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## **He Legacy of Ecuador's Yasuní-ITT Initiative**

**Carlos Larrea Maldonado**

**June 2023**



# LEAVING FOSSIL FUELS UNDERGROUND

*DEJANDO EL CRUDO BAJO TIERRA*

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## INNOVATIVE TOOLS FOR SUPPLY-SIDE MITIGATION

## THE LEGACY OF ECUADOR'S YASUNÍ-ITT INITIATIVE

**By: Carlos Larrea**

**June 2023**





### LFFU in biodiverse hotspots of developing countries

Here we will discuss some ideas about the Yasuní-ITT Initiative. This was a former proposal presented to the United Nations by the Ecuadorian government in 2007. For the first time, this initiative aimed to leave fossil fuels underground in a biodiverse hotspot in Ecuador. Despite its cancellation in 2013, it is still essential and might even provide a model for future mitigation tools.

### The Legacy of Ecuador's Yasuní-ITT Initiative

One of the most important objectives of the Yasuní-ITT Initiative was to save the Yasuní National park. The park has been regarded as one of the most biodiverse hotspots in the world.

### Oil and Development in Ecuador

The country has been an oil exporter since 1972, and oil has become the backbone of its national economy. About 50 years ago, there were big expectations regarding oil's positive contributions to managing the issues of underdevelopment. However, this did not happen. Oil extraction produced:

- ▶ Low and unstable economic growth
- ▶ Minimal economic diversification
- ▶ Weak social distribution
- ▶ Environmental costs that oil extraction has in an undisturbed and megadiverse region.





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The Ecuadorian Amazon is almost half of the territory of the country. The northern part has mainly suffered the destructive effect of oil extraction, where deforestation rates reach 13% from the original undisturbed primary forest. This is important to mention because although eight countries share the Amazon rainforest, only Brazil has a higher deforestation rate which reaches the 17%

### From the Yasuní-ITT Initiative to oil extraction

The significance of the Yasuní National Park is globally recognized. It is considered one of the most biodiverse hotspots on the planet but also holds one of the largest oil reserves. Notably, it still hosts a few voluntarily isolated indigenous groups. After the confirmation of the oil reserve, located beneath the Yasuní-ITT National Park field, the Ecuadorian government presented the Yasuní-ITT Initiative to the United Nations. The aim was to keep oil indefinitely underground in exchange for an international fund for sustainability. The initiative lasted only six years upon its cancellation by president Rafael Correa in 2013.

The cancellation promoted a spontaneous movement of people to protest against this decision.

**Yasunidos** is the name of one of these collectives.

They started the mobilizations and collected over 600 000 signatures asking for a national referendum on oil extraction in Yasuní National Park.

Even though this is a constitutional right in Ecuador, the referendum was denied by the fraudulent decision of President Correa.



**In 2013, the government asked the National Assembly for permission to begin extraction, and thus, exploitation of the ITT fields began in 2016.**



