
STRENGTHENING BOLIVIA'S NEGOTIATION CAPACITY IN THE CONTEXT OF CLIMATE CHANGE & CLEAN DEVELOPMENT MECHANISM NEGOTIATIONS¹

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I. Introduction

A Negotiation Capacity Building project was implemented in Bolivia in 2000-2001 as part of the National Strategy Study (NSS) of the World Bank. The goal of the NSS Study was to strengthen Bolivia's participation in the Clean Development Mechanism (CDM) of the Kyoto Protocol. The subsequent Negotiation Capacity Building project was intended as a further strengthening of Bolivian negotiators' skills and competencies within the context of the Kyoto Protocol negotiations and the related CDM mechanisms. The Negotiation Capacity Building project was financed by the World Bank and the State Secretariat of Economic Affairs (SECO), Switzerland.

The NSS World Bank study delineated the main components of the Bolivian Government's strategy for participation in mitigation activities in the framework of quantified limitations and reductions of emissions of greenhouse gases, as defined by Annex B of the Kyoto Protocol (KP). To attain this objective of reductions, Article 12 of the KP defines the CDM, with the purpose to implement joint projects, between Annex I and Non-Annex I countries and to obtain Certified Emissions Reductions. In this context, the NSS study defined major areas of intervention for the Bolivian Government, identified the major market driving forces and institutional necessities, and began to outline a project portfolio for implementation in the country.

The purpose of implementing a Training Module inside the NSS Project was to enhance the negotiation capacities of the Bolivian delegates to the Climate Change Convention, as well as to strengthen these abilities in other Bolivian public officials not yet integrated in these negotiations and to facilitate their participation into the teamwork of the Bolivian negotiation delegation. As additional benefits, it was expected that these negotiation capacities could also strengthen the actions of Bolivian negotiators in other international fora dealing with environment and sustainable development, as well as strengthen related bilateral negotiations inside and outside the country.

What follows is a description of the design and implementation of the Negotiation Capacity Building Project hereinafter called Training Module and a concluding section summarizing lessons learnt and recommendations for future similar projects of negotiation capacity building in other countries.

¹ As originally appeared in the book by Jáuregi, S., Saner, R., Yiu, L. (Editors); "Climate Change and Environmental Negotiations: Global and Local Dynamics - Reflections from Bolivia". Los Amigos del Libro. Bolivia. 2001.

II. Goal

The goal of the Training Module hence was to strengthen the negotiation capacity of the Bolivian Government so that Bolivia could make optimal use of the opportunities present in the field of Climate Change and Clean Development Mechanism negotiations.

In other words, technical support and transfer of know-how was to be provided by the consulting partner, the Centre for Socio-Eco-Nomic Development (CSEND), to the responsible authorities of the Bolivian Government with the aim of enlarging the negotiation talent pool within Bolivia.

III. Objectives

The stated objectives of the NSS Negotiation Training Project were:

1. To ensure inter-ministerial cohesion of national country policy and strategy in the field of Climate Change and Clean Development Mechanism;
2. To strengthen Bolivia's negotiation effectiveness in the multilateral and bilateral contexts of Climate Change and Clean Development Mechanism;
3. To develop a prototype programme that could be replicated in other countries after completion of their respective NSS study project.

IV. Target Population

The target groups of this project were:

1. The National Government Ministries, Agencies and Public Organisations and their respective officials involved in CC+CDM negotiations and implementation (e.g. Ministry of Sustainable Development and Planning, Ministry of Foreign Affairs, Ministry of Economic Development, Ministry of Foreign Economic Relations, Central Bank, and Ministry of Finance).
2. Representatives of private sector organisations that would be affected by the outcome of CC+CDM negotiations such as chambers of commerce, professional organisations, NGOs and representatives of Civil Society .

V. Approach

A combination of active training and action learning approaches were used to achieve the objectives of the project. In addition, information technology was applied to provide on-line support during the action learning/project work.

