

## Negotiation Game: 2050 Burabarra Energy Strategy OVERVIEW, STRUCTURE AND FORMAT

### 1. NEGOTIATION GAME GENERAL SCENARIO

Burabarra is a country located in southern hemisphere, northern borders are just beyond the Tropic of Capricorn). It is a large, mostly flat coastal country with mountainous range in the east part covering an area of 430 235 km<sup>2</sup>. On the north there is arid zone and desert, in the centre and south some fertile areas. Burabarra is blessed with considerable natural resources. There are 45 million Burabarrians Capital: Barran, 4,5 mil. The economy is dependent on the energy sector, while the political situation is quite stable with a strong, but democratic government. Conventional resources (lignite and conventional natural gas) have powered Burabarra into being the dominant energy supplier of the region, and now you look towards refining and planning the development of your energy sector over the next few decades. Along with the government in this process are a number of other industry associations and independent groups who have stakes and interests in the outcome document. Specific information on economic indicators and the state of Burabarra's energy sector follows: The map of Burabarra is attached below.

- Existence of national lignite reserves being used for 65% of electricity production, suffice for next 200 years at least. Most thermal power stations are of old inefficient technology and are close to the end of their life cycle.
- Recently discovered shale gas deposits of considerable size. Burabarra lacks skills to develop them. The Burabarrian Government has repeatedly stated in public that it did not want to become dependent on foreign skills for making shale gas available.
- Traditional onshore gas production peaked 30 years ago. Significant offshore gas fields have been discovered five years ago and are expected to enter exploitation within next 5-10 years.
- Continental shelf off the coast is ideal for large scale offshore wind production.
- The northern Province Northenbura is a desert region with plenty of sun (>280 days per year), allowing theoretically to cover national energy consumption.
- There is a mountain range in the east of the country crossing to Burabarra from the neighbouring region, with number of smaller hydropower stations.
- Global context of global GDP growth of 2.9% per year.
- Scientific awareness that CO<sub>2</sub> increase is 97% likely to cause climate change
- Political debate often questions accuracy of scientific analysis. Burabarra's previous Government was climate sceptical. They signed the UNFCCC Paris Agreement, but it was ratified only last year, after the change of the ruling coalition in 2019. Burabarra's NDC Plan lacks necessary ambitions.
- Burabarra has no nuclear power station. One of the options of the government is to produce energy by nuclear power; however, government does not want to become dependent on foreign skills for developing the nuclear option.
- Energy efficiency: Burabarra is among the countries of the world having highest energy intensity.

## 1.1 OBJECTIVES OF THE BURABARRIAN GOVERNMENT IN THE ENERGY STRATEGY 2050

- Energy security: defined as security of supply, security of transit, security of demand, and absence of energy poverty.
- Competitiveness: Nationally produced energy shall be affordable for national consumers with actual purchasing power. Burabarra already exports energy and wants to raise the role of energy exports in GDP.
- Sustainability: Energy Strategy 2050 aims at avoiding choices which are not sustainable. It defines sustainability as the ability to satisfy the needs of the present without compromising the ability of future generations to meet their own needs.
- Government wants to use the adoption of the new Energy Strategy for preparing new Nationally Determined Contribution (NDC) to be submitted to UNFCCC prior the next COP 28 meeting in Dubai 2023

## 1.2 STAKEHOLDER DESCRIPTIONS

### Environmental NGO

- Burabarra Forum for Clean Air (BFCA) is the oldest grassroots environmental movement in Burabarra. Historically it was fighting for transition from lignite (traditional and cheap, but dirty fuel abundant in Burabarra) to gas with important success in gasification of big cities and power generation in their proximity.
- After 2015 (COP21 Paris agreement) they moved the focus on climate issues. BFCA is closest in their views to those of BAS. In the past they developed very close relations with GAB.
- Since Paris Agreement's ratification and the global climate diplomacy consensus about need of phasing out of all fossil fuels, interaction between BFCA and GAB become very tense. BFCA doesn't have a clear public position on nuclear energy.

### Electricity Association

- In Burabarra, electricity has been developed steadily in the past decades, with increasing speed of development in the last few years. Electricity grid has been brought to most areas of the country, with exception of the Northern desert-like Province Northernbura which is scarcely populated and whose villages have almost not been connected to the national grid.
- Burabarrian electricity sector is structured in three companies. The biggest company is Burabarra Power (BbP), covering production and distribution of the major part of the country. It is fully state-owned and operates all but one thermal power plant using lignite as a fuel. BbP has plans for developing solar energy in the Northernbura Province. In cooperation with IAEA, BbP has also made first assessment for developing nuclear energy.
- Two decades ago a smaller mixed private-public sister company PowerHumra, has started production from gas and distribution around the coastal city of Humra whose local authorities maintain a control package of PowerHumra shares. An onshore wind plant have started operation two years ago. PowerHumra propagates onshore and offshore wind.
- There is third power company HydroPower owned by foreign investors. HydroPower controls most of Burabarra's pump storage capacity. HydroPower is providing essential grid services for Burabarra. It is a key player in supporting integration of higher share of intermittent solar and wind.
- The transmission grid has been outsourced a few years ago by governmental decree to the state grid operator BurraGrid.