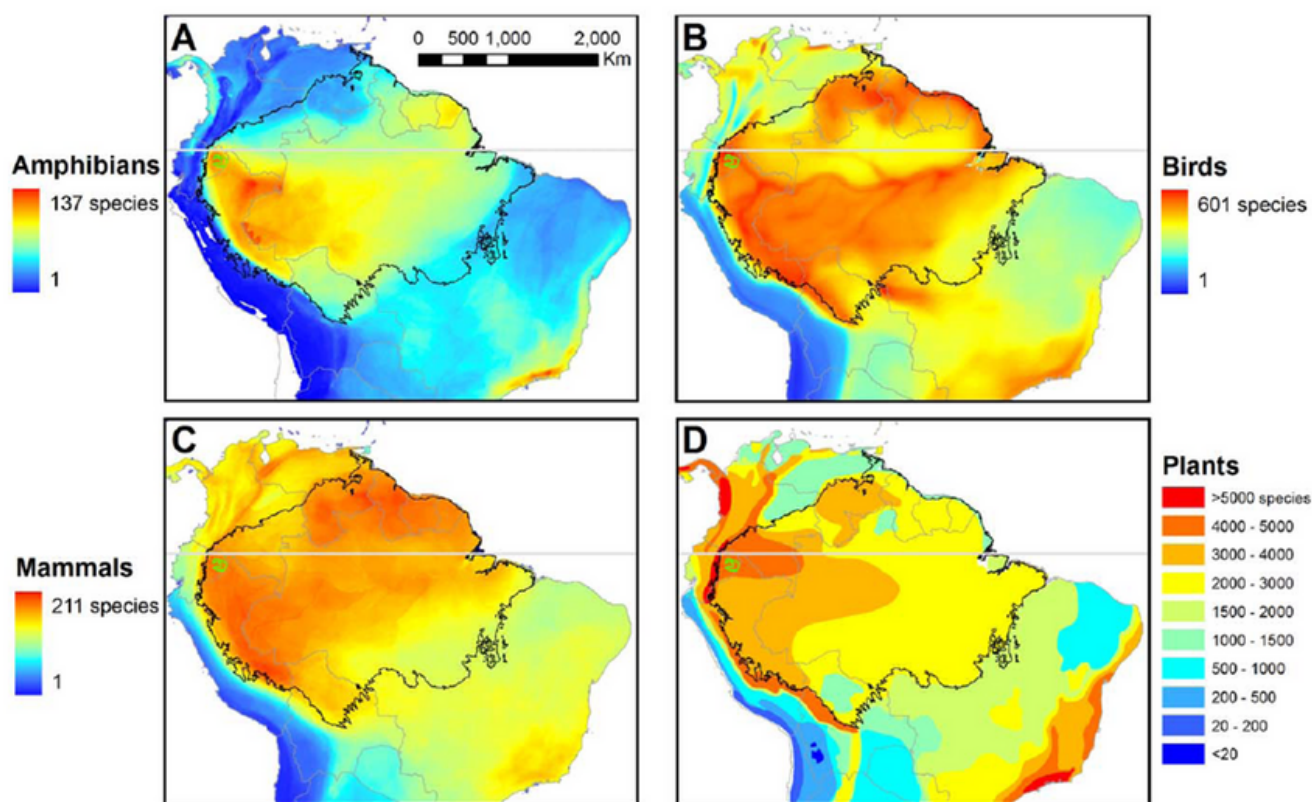


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The Yasuní National Park is considered one of the most biodiverse hotspots in the Amazon (and the world). Taking into account the significance of this Park from a biodiversity perspective, we can highlight the incredibly high concentration of species of amphibians, mammals, birds, and plants in the Amazon region.

Mapping the overlap of these four biological groups, Yasuní National Park and its buffer zone host the highest concentration of all four groups in the entire Amazon region.



Bass M, Finer M, Jenkins C, et al.(2010), **Global Conservation Significance of Ecuador's Yasuní National Park**. PloS ONE, Volume 5, Issue 1, January 2010.





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### Yasuní ITT-Initiative

With the initiative, Ecuador essentially committed to keeping the indefinitely unexploited ITT oil field (**856 million barrels**). In compensation, the United Nations administered a fund based on voluntary contributions by different countries, regions, cities, and companies.

This fund would then be used to finance only renewable energy projects, biodiversity protection, equitable social development, and improvements in energy efficiency. In a nutshell, the Initiative was a case of an oil-exporting country committing to be the first to ban oil extraction. The international community would foster economic diversification towards a low-emission economy.

### CO2 avoided emission

- ▶ Keeping this reserve underground will prevent the emission of 407 million tons of CO<sub>2</sub> only during extraction. In addition,
- ▶ In addition, 800 million tons of CO<sub>2</sub> emissions could be prevented due to avoided deforestation.
- ▶ In total, more than a billion tons of emissions could have been avoided, which is more than twice the annual emissions of countries like Brazil or France.