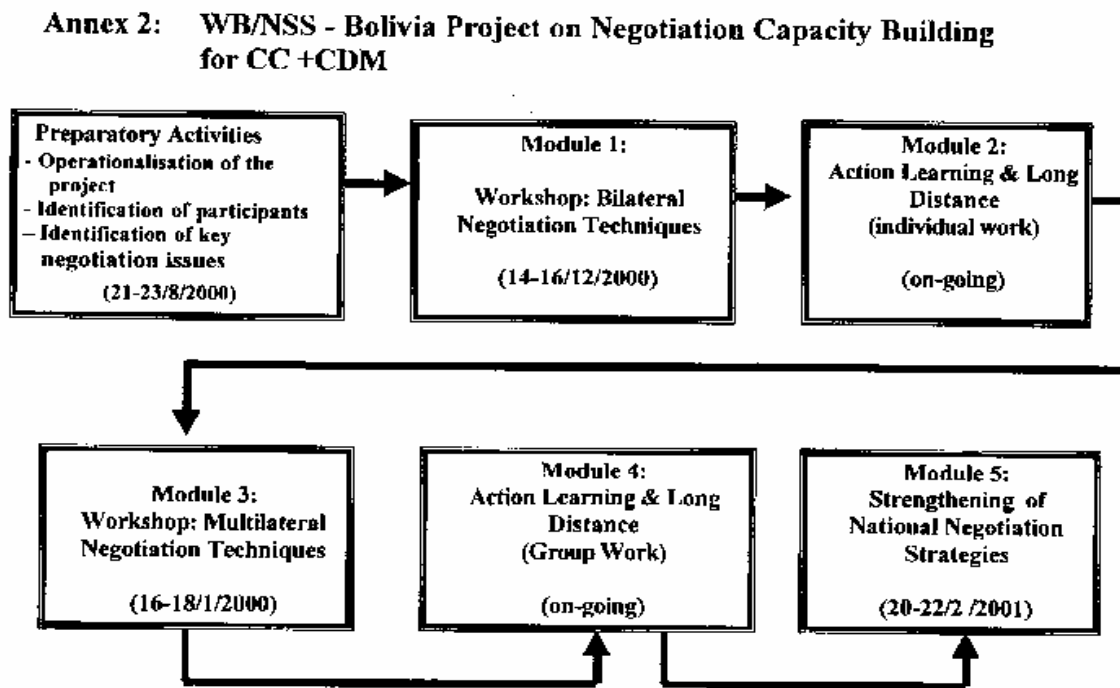
Active training methods were used for the training workshops entailing self-assessment, case analyses and negotiation exercises. Participants were expected to have the opportunity to practice various negotiation techniques and receive feedback for their results.

A negotiation simulation, which mirrored the complexity of the actual CC and CDM negotiations, was constructed jointly with the Bolivian partner, Lic. Sergio Jauregui, for the advanced workshop in order to help the trainees integrate their learning.

Action learning approach was used outside of the workshop context. Trainees were expected to prepare negotiation strategy papers on specific issues relevant for Bolivia's CC+ CDM negotiation and general environmental negotiations at national level. During this phase of project work, trainees were supported by CSEND consultants via internet.

VII. Project Activities

The project's key activities were grouped around five components. The overall design is presented in Figure 1 below:



A. Project Preparation

Activities at this stage consisted of the following:

- 1) Identification of a pool of qualified candidates for training from the target population.
- 2) Selection of 15-20 candidates for the training modules.
- 3) Prioritisation of the key issues within the field of CC and CDM negotiations most relevant for Bolivia.
- 4) Compiling of the existing key background documents supporting these key issues and the Bolivian National Strategic Studies (NSS).
- 5) Preparation of a negotiation simulation in the field of CDM and climate change.

Primary responsibility for carrying out tasks 1-4 was assigned to the Bolivian partner while CSEND was primarily responsible for setting selection criteria and for developing the negotiation modules and workshops and for guaranteeing quality control of the inputs and processes.

