

**INDOPOTAMIA:**
NEGOTIATING BOUNDARY-CROSSING WATER CONFLICTS

General Instructions for Segment 1: Interests and Building Coalitions

The three countries sharing the Indopotamia River basin face significant water-management challenges, but lack a formal agreement governing international cooperation on these issues. The Regional Development Bank is prepared to assist in addressing these challenges through financing and implementing water-development projects, if the countries and some key interest groups can come to an agreement on how to proceed. If the parties cannot reach an agreement, it is likely that one or more countries will develop water projects on their own, which could cause a political crisis in the region.

The Parties

- **The Regional Development Bank (RDB)**

If the parties can reach an agreement, the RDB is eager to provide significant support for new development projects in the region. RDB believes its participation will provide substantial benefits in accordance with its mandates: (1) to help its member countries reduce poverty; (2) to help mobilize resources for environmentally sustainable growth; and (3) to foster regional integration.

- **Gamma's Ministry of Water and Energy**

The least-developed country in the basin and only recently emerged from years of civil war, Gamma has a strong interest in a new agreement to develop water resources to improve the lives of its people and strengthen its economy.

- **Alpha's Ministry of Water Resources**

The largest and most-developed country in the basin, Alpha has a long history of water use and has extensive water infrastructure in place. Historically, Alpha has opposed a regional approach to water management, preferring bilateral agreements.

- **Beta's Ministry for Sustainability**

Beta is generally in favor of a regional water agreement that includes measures implemented by/in upstream countries to address their poor land- and water-management practices, which Beta blames for downstream flooding and environmental damage.

- **Mu State's Economic Administration**

Situated within the delta, Mu State is home to Banaga, Alpha's most industrial city. Mu State is pleased by the prospect of new development projects, but wants to ensure local governments share in their benefits, which has not always been the case.

- **Global Water Management Organization (GWMO)**

GWMO's regional office in Banaga, Alpha is one of 10 global research centers supported by governments, private foundations, and international and regional organizations. GWMO's mandate is to improve how water and land are managed for the environment, the livelihoods of poor communities, and good will, through an integrated approach to water-resources management.

- **International Conservation Institute (ICI)**

ICI is an independent foundation and global organization, which acts locally through a network of country and regional offices to help societies to: (1) conserve their natural biodiversity; (2) use their natural resources in an equitable and ecologically sustainable manner; and (3) reduce pollution. ICI is concerned about the potential negative environmental and social impacts of new development projects.

- **Water Infrastructure Engineering and Design (WIED)**

WIED is a globally respected engineering and design consortium, whose members are active in water-development projects in more than 30 developing countries and in this region. WIED is enthusiastic about the possibility of a new agreement for more efficient development of the Indopotamia.

- **Mediator**

All participants agreed to select a representative from Adiuto to serve as the mediator for the negotiations. Adiuto is a not-for-profit organization of practitioners and theorists in the fields of negotiation, dispute resolution, and dispute system design, which works with governments, intergovernmental organizations, nongovernmental organizations, experts, communities, and business to negotiate more effectively, build consensus, and resolve disputes.

The Development Process

Several months ago the Regional Development Bank entered into discussions with the three countries toward initiating a cooperative development strategy for the Indopotamia River. Based on these discussions, the RDB convened these negotiations, in cooperation with several other regional organizations and the three national governments. Civil society groups have criticized past development projects for neglecting to involve people who bear the negative consequences of the projects. Sensitive to this criticism, the RDB has invited a number of different participants to these negotiations and will not move forward with development plans unless the proposals receive significant support from them.

Although the RDB would prefer unanimous support for any final agreements, it has

pledged financing and support if: (1) at least seven of the eight participants agree to a final package in each segment of negotiations; and (2) the agreements include the representatives from each of the three Indopotamia countries and RDB. Each country has veto power over the final agreements, as the RDB requires support from all basin countries on projects like these, in international river basins likely to have transboundary impacts. As the only party with the capacity to initiate transboundary development, the RDB can also veto any final agreement.

If these negotiations fail and the participants cannot reach agreements, there will be considerable uncertainty over the future funding of any regional water projects. Countries may try to secure alternate financing to proceed unilaterally with their water-development plans, which could spark an international political crisis.

