3.1 Implementation Experience until 1985

The previous Chapters discussed and analyzed the tremendous efforts that the Bank exerted in its early years to address the difficulties encountered with projects on international waterways. Those difficulties were enormous. Raj Krishna listed a number of them, including “the denial of the existence of a riparian issue; the variety of relationships between watercourse states; a reluctance to notify other watercourse states; the difficulty in concluding appropriate arrangements; the refusal to acknowledge potential harm to other watercourse states; the diversity of watercourses; the existence of disputes; the involvement of entities with unsettled status or non-members.”

The deliberations within the Bank during its early years on how to deal with the international water aspects of these projects identified a number of possible approaches. Those deliberations kept in mind the character of the Bank as an international financial cooperative institution, and the requirement under its Articles of Agreement to act prudently in the interests of all its members. They also took account of the emerging principles of international law in this field. Accordingly, a general rule was laid out that the Bank would not finance a project that would cause appreciable harm to another riparian.

One approach that was deliberated required that an agreement be concluded by the riparians before the Bank would finance a project on an international waterway. This agreement could be project specific, or for wider regional planning. However, the Bank noted that most of the international rivers had no agreements regulating their shared use and management. Moreover, the negotiations between India and Pakistan on the Indus River went on for about ten years, and those on the Nile River between Egypt and Sudan continued for five years, before the agreements were concluded. Thus, the idea of requiring an agreement, or

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131 For the negotiations between India and Pakistan and the conclusion of the Indus Waters Treaty, see infra Chapter 4, Part 4.2 of this Book.
132 Negotiations between Egypt and Sudan on the division of the Nile waters, and construction of the Aswan High Dam by Egypt, and Roseiris Dam by Sudan started in 1954.
regional planning, showed its limitations, and indeed difficulties. Furthermore, most waterways are shared by more than the prospective borrower and the party that may indicate its concerns about the project. Should the agreement be between those two states only, or should it extend to all the riparians? Even, in the few cases where an agreement was eventually concluded between the disputing riparians, it took a long time and effort to do so.

The Semry Rice Project in Cameroon was a case that manifested those difficulties.\textsuperscript{133} The project included, \textit{inter alia}, the provision for reinforcement of a 30-mile long dike, construction of pumping stations, and construction of irrigation and drainage networks, all on the Logone River. The River forms the boundary between Cameroon and Chad, and the two parties had concluded an agreement on the sharing of the waters of the river during the dry season. However, it was realized that the length and height of the dike on the Cameroon side of the river would increase the flooding of lands in Chad unless the dikes there were also repaired. The Bank brought the matter to the attention of the two governments of Cameroon and Chad. Consequently, an agreement on these points and other matters relating to the use of the Logone River waters was concluded on August 20, 1970.\textsuperscript{134} It was noted, however, that the agreement was valid for only 10 years, and Bank staff were concerned that this period was far shorter than the 40-year period of the credit to Cameroon.\textsuperscript{135} Further discussion within the Bank and with Cameroon took place, and after some time the agreement was modified by exchange of letters extending its duration from 10 to 40 years.\textsuperscript{136} This whole process took about two years and was the main reason for the

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\textsuperscript{133} See Cameroon, Semry Rice Project (P000320, 1972).


\textsuperscript{135} At that time most Credits were extended for 40 years, including a 10-year grace period.

\textsuperscript{136} The Development Credit Agreement between IDA and Cameroon included a clause making the termination, amendment, waiver or suspension of the Logone Agreement by Cameroon, without the prior approval of the IDA, a condition of suspension. \textit{See} Article V of the Development Credit Agreement between the Federal Republic of Cameroon and the International Development Association, Semry Rice Project, \textit{supra} n. 133. This clause had its limitations too, because if the agreement were to be terminated, that would be done by Chad, and not by Cameroon.