## International Support

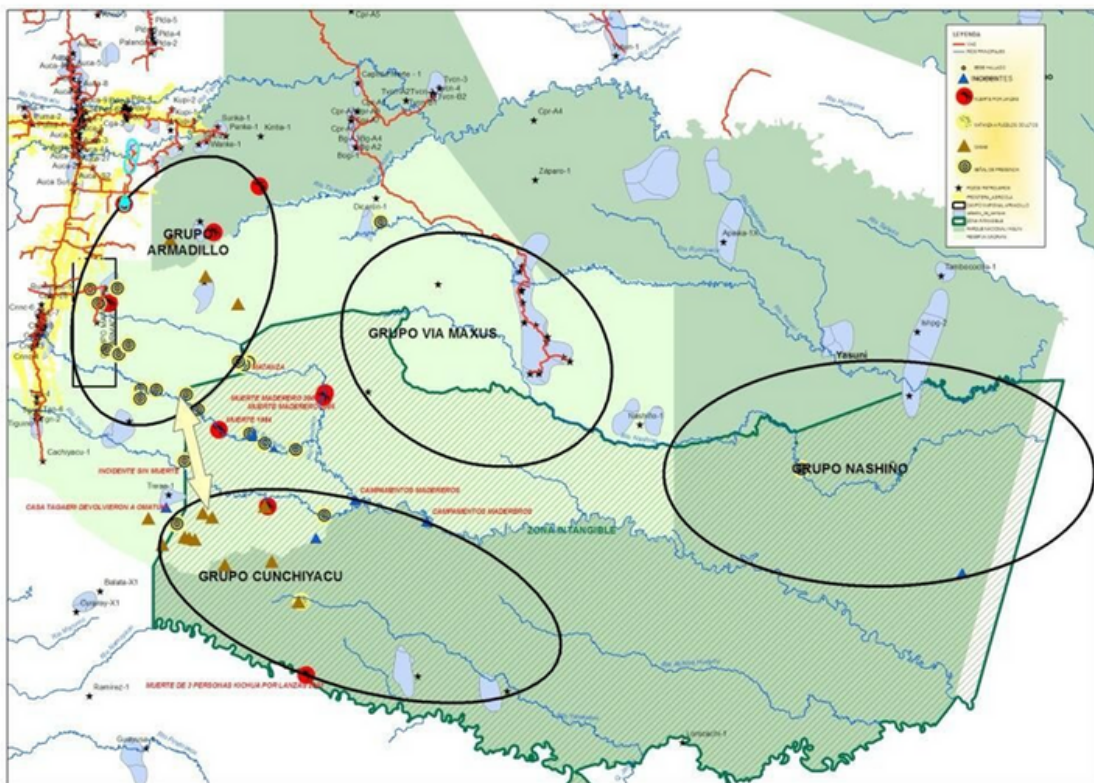
The Initiative received outstanding international support.

The German Bundestag approved the initiative unanimously and promoted other European countries to contribute. There was also civil support from Spain, Wallonia (Belgium), the Rhone-Alpes (France), and the European Union from five Nobel prize winners, ex-presidents, and different national and international organizations.

## Ecuador – oil exploitation and current threats

Besides canceling the initiative in 2013, the current government plans to double oil extraction in the next five years, especially by expanding the intervention at the Yasuní National Park, which also increases its threat.

The Constitutional Court banned oil extraction in several fields inside the Ishpingo well (the name of one of the oil wells that corresponds to the first I of the ITT block), aiming to protect the survival of voluntary uncontacted indigenous groups.





# LEAVING FOSSIL FUELS UNDERGROUND

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The Constitutional Court and the Electoral Authority in Ecuador nullified President Correa's fraudulent decision to avoid the referendum. Thus, there still exists a possibility that a referendum on exploiting or preserving biodiversity in the Yasuní National Park could take place in the short term.

Nonetheless, the situation is still very conflictive; there is strong support in favor of conservation from the Yasunidos and different organizations, including indigenous groups.

## The legacy of the Yasuní-ITT Initiative

The contemporary significance of the Initiative can be analyzed in different ways.

### INTERNATIONAL PERSPECTIVE

Yasuní-ITT Initiative was the first and still the only global legal model for keeping fossil fuels unexploited in biodiverse hotspots in developing countries.

Many groups are promoting leaving fossil fuels underground. The most active is perhaps The Fossil Fuel Non-Proliferation Treaty Initiative, a group trying to stop the expansion of fossil fuels.

It received the support of two countries, more than 60 cities across the world, and a large number of social organizations.

### ACADEMIC PERSPECTIVE

The University of Oxford, the Stockholm Environmental Institute, and the Australian National University organized an international panel about supply-side mitigation.

Three nations are discussing research aiming to apply initiatives to leaving fossil fuels underground:

- ▶ Colombia is promoting a transition from fossil fuel dependency toward renewable energy sources.
- ▶ South Africa and Indonesia are discussing ways to move from coal extraction and diversify with the support of wealthy countries.