### Academy of Sciences

- The Burabarrarian Academy of Sciences (BAS) is a prestigious institution. In the past years several of its members have received Nobel Prizes. The Burabarrarian Academy of Sciences is responsible for fundamental and applied research. It has a well-known international institute for systems analysis, which favours interdisciplinary research. The BAS monitors all international research on climate change.
- The BAS has been instrumental in showing that technologies exist to enhance the energy efficiency of Burabarra. In one paper, the BAS expressed concern that Burabarra is among the countries of the world having least energy efficiency. The BAS shows that Burabarra has the technological capacity to develop technologies that improve energy efficiency in various domains.

### Gas Industry

- GAB is the sectoral body of Burabarrarian gas producers. Its most important member is a state-owned company Burabarr Gas (BbG).
- In recent years the gas pipelines have been built by the pipeline operator Buratube. Recent offshore developments are done by 50:50 joint ventures operated by international gas companies, as BbG didn't developed skills and technologies necessary for offshore drilling and lacked financial capabilities do bankroll investment of this size.
- A few other independent players are also involved in BbG. Burabarra used to exports gas by pipeline in the past. There is a plan to build an LNG liquification train. Both export options are being discussed publicly.

### Lignite industry

- Burrabara has thousands of lignite mines, most of them very small. They are spread in vast rural arid areas where lignite deposits in historic past where on surface. In most areas lignite is developed in open pits. Coal miners make up 13% of the national work force. Coal is cheap, available everywhere but creates smog in Burabarrarian towns. In some lignite dense areas life expectancy is at 56 years for men and 64 for women, well below the national average (63 years for men and 69 years for women).
- Miners have at times been protesting over living conditions and working conditions in their areas but have resisted any reforms. As no change happened, there has been a steady migration flow from rural coal areas to urban and coastal areas. As a result, the share of mine workers in the national work force has been decreasing over the years and will continue to do so in the future.
- Lignite industry is in hands of local "coal barons" and is represented across the political spectrum. However most of coal barons are reflecting conservative values and identity, while workers leans to left and extreme left parties.

## **2. THE NEGOTIATION GAME WITHIN THE OVERALL ENERGY DIPLOMACY COURSE STRUCTURE**

The core of this exercise is the simulation of the negotiation process on the draft Burabarrarian national Energy Strategy 2050 document, within a framework of stakeholder roundtable discussions. These General Instructions detail the conduct and structure of the game. Please, read them carefully and familiarise yourself with the information, as you will receive Role Allocation and more specific instructions on the day the negotiation game starts.

There will be one introductory session, during which you will receive further documents necessary for the negotiations. At the end of the simulation there will be a feedback session that will allow for impression sharing among the participants.

## 2.1 THE INTRODUCTORY/FEEDBACK SESSIONS

The introductory session is supposed to familiarise you with the context and key facts relating to the Energy Strategy 2050 (including the key terms and definitions). The end-game is to agree on the outstanding open issues that make up the main elements of the Strategy.

During the feedback session on the third day, the simulation is analysed and discussed. The aim is to reflect upon the negotiation process and to see how negotiation results compare with initial aims of the delegations. It is also the moment to assess what the participants have learned about the actual process of negotiating a strategy, taking into account all legal, technical, economic and political aspects and constraints. Some general recommendations and conclusions will be drawn, for future reference. Lastly, the participants will be asked to evaluate their experience with the negotiation game as part of a broader Energy Transition Diplomacy course evaluation.

## 2.2 THE SIMULATION

The overall objective of the simulation is to agree among the participating stakeholders on the main elements of the Energy Strategy 2050 document, under the auspices of the government.

## 3. DELIVERABLES

As part of the simulation exercise you will be asked to produce certain documents – the deliverables – depending on the role you are assigned. One set of deliverables – official documents – is prepared by the government and subsequently debated by the various national stakeholders. The second set of deliverables – stakeholder documents – is drafted separately by stakeholder delegations. The resulting documents are collective deliverables of the whole group, thus teamwork is essential. These documents should reflect papers produced in the real world, although slight adaptation to the simulation will take place. The deliverables will have a great effect on your position and the position of other stakeholder delegations during the negotiation.

### 3.1 OFFICIAL DOCUMENTS

#### 3.1.1 Draft Energy Strategy 2050

The Negotiation Game simulates that you, as different Burabarrian stakeholders, participate in the official roundtable discussions on setting the essential elements of the national Energy Strategy 2050. Therefore, the government presents you with a draft of the latest text, with the outstanding issues that need resolution highlighted [with brackets]. Any part of the text can be discussed and modified, not just the highlighted clauses. The Strategy represents a political agreement on the modalities, for later concretisation by the government into legislation.