General Descriptions of the Indopotamia River Basin

Below are general descriptions of the Indopotamia River basin, its politics, and economic situation. Each party's Confidential Instructions contain additional details.

- **Water**

The Indopotamia River flows roughly 1,500 km from high mountains located in Alpha and Gamma, through terraces, hills, and vast floodplains before discharging into Ruo Bay through an extensive delta shared by Beta and Alpha (see map and table in Appendix A). The high, mountainous areas in southern Gamma and a few areas in Alpha are prone to severe thunderstorms and landslides. Gentle hills and plains characterize much of the central basin in Alpha. About 70% of Beta is situated at or below one meter above sea level. The Indopotamia basin encompasses about 1,016,000 square kilometers. Sixty-nine percent of the basin is farmed, 12% is wetlands, 9% grassland, 6% urban and industrial areas, and 4% forest. Agriculture accounts for 85-95% of all water withdrawals in each of the countries. In the last decade, the Indopotamia experienced devastating dry season droughts and wet season floods.

The countries urgently need short-term arrangements to address projected water shortfalls for the coming year's dry season, and recurrent flooding in the wet season. Some of the River's variability is natural, but climate change and land-use practices may be exacerbating this variability. The poorest residents of the region have access to far less clean water than the World Health Organization standards set as a bare minimum. A shift to using groundwater reduced exposure to pathogens and increased the reliability of water for growing crops, but also contributed to widespread poisoning from naturally occurring arsenic in central Beta and the delta region.

Interest in new water-development projects to respond to these challenges has sparked a "race to develop," as countries, concerned about how projects in other countries will affect their own ability to use the basin's water, try to act now to develop the water.

- **Politics**

All three countries associate water development closely with their national identities and feelings of self-determination. Gamma, only recently emerged from decades of civil war with a weak power-sharing democratic government, sees water development as a way to attract foreign investment and grow the economy. Beta voted in a new government last year on a platform to address widespread poverty by combating government inefficiencies and improving infrastructure and basic services, including flood protection. Water development is a major election issue in advance of Alpha's federal elections next year with opposition groups, including the main contender from Mu State, criticizing the ruling party for not developing available water resources more extensively for the benefit of state and local economies.

In general, Beta and Gamma consider Alpha's existing water development a limitation on their own future water development and are mistrustful of any plans by Alpha to expand its water projects. Alpha contends Beta and Gamma have yet to provide credible data demonstrating transboundary harm from any of its water projects.

Other major disputes further complicate relations between the countries. Ten years ago, Alpha began diverting water at Sami, near its border with Beta, to supply water to its port city Banaga for domestic and industrial use and to improve navigability of the shipping channel. Beta requested additional information about the diversion, but Alpha delayed sharing information until it could gather sufficient data. Despite some subsequent expert-level meetings, the two countries have not been able to agree on what data are relevant to the discussion about the diversion, so it remains a major dispute between them.

A few years ago, Alpha constructed a hydropower dam on a tributary near its border with Gamma and established a security presence to protect the facility. Gamma objects to Alpha's increased security presence in this area, which the two countries fought over 20 years ago. Gamma also accuses Alpha of ignoring criminal groups that cross into Gamma for illegal logging and then transport the logs to Alpha to sell them and finance rebel activities within Gamma. Alpha vehemently denies any involvement in illegal activities or in its neighbor's political affairs.

- **Economy**

Alpha is the regional economic powerhouse. Nevertheless, some of Alpha's rural population is very poor and are vulnerable to crop failures in years with weak monsoons. Beta's economy has seen strong growth over the last decade, despite challenges, including a large population, widespread poverty, poor education, and a lack of physical infrastructure. Each year, Beta is forced to spend significant sums on flood and drainage control and infrastructure repair. Gamma is one of least-developed countries in the world. Agriculture is the main contributor to its economy, but in recent years Gamma's economic growth has declined due to poor crop harvests.