B. Training of Bolivian Negotiators

The major activities of this capacity building effort consisted of the training component of the project. The main activities of this training part were the following:

- 1) The Foundation Workshop (Module 1): focused on basic negotiation techniques (Distributive & Integrative Bargaining, Needs vs Position Bargaining, Value Creation, Behaviour of Successful Negotiators, Managing Negotiation Stress)
- 2) The Advanced Workshop (Module 3): focused on multilateral negotiation techniques (Negotiation Strategies and Tactics, Phases of Negotiations, Coalition Building, Chairing meetings, Leading Delegations, Negotiating Text, Managing the Internal-External Interfaces)

C. Action Learning and Distance Learning (Module 4)

In order to integrate the negotiation training with the actual task demands for CC and CDM negotiations, trainees of this project were grouped in learning teams and invited to work on specific group projects. The Bolivian government defined the topics of these projects in relation to the NSS report and the ongoing negotiations at the Climate Change Convention.

D. Strengthening of national negotiation strategy (Module 5)

Based on the findings of the various action learning projects that trainees undertook during Module 2 and Module 4, inputs were prepared, presented and discussed concerning Bolivia's CDM and Kyoto Protocol negotiation strategy.

This final phase of the project activities was intended to strengthen the country's own negotiation planning capacities by ensuring that CC+CDM negotiation teams would learn how to gather relevant data, prioritize issues and prepare negotiations strategies.

The five Modules should be seen as building blocks and its components as ongoing learning activities. The development and delivery of Module 1 and 3 were the responsibility of CSEND. Modules 2, 4, and 5 were joint responsibilities of CSEND and the Ministry of Sustainable Development.

The detailed outline of each module is listed in Annex 1.

VIII. Pre-Conditions/Assumptions

The project design (i.e., deployment of resources, timeline and deliverables) was based on the following assumptions which in fact were seen as *preconditions for the success* of the project, namely:

Pertaining to Overall Project Design

1. Individuals selected as participants for this Training Module of the NSS-Bolivia project would be released to attend the in-country workshops (Module 1,3, 5).
2. Participants/trainees of the project would be giving access to information in order to complete their action learning projects.
3. Individuals who could not fulfil the requirements of the foundation modules would be automatically disqualified for the higher level modules.

Pertaining to On-line coaching and distance learning

1. Participants were expected to have free access to internet facility and be reachable by e-mail

Pertaining to the local contributions

1. Bolivian counterparts at the Ministry of Sustainable Development would provide the necessary logistical supports in regard to the organisation of in-country workshops
2. Bolivian counterparts at the Ministry of Sustainable Development would be recruited and the qualified candidates for the project be selected according to the specification listed in the TOR

IX. Project Implementors

A. Implementing Organisation

The Centre for Socio-economic Development, a Geneva based not-for-profit foundation, was selected by the World Bank to implement this project. CSEND is a knowledge organisation specialised in institution development and capacity building. Over the past seven years, CSEND designed and implemented multi-year projects in the field of governance reform in developing and transition economies. In addition, CSEND has substantive expertise in the field of negotiation and has conducted training, coaching and consulting for multilateral organisations (WTO), governments and private sector companies over twenty years.

More information could also be found at the CSEND web site, <http://www.csend.org>.

B. Individual Consultants

The following CSEND personnel were responsible for the actual implementation of this project:

1. Dr. Raymond Saner was designated the main trainer/consultant of this project. His responsibility was to design and implement training workshops on bilateral and multilateral negotiation techniques.
2. Lic. Sergio Jauregui was designated to add specific knowledge on Kyoto Protocol and CDM mechanisms. His input was to develop negotiation cases and the capstone negotiation

simulation in close cooperation with CSEND and to review the Action Learning Project Reports.

3. Dr. Lichia Yiu was designated the consultant and facilitator responsible for the modules dealing with action learning and distant learning by providing the process design, on-line coaching and monitoring.

