're-perceive' a complex negotiation issue.



7 Insights from F4T

We will now present a number of key observations and insights from the F4T process.

- 1. The natural resource base was not considered among the main constraints for economic development in the Nile countries; instead, under the current conditions, institutional issues like international agricultural trade regime and governance political accountability and the quality of bureaucracy as well as the rule of law were regarded as more critical.
- 2. With dominant rural populations, the state of rural areas is a critical determinant of demographic developments in the upstream riparians; this underscores the importance of rural development with regard to the future shape of the water-demand function.
- 3. Water scarcity in the Nile basin is essentially a development issue. Water is not scarce per se, but because too many people have no alternative to subsistence agriculture for their livelihood and food security.
- 4. With agriculture being the dominant water consumer, trade in agricultural commodities has the potential to serve as an effective, practical, and non-controversial means to alleviate water scarcity and provide water security; this is the concept of 'virtual water'; creating the conditions that allow for, or stimulate trade in agricultural commodities could serve as a unifying factor in the basin
- 5. Rural development is of crucial importance when discussing the Nile issues. Improving agricultural productivity is at the basis of rural development. The benefits of industrialization, growth in the service sector, exploitation of natural resources, or tourism typically bypass rural areas. A tentative discussion in the scenario group linked rural development to the following issues, presented in the order of their relative importance: peace & security, stable & profitable farm gate prices, secure land tenure, well functioning extension services, followed by issues like rural infrastructure, easy market access, availability of credit, water control, improved seeds and varieties, and so on.
- 6. Improving terms of agricultural trade is instrumental for providing effective economic incentives for agricultural development. Profitable farm gate prices are key starting conditions for all agricultural activities. Hence a coordinated agricultural trade policy both regarding the internal Nile market and the external international market could have significant benefits for the riparian community; by stabilizing prices and creating an internal market, it could stimulate badly needed rural development in the upstream Nile countries.
- 7. However, the prospects for rural development are limited without effective governance; rural smallholders are mostly restricted to subsistence farming if the right conditions price stability, stable land tenure, extension services, infrastructure, etc. are not in place.
- 8. Improved terms of agricultural trade, therefore, are not always a blessing. The outcome is only positive when an environment exists that stimulates local production. End of OECD surplus production at a time when local farmers are unable to respond to price incentives will create higher food prices across the board without promoting rural development. This is the

situation described in "Unintended Consequences". This scenario underscores the importance of proper sequencing and timing of changes in agricultural trade regime.

- 9. Positive developments in the Nile region are not conditional to a supportive international environment or trade regime; regional cooperation and effective governance have the potential to bring the region to a significantly higher level of prosperity. This is described in the "Nile on its Own" scenario.
- 10. Reducing escalating tariffs holds the promise of a low-cost and practical measure to create employment and promote development, in particular in urban areas in the Nile countries. Benefits are significant and could materialize quickly. Potential spin-offs are equally important and related to 1) building trade infrastructure, networks, and expertise, 2) increasing demand for high-value agricultural produce, and 3) industrial development in general. Agro-processing is also effective in attenuating seasonal production fluctuations.

The above only represents a number of the insights gained in the F4T process. The reader is referred to the F4T booklet – in progress - for a full overview.



Box 3: Silent Nile Activists

Fred Mutebi: "Silent Activists", woodprint 2001.

Women are the backbone of the rural economy in Sub-Saharan Nile Basin. These "Silent Nile Activists" bear the most responsibility for tilling land and harvesting both subsistence and cash crop produce.

Rural areas have received less attention in recent years. Government policies have allocated larger slices of the national budget towards building industrial capacity and the service sector.

But with so many people living in rural areas in the Nile basin, the state of the rural economy will determine the shape of the future water demand function. Somehow economic dynamics have to return to rural areas. Well-timed changes in agricultural trade regimes could assist in halting the stagnation of rural Nile economies.

8 Conclusions

With rapidly rising populations and deteriorating environmental conditions, the Nile region is facing serious development challenges. Concerted efforts are ongoing to further the Nile issue: a complex protracted resource conflict in which parties have become committed to locked positions on a narrow set of issues all related to river flow. In spite of good intentions, progress is slow. One can argue that the current Nile discussions do not take into account the full scope of this very complex subject.

The F4T exercise was a systematic and participatory analysis of a broad set of development issues in the Nile basin. It led to a more comprehensive analysis, and provided suggestions to decision makers how to tackle the various underlying drivers of the resource conflict. It put rural areas back on the agenda, and examined the potential role of agricultural trade to foster agricultural development and to ensure food security. F4T discovered that changes in trade regime require proper timing, lest they backfire. The exercise also confirmed the importance and potential of regional cooperation among the Nile riparians, and discovered possible areas for enlarging common ground. It is important to note that these are not directly related to water allocation and therefore provide better prospects at the negotiation table.

F4T proved that it is possible to develop a broader focus on a very complex issue in a relatively short period of time through a scenario exercise. This participatory process was both stimulating and productive, and useful in strengthening trusting relations among Nile experts and decision-making.

The results of the F4T exercise were emergent. While the initial objective was to answer a rather technical question: "what is the range of future demand for agricultural produce", the final results carry far more significance. It is important to note that these insights were discovered, not sought.

Among the most striking aspects of F4T was the strong convergence of views that emerged in the scenario group. There was general acceptance of the plausibility and relevance of the four story lines developed.

In sum, one can conclude that F4T passed the test of a good scenario exercise: "it is helping to make better decisions"; whether or not one of the scenarios will in fact materialize is not the issue.

The scenario exercise has reached its halfway point. Critical questions in the next phase include: 1) how can we effectively disseminate the scenario set, 2) how can we promote fruitful scenario based strategic dialogue beyond the group that was involved so far, and 3) how can we ensure that our proceeds of today effectively help create 'better futures' for all.

It is of key importance that a process of scenario based strategic conversations continues, involving the right people with power to influence and act. How to accomplish this is our next challenge. Presently, advice, partners, and additional institutional backing and funding are sought for supporting the F4T dissemination process.

9 References

Fisher, Roger and William Ury: *Getting to Yes*; Penguin Books, 1981

van der Heijden, Kees: *Scenarios: the Art of Strategic Conversation*; John Wiley, 1996 Homer Dixon, Thomas: *The Ingenuity Gap*; Alfred Knopf, 2000 Kahane, Adam: *Solving Tough Problems*; Berret-Koehler Publishers, 2004 Schwartz, Peter: *Inevitable Surprises*; Penguin Books, 2004 Wack, Pierre: *Scenarios: Shooting the Rapids*, Harvard Business Review, Nov-Dec 1985

Disclaimer

The designations employed and the presentation of material throughout this article do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization (FAO) concerning the legal or development status of any country, territory, city, or area or of its authorities, or concerning the delimitations of its frontiers or boundaries.

The authors are responsible for the choice and the presentation of the facts contained in this paper and for the opinions expressed therein, which are not necessarily those of FAO and do not commit the Organization.