KHARTOUM, March 23 (Reuters) - Leaders from Egypt, Ethiopia and Sudan signed a cooperation deal on Monday over a giant Ethiopian hydroelectric dam on a tributary of the river Nile, in a bid to ease tensions over regional water supplies. The leaders said the "declaration of principles" would pave the way for further diplomatic cooperation on the Grand Renaissance Dam, which has stirred fears of a regional resource conflict. No details of the agreement were immediately released. Egypt, which relies almost exclusively on the Nile for farming, industry and drinking water, has sought assurances that the dam will not significantly cut the river's flow to its rapidly growing population. Ethiopia, the source of the Blue Nile which joins the White Nile in Khartoum and runs on to Egypt, says the dam will not disrupt the river's flow and hopes the project will transform it into a power hub for the electricity-hungry region.

Ethiopia's Prime Minister Hailemariam Desalegn told the gathering in Khartoum: "I reaffirm that Ethiopia's Grand Renaissance Dam will not cause any harm to downstream countries." Egyptian President Abdel Fattah al-Sisi stressed his country's dependence on Nile waters. "You will develop and grow and I am with you, but be aware that in Egypt the people live only on the water that comes from this river," he said. The principles in the agreement include giving priority to downstream countries for electricity generated by the dam, a mechanism for resolving conflicts, and providing compensation for damages, Egyptian Irrigation Minister Hossam al-Moghazi said after the ceremony. He told reporters the signatories also pledged to protect the interests of downstream countries when the dam's reservoir is filled. Addis Ababa has long complained that Cairo was pressuring donor countries and international lenders to withhold funding from the 6,000 megawatt dam, which is being built by Italy's Salini Impregilo SpA. Seif al-Din Hamid, an official in Sudan's irrigation ministry, said the deal would not halt the ongoing construction. (Additional reporting by Omar Fahmy in Cairo; Writing by Stephen Kalin; Editing by Yara Bayoumy and Dominic Evans) 23 MAR 2015 NNN