X. Results

The Negotiation Module was implemented in form of five Modules as follows:

1. A first Workshop for Module I, focused on basic concepts and bilateral negotiations, from the 14th to the 16th December 2000.
2. Individual work in negotiation cases, monitored by e-mail, for Module 2, between the first and the second Workshop.
3. A second Workshop on bilateral and multilateral negotiations, from the 16th to the 19th January 2001.
4. Group work on the current status of negotiations in the Climate Change Convention, between the second and the third Workshop.
5. A third Workshop on multilateral negotiations and strategy planning, from the 20th to the 22nd February 2001.

All Modules were successfully completed. The participants evaluated all workshops. The average score was 4.3 (5 best and 1 worst value). A total of 14 persons received either a Certificate of Attendance or a Diploma of Completion on the final day of the third Workshop.

Participants presented individual negotiation cases and developed strategies for the next round of COP negotiations and were given opportunities to practice negotiations. Generic negotiation cases were offered for practice and in close cooperation with Mr. Sergio Jauregi, three training simulations were developed for the implementation of the Negotiation Modules on the basis of information more closely reflecting Latin American conditions and information prepared and handed out on the CC Convention. The following inputs were developed:

- ? A bilateral negotiation mini-case, on distributive bargaining grounds.
- ? A bi-lateral negotiation case, with an integrative bargaining approach.
- ? An information document on the current status of Climate Change Negotiations.
- ? A multilateral negotiation simulation with roles for interest groups inside the CC Convention to be played by the participants.

In addition, to the aforementioned simulations, it was decided that at the end of the Negotiation Training Module, participants would be eligible for a Diploma or Certificate of Attendance based on their actual presence at the workshop and full participation the different work assignments of this

Negotiation Training Module project. It was further decided to write individual cases and contributions from experts and public authorities and to compile these texts into a book.

The decision to include contributions from some of the workshop participants together with other well known KP and CDM experts in a book published by our foundation (Centre for Socio-Eco-Nomic Development or CSEND) was to recognise these individuals' work and dedication to the project. This publication is part of CSEND's initiative to increase public awareness of KP & CDM and related negotiations. It also aims at contributing to a successful integration of future Bolivian negotiating teams at KP and CDM negotiations. It was expected this publication would support further internal discussions about the importance and relevance of CC Convention and sustainable development.

Areas for Improvement

Looking back at the three stated objectives of the Negotiation Training Module, the following comments need to be made and recommendations for improvement formulated. Taking the three project objectives in consecutive order, the following concerns and recommendation can be made:

4. Objective: To ensure inter-ministerial cohesion of national country policy and strategy in the field of Climate Change and the Clean Development Mechanism;

Negotiation and implementation of the Kyoto Protocol and the Clean Development Mechanism are complex in regard to content (areas of responsibility) and process, but also complex in terms of guaranteeing national cohesion before, during and after each COP negotiations. Each country has earmarked specific Ministries with the responsibility of planning and conducting the KP negotiations. However, the complexity of the issues at hand requires participation of several Ministries. While the Ministry of Sustainable Development and Planning is the leading Bolivian Ministry from the point of view of content and responsibilities, other Ministries are involved in policy and in negotiations, directly or indirectly as well, such as the Ministry of Foreign Affairs, the Ministry of External Trade and Investment, the Vice-Ministry of Energy and Minerals, the Ministry of Economic Development, the Ministry of Health etc.

In addition, countries would benefit from involving private sector organisations such as chambers of commerce and NGOs in the planning and implementing phases of international negotiations. Any agreement on joint implementation or CDM measures would most likely affect positively or negatively several constituencies. Hence it would be useful to include representatives of different concerned ministries and private sector groups in the whole Negotiation Training Project.

The project design identified the aforementioned groups and constituencies as target populations to be included in the list of participants. This, however, was only partially possible despite many attempts at getting representation from these different groups. Part of the difficulties in regard to inter-ministerial recruitment and private sector participation was due to old and established institutional disagreements or lack of coordination, scarcity of qualified personnel and work overload of those who would have been qualified.

Several of the assumptions or project pre-conditions could not be upheld. For instance, a large number of participants were not released from day-to-day work and could not attend all workshops, nor were they given sufficient time during work hours to complete their project assignments. The result of this was under-representation of some Ministries and private sector organisation, and irregular attendance at workshops due to competing job assignments.

