EMBRACING A WINNING STRATEGY: CREATING MUTUAL GAINS IN NATURAL RESOURCE MANAGEMENT NEGOTIATIONS

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COP 22 – Climate Change, Governance and Law – Marrakech, Morocco
Wednesday, November 9, 2016
The Protagonist
The Colorado River Basin, extending for 250,000 miles, currently provides 5 trillion gallons of water to 40 million people in southwest U.S. and northwest Mexico, on an annual basis.
More water is exported from the Colorado River Basin than from any other basin in the world, irrigating some of the most productive agricultural regions on the planet, including the Imperial Valley in California and the Mexicali Valley in Baja California.
The river’s flows are controlled by an extensive system of dams, reservoirs, and aqueducts built over the last 100 years, with a reservoir capacity of over 60 million acre-feet, up to four times the Colorado’s annual flows.
The Scenario
Evolution of North American Drought Conditions (2010-2013)
Prior to 1999, Lake Mead was last at elevation 1,083.57 feet in April 1956.

In August 2014, Mead was at its lowest elevation of 1,080.19 feet since it was first filled in the 1930s.

During the 1950s drought, Mead reached a low of 1,083.23 feet in April 1956.

September 1999
95% of Capacity

November 2014
39% of Capacity
The Challenge
For over seventy years, pursuing unilateral development, the U.S. and Mexico alternated between deadlock and confrontation.
The 1944 Binational Water Treaty includes a provision that specifies the U.S.'s right, under conditions of ‘extraordinary drought,’ to unilaterally reduce the annual amount of Colorado River water to be delivered to Mexico.
The Treaty does not include, however, the following critical specifications:

- 1) The definition of ‘extraordinary drought,’
- 2) Which are the criteria that trigger shortage
- 3) The volume of the shortage, and
- 4) How the reduction will be implemented
The Shocker
The two countries were able to reach a landmark agreement in 2012.

For the first time, the two sides have established a binational framework through which to co-develop and jointly manage these transboundary natural resources, as partners.
The Research
The research explores how the negotiators shaped these agreements, and in what ways they contributed to the resolution of these long-standing disputes.
In-depth interviews with over 70 negotiators in the U.S. and Mexico, including every one of the chief negotiators who had decision-making authority at the negotiating table: Presidents, Ambassadors, Secretaries, General Managers, NGO Heads, etc.
The aim is to explore in what ways the manner in which developed and developing countries conduct transboundary resource management negotiations can alter the prospects for finding agreement.
1. How they frame the dispute
2. Who they send as representatives
3. What preparatory work they do
4. What principles they use to structure the negotiation process
5. How they estimate their interests and those of the other side
6. What ground rules they follow at the table
7. How they respond to unpredictable circumstances
8. What criteria they rely on to create and distribute value
9. How they insulate agreement against spoilers
10. How they structure follow through
The Evidence
Public Dispute Resolution

1) Breeding Confrontation
2) Bringing More Issues to the Table
3) Embracing Flexibility
Adaptive Leadership

4) Detecting Judgment Hurdles
5) Breaking the Deadlock
6) Facilitating Renewed Perspectives
Collaborative Decision-Making

7) Working from a Shared Baseline
8) Trusting Each Other
9) Involving the Right People
Political Communication

10) Changing the Narrative
11) Guiding Decisions by Emotion
12) Focusing on the Benefits
Colorado River Agreement

- Establish a mutual set of criteria
  - Share in water shortages and surpluses
  - Adapt to present and future flows under conditions of drought

- Defer water allocations/Enhance storage upstream
  - Decrease salinity/Increase reservoir levels/Reduce upkeep costs
  - Repair infrastructure/Further investment
Colorado River Agreement

- **Restore riparian habitats**
  - Empower a broader set of stakeholders
  - Test and improve conditions through pulse and base flows

- **Create new water**
  - Harmonize regulation/Share infrastructure
  - Build joint seawater desalination plants/Facilitate water trades
Process Strategy
Both sides were able to shift from solely allocating costs to also allocating benefits.

The two countries reinterpreted the broader political and economic circumstances surrounding the shared water and energy resources, influenced in part by drastic natural disasters and resource shortages.
These events, in turn, modified the countries’ alternatives, drew stakeholders to the negotiations with revised mandates, fostered new back table coalitions, and led to a reframing of beneficial trades that had not been obvious earlier.

Changes in political leadership, especially in regard to the interpretation and response to transboundary challenges, were additional enabling factors making this shift possible.
Stakeholders can move beyond hard-bargaining tactics and avoid the ultimatums that accompany the presumption that there are not enough resources to go around, and that one side must win and the other must inevitably lose.
Thank you for this opportunity & for the conversations here tonight!