Despite acute food-security concerns, national priorities may be shifting from using water for agricultural production to supplying urban households and businesses. Demand for power is growing and access to reliable electricity is a concern for all of the

Indopotamian countries. Gamma and Alpha have been looking into developing new hydropower facilities to meet growing demand, and there seems to be some interest in connecting and sharing power resources between the three countries.

The Upcoming Week of Negotiations

All eight negotiating parties have agreed to attend all four segments of negotiations. The first negotiation segment will last 60 minutes. The negotiation sessions for the other three segments will last 90 minutes each, and all negotiations must stop at the end of the session. A professional mediator may assist the parties. A schedule for all negotiation segments follows.

Segment 1: Interests and Building Coalitions

- Key decision: Do I want to enter into a coalition (strategic alliance) with any other party or parties?

Segment 2: Information Sharing and Knowledge Generation

- Key decision: How should a joint fact-finding process be designed?

Segment 3: Option Generation

- Key decision: What sustainable development priorities should we fund?
- Key decision: What criteria should we use to decide between possible priorities?

Segment 4: Deal Making

- Key decision: What are our strategies for agreeing on and an implementing a final package?

Logistics for Segment 1

- You will have 45 minutes to prepare for the upcoming negotiation with workshop participants playing the same role from other groups. Please see Appendix B for Frequently Asked Questions.
- You will go to your negotiating table and then have 60 minutes to caucus with other members of your negotiating group. Please stay at or near your table so the other members of your negotiating group can find and speak with you.
- The workshop will reconvene for 30 minutes to debrief the negotiation.

Appendix A: Indopotamia River Basin



The Indopotamia Basin and Its Countries

	Total country area (km ²)	Country's area in the basin (km ²)	% Total area of basin contributed by country	% Total area of country lying in the basin	Dependency ratio ¹
Alpha	2,032,000	690,880	68	34	34
Beta	186,612	182,880	18	98	91
Gamma	237,066	142,240	14	60	6
		Total basin area= 1,016,000			

¹ The water dependency ratio compares a country's internal renewable water resources, or the annual flow of all rivers and groundwater produced from precipitation within the country's territory, to the total renewable water resources available to a country per year. Lower numbers indicate a lower dependency, meaning a country generates most of its water resources internally. A higher number indicates a higher dependency, meaning the country receives a greater percentage of its water resources from other countries.

Appendix B: Frequently Asked Questions

How will decisions be made within this negotiation? The participants do not need to reach an agreement on Segment 1. For Segments 2 through 4, if possible, decisions should be made by consensus. If a consensus cannot be reached, then a seven-out-of-eight vote is needed to approve any plan. The Ministries from each of the three countries and the representative from the Regional Development Bank must be part of any agreement.

How much information may I share with other participants? Each participant may explain his or her objectives and underlying interests to others in as much or as little detail, and with as much or as little accuracy as he or she thinks is appropriate. However, participants may NOT show their Confidential Instructions to any other player. (There's no way in "real life" to prove that you are telling the truth!)

How closely do I have to follow my Confidential Instructions?

Participants must adhere to their confidential mandates, even if in "real life" they do not share those interests or beliefs. Participants will learn the most from the simulation if they play their roles with energy, drama, and a sense of humor. Be as creative as possible within your constraints to develop constructive approaches to the issues.

Are side caucuses (meetings) allowed?

The participants at each table are not required to remain seated together the entire time. That is, side caucuses are permitted among the parties at the table. If multiple groups are playing the game, each table should operate independently of all the other tables.

What happens in the event that the negotiations do not reach a decision?

If no agreements are reached (i.e., if proposals do not receive at least three votes in addition to the three Ministries and the Regional Development Bank), there will be considerable uncertainty over the future funding of regional water projects. The Regional Development Bank will withhold funding for any projects with transboundary impacts until an agreement can be reached. Countries may try to secure alternate financing to proceed unilaterally with their water-development plans. If this happens, it is unclear if or when negotiations could resume in the future.

Do we have to stick with the policy options outlined in our Instructions, or can we invent other options?

The group can invent other hybrid options as long as they are consistent with the information provided in the General and Confidential Instructions.

What is the best outcome possible?

Several creative outcomes are possible. In general, for all parties, the best outcome is one that produces an agreement and still allows each party to feel optimistic about meeting its own interests.