5. To strengthen Bolivia's negotiation effectiveness in the multilateral and bilateral contexts of Climate Change and Clean Development Mechanism;

Effectiveness of national negotiation teams presupposes, among a longer list of personal competencies and congruence of national policies in the area that is being negotiated. A government ideally should not uphold policies in related fields, which contradict and thereby potentially undermine a national position in a given negotiation. Applied to KP and CDM negotiations, it became apparent that Bolivia's negotiation positions at multilateral negotiation fora like the World Trade Organisation (WTO), the Kyoto Protocol and Biodiversity Convention are partially in contradiction with each other. Similar policy conflicts exist between national investment policies (e.g. gas and petrol extraction in national parks) versus national laws and policies governing sustainable development and environmental conservation.

One example of this was the case of environmental requirements in the context of international trade. It appears that the authorities responsible for external trade policies and foreign relations would have preferred that Bolivia to adopt a more conservative approach in the negotiations leading to the approval of the Biosafety Protocol, but this was never expressed at the highest level, notwithstanding that middle-level officials participated in the meetings to determine the national position at this forum¹. One other case was presented in relation with the link between sustainable development and international trade. In this case, the positions of the Bolivian negotiators in different fora (i.e., the WTO and the UN Commission on Sustainable Development) were coincident only by chance. The delegates at the WTO had already decided a line of de-linking international trade and the requirements for sustainable development and a fair environmental management, that is, not accepting disguised barriers to trade with the pretext of sustainable development or environmental impact assessments, when the delegates to the UN CSD were just starting to discuss this at the national level. Eventually (and luckily), the conclusion and the definition of positions was the same, coming from different ends, even though this issue was never coordinated within the different public institutions involved in both negotiation processes. This is not always the case, and more often, Bolivian negotiating teams hold contradictory positions in different fora.

6. To develop a prototype programme that could be replicated in other countries after completion of their respective NSS study project.

This pilot project could easily be replicated elsewhere, provided that the KP negotiations will find a way out of the current impasse partially caused by the gaps between the USA and EU negotiation positions. Assuming continuity of the KP process, it would be important to assure adequate political

¹ Needless to say, the delegates of the authorities in charge of foreign affairs and the negotiation at the WTO never communicated the impressions or difficulties of the delegates at the WTO negotiation on transgenic products to the working groups convened to define the Bolivian position at the Biosafety negotiations. This was perhaps out of lack of knowledge or due to a misjudgement of the importance of what was at stake. In any case, the example given reflects the lack of coordination among different public institutions, or even within the same institution.

support by the key Ministries leaders to ensure that participants will be given sufficient time and means to attend the workshops and to complete the various assignments (learning projects) which form a crucial component of this capacity building project.

In addition, it would be imperative to ensure that the local counterpart, e.g. national expert and project coordinator, is competent in the field of KP negotiations and, at the same time, is able to draw on a network of personal and institutional contacts in order to guarantee continued participation in the project. He has to be able to resolve the inevitable tensions emerging at any time during the project's life cycle due to unforeseen crisis and competing demands posted by the respective superiors for the time and attention of the project participants. The local counterpart's social credit and perceived professionalism, competence and impartiality are even more so of essence in situation where resources are scarce and work pressures multiple. At the same time, flexibility and constant adaptiveness is a requirement for the external project experts who also need to be willing and ready to constantly readjust time tables and hence commitments. Both of these pre-conditions were fulfilled for this pilot project and similar mutually complementarity between local and foreign experts would also be of the essence in third countries.