#### 3.1.2 Stakeholder Press Releases

Even though the final adoption ceremony of the Burabarra Energy Strategy 2050 on the third day (8 March 2023) serves as a forum for officially announcing the achieved common position of the participating delegations, individual Heads of stakeholder delegations usually want to communicate with the press about the result from their perspective. As a final step of the simulation, stakeholder delegations will produce a Press Release for use among their members in which the results of the negotiations are justified with respect to positions held prior to negotiations. The press release should be a short document (5-10 sentences) focusing on political messages. The language should be simple and understandable to the general public. The challenge will be to find balance between the positions held before the negotiations and the official outcome of the negotiations.

## 4. THE DECISION-MAKING PROCESS

Even though formal negotiation sessions have been scheduled in the agenda of the Energy Transition Diplomacy Course, delegations are free to communicate informally in and outside of formal sessions. However, final decisions can be taken only during official formal sessions as indicated in the agenda.

### 4.1 PREPARATORY SESSION (6 March)

Participants are divided into stakeholder delegations and allocated respective roles, as well as provided with general instructions, the scenario, and stakeholder-specific positions.

### 4.2 FIRST NEGOTIATING SESSION (7 March)

Depending on the state of negotiations, you may also receive a new set of instructions from your organization to reach an agreement at the end of this session.

### 4.3 CONCLUDING SESSION (8 March)

You will deliver your press release based on the achieved results the day before. The negotiation exercise and your conduct will be analysed. Your comments and remarks are appreciated.

## 5. RULES OF PROCEDURE FOR FORMAL MEETINGS

- Delegates are seated according to the seating plan;
- The Chair (Government) guides the session, proposes the agenda (subject to delegations' approval), determines the procedure to be used during the session and decides on objectives and timing;
- The Chair opens proceedings by welcoming the delegates to the meeting, and can request members of his/her team to outline the situation and issues to be addressed;
- The Chair indicates which particular point is to be discussed;
- The Chair is responsible for keeping a list of speakers (following the order in which they have indicated their wish to speak);

- In the open discussion, delegations may express their positions on the issue discussed, put questions to the Chair and suggest amendments to the proposal on the table;
- At appropriate points in the debate, the Chair sums up the discussion and identifies point of (dis)agreement;
- There may be adjournments for informal discussion (including bilateral discussions). These should be timed and in no case longer than 10 minutes.

## 6. ROLES

### 6.1 CHAIRMAN DELEGATION (GOVERNMENT)

- Chair
- Legal Advisers

### 6.2 DELEGATIONS

- Head of Delegation
- Members of the Delegation

## ANNEX I: MEETING TIMETABLE

MONDAY 6 MARCH	TUESDAY 7 MARCH	WEDNESDAY 8 MARCH
<p><b>Introduction</b></p> <p>Introduction, instructions and stakeholder briefings, deliberation of positions within delegations.</p>	<p><b>Formal negotiations</b></p> <p>Short intra-delegation meeting for coordination, the first and second round of negotiations leading to a concluded agreement.</p>	<p><b>Final negotiations, Press Conference and Feedback Session</b></p> <p>Short negotiation session if needed to resolve final issues</p>
<p><b>Deliverables:</b></p>	<p><b>Deliverables:</b></p> <p>By the end of the session, strong progress should be made at resolving the outstanding issues.</p>	<p><b>Deliverables:</b></p> <p><b>Official Press Conference</b></p> <p>Feedback from the participants and instructors</p> <p>Lessons learned, Recommendations, Conclusions</p>

## ANNEX II: COMPOSITION AND SEATING PLAN





## ANNEX III: GUIDELINES FOR POSITION BUILDING

1. The scenario
  - a) What are the main features of the scenario?
  - b) What may lie behind it?
  - c) Are any other issues involved?
2. Implications for your delegation
  - a) What are the implications for your organization?
  - b) What are the implications for your external policy?
3. Negotiating objectives
  - a) What is your preferred outcome?
  - b) What must you achieve?
  - c) What are your principle/secondary objectives?
  - d) What may be negotiable?
4. Positions of other participants
  - a) Which positions are already known?
  - b) What information do you need to supplement what you already have?
  - c) Which delegation(s) would you expect to be most influential?
5. Line to take at the meeting
  - a) What is the basic position you want to explain?
  - b) Tactically, how do you intend to achieve your objectives?
  - c) Can you establish links with other delegations?
  - d) If your position is unlikely to be central to the discussion, how could you help the process of negotiations?
  - e) How much movement do you expect to take place at the forthcoming meeting?
  - f) What plans do you have for subsequent meetings?
6. Other factors
  - a) Are there any legal implications?
  - b) Are there any financial implications?
  - c) What groups could you consult to gain more information?

## ANNEX IV: SCENARIO MAP