Recommendations:

Assuming a resumption of the Kyoto Protocol negotiations, we propose the following recommendations to the Bolivian government for future action:

- a) There is a further need for capacity building in negotiation at the national level in Bolivia in view of the limited number of people trained so far. This pilot project could be further enhanced by an implementation of a second phase to the already completed Negotiation Training Module. This additional phase could for instance include representatives from the Ministries, which so far have not participated, and from economic sectors and institutions from the sub-national regions.
- b) Provided additional resources can be committed to a second phase, it might be useful to add a sixth Module consisting of coaching and preparation for future KP negotiations. For instance, trainees could accompany future Bolivian negotiations to actual negotiations, be available as resource to the official negotiators and learn about other countries' negotiation strategies and positions on the spot. This direct experience could be complemented by debriefing workshops bringing together representatives of the main Bolivian institutions and organisations involved in the current KP & CDM negotiations.
- c) There is a need to clarify policy conflicts and to come up with national consensus in regard to KP and CDM negotiations. For instance, it might be useful to bring representatives together into a common training context representing e.g. Bolivia's Ministries responsible for negotiations at other fora such as the World Trade Organisation (WTO), the Biodiversity Convention and KP & CDM negotiations. A three-day inter-ministerial simulation of a negotiation could be developed to provide a practical and limited context for such a dialogue and coordination.
- d) Creating regular policy coordination mechanisms could further help reduce policy conflicts and strengthen Bolivia's negotiation strategy. The same holds for public-private sector coordination especially in regard to harmonising energy policy, investment policy and policies in the field of sustainable environmental development.

Conclusions

While KP & CDM negotiations offer developing countries, such as Bolivia, opportunities to achieve financial benefits and possibilities for more sustainable development, developing countries will however need adequate negotiation capacities to capture these opportunities and to realise potential gains. This pilot project -- NSS Training Module in Bolivia -- was proven to be a successful formula to increase a country's negotiation capacities in a relatively short time and with limited investment in financial and human resources. It could be easily replicated in other Latin American countries with minor adaptations. It could also be replicated in other developing countries with limited retooling of case materials and simulations.

However, training does not always lead to better performance. There are contextual factors which hinder the transfer of learned knowledge and skills and which prevent a country from reaching positive negotiation outcomes. These contextual factors, excluding the more complex geo-political power plays, are often mirrored within a country's own administration. These factors such as fragmentation of policy making processes, turfism, inadequate organisational resources, lip service to environmental conservation and sustainable development etc. just to name a few. There is also the issue of proper utilisation of trained staff. Without stability of personnel, it is difficult to maintain continuity and to retain the needed institutional memory, especially in the case of KP & CDM negotiations.

Therefore, it is mandatory to use training as a part, an important part, of the institutional intervention to build up internal capacities across public and private sector and across ministerial boundaries. Capacity building at the institutional level requires political will and adequate resource allocation. Institutional capacity building, which goes beyond training inputs, needs to be the goal of the next phase of strengthening Bolivia's negotiation capacities in the context of KP & CDM negotiations.

Annex 1: Detailed Outline for Each Training Module

Module 1: Negotiation Theory and Research

- ✍ Bargaining (Distributive & Integrative)
- ✍ Analysis of Needs and Motivations
- ✍ Behaviour of successful Negotiators

- ✍ Cross-cultural Negotiation Variances
- ✍ Managing Negotiation Stress

Duration: 3 days

Location: La Paz

Module 2: Action Learning and Long Distance Learning

- ✍ Individual work assignments coached by CSEND experts via internet

Requirement: Completion of Module 1

Module 3: Multilateral Negotiations

- ✍ Negotiation Strategies and Tactics
- ✍ Phase of Negotiations
- ✍ Leadership of Negotiation Delegations
- ✍ Complex Negotiations (public & private sector)
- ✍ Chairing multilateral negotiations

Duration: 3 days

Location: La Paz

Requirements:

1. Completion of Module 1 & 2
2. Each participant prepares a negotiation case to be presented to the group for discussion.

Module 4: Action learning and long distance learning

- ✍ Group work assignments focusing on CC+CDM negotiation issues
- ✍ coached by CSEND experts via internet

Requirements: Completion of Modules 1,2 and 3.

Module 5: A seminar to strengthen CC+CDM negotiation strategies at national level

Duration: 3 days

Location: La Paz

Requirements: Successful completion of Modules 1,2,3 and 4.

