

## **ECUADOR 's YASUNI – ITT INITIATIVE: Why leave oil underground?**

The Yasuní-ITT Initiative is Ecuador's commitment to maintain indefinitely underground oil reserves in the ITT Field in the Yasuní National Park, one of the most biodiverse regions in the Planet, located in the Amazon. Ecuador requests in return an international contribution equivalent to at least half of the resources that it would receive if it would exploit oil.

### **UNDP and ECUADOR ALLIANCE**

On August 3, 2010, the Government of Ecuador and UNDP signed the Memorandum of Agreement for the Yasuni-ITT Initiative to leave oil underground in Ecuador in exchange for an international contribution equivalent to at least half of the resources that would be received if Ecuador exploited its oil in a highly biodiverse area. The document was signed in Quito by government representatives Mr. Ricardo Patiño, Minister of Foreign Affairs, Ms. María Fernanda Espinosa, Minister of Heritage and Ms. Rebeca Grynspan, Deputy Administrator of UNDP. The event took place in Quito, Ecuador, with the participation of Mr. Lenín Moreno, Vice President of Ecuador.

The Government of Ecuador and the UNDP have worked on three documents during the past months to develop the adequate instrument that will channel international funds through the Yasuni Trust Fund, administered by the UNDP.

The three documents include: Yasuní-ITT Terms of Reference, which set the purpose and policy guidelines for the Yasuni Trust Fund; the Memorandum of Agreement (MOA) between the Government and UNDP, as the Administrative Agent, for Management and Other Support Services related to the Yasuni Fund; and, the Standard Administrative Arrangements (SAA) between the Administrative Agent and the Contributors to the Yasuni Fund.

International contributions through the Fund will receive guarantees for non-exploitation of Yasuní-ITT petroleum reserves to the Ecuadorian society and the international community. The Yasuni Fund will be administered by the UNDP and it will use international standards and systems for financial oversight, accountability and transparency. The governance of the Yasuni Fund activities include oversight of financial management, development and approval of Yasuni Fund portfolio of activities. The Fund's Steering Committee will be formed by representatives of the government, contributors and Ecuadorean civil society. There will be government-wide coordination in development of the Yasuni Fund portfolio.

With the signing of the Memorandum of Understanding today, Ecuador's Yasuni ITT Initiative is ready to receive international contributions from governments, international organizations, companies with social and environmental responsibility and individual national and international contributions.

### **WHAT IS THE YASUNI ITT INITIATIVE?**

In 2007, Ecuador President Rafael Correa announced at the UN General Assembly, Ecuador's commitment to maintain indefinitely unexploited 846 million barrels of oil in the ITT field, (Ishpingo-Tambococha-Tiputini), equivalent to 20% of the country's reserves located in the Yasuní National Park. In return, the President proposed that the international community contribute financially with at least USD 3,6 billion, equivalent to 50% of the resources the country would receive if it would exploit oil. Ecuador, which depends heavily on oil production and exportation, is making a large contribution.

The Yasuní ITT Initiative will also avoid the emission of 407 million tons of CO<sub>2</sub>. This amount is equivalent to the annual emissions of countries such as Brazil or France.

The Yasuní National Park is the most important biodiversity reserve in the Planet and is also home to the Tagaeri and Taromenane, indigenous peoples in voluntary isolation.

This original initiative proposes:

- a) An innovative option to combat climate change, avoiding oil exploitation in areas of high biological and cultural diversity in developing countries;
- b) Protection of biodiversity in Ecuador and support of indigenous peoples in voluntary isolation in the Yasuní National Park;
- c) Social development, conservation of nature and implementation of renewable energy in a strategy designed to consolidate a new sustainable and equitable model in the country.

This proposal not only contributes to climate change, but also promotes biodiversity conservation, fight against poverty and for indigenous peoples' rights. It sets forth new paradigms for fair and just development, based on building Life at its Fullness, respecting the rights of nature.

## **USE OF FUNDS**

With the establishment of the Fund, and once contributions are received, the Fund's capital will be used exclusively in developing renewable energy sources, such as eolic, solar, hydro and geothermic. Interest will be invested exclusively in:

1. Effective conservation and avoided deforestation in natural ecosystems, especially in the National Protected Area System, equivalent to 4,8 million hectares, about 20% of Ecuador's territory, one of the highest percentages in the world. This will support the respect of the rights of indigenous peoples in voluntary isolation, Tagaeri and Taromenane.
2. Reforestation, afforestation and natural regeneration and adequate management of one million hectares of forests managed by small owners.
3. Social development in the Initiative's region, with health and education programs, training, technical assistance and jobs generation in sustainable activities..
4. Research, science and technology to develop goods and services based on bio-knowledge, integrated management of water resources and change in the energy matrix, among others.
5. Energy efficiency projects.

Mr. Bisrat Aklilu, Executive Coordinator of UNDP's Multi-Donor Trust Fund Office, will stay this week in Quito with his staff to define with Ecuadorean authorities the operational aspects of the documents signed in Ecuador today.

## **YASUNI NATIONAL PARK, A UNIQUE PLACE**

The Yasuní National Park has been considered one of the most biodiverse places of the Planet. It was created in 1979 and UNESCO recognized it as a World Biosphere Reserve in 1989. It has an extension of 982,000 hectares in the Amazon.

Scientists agree that the Yasuní Park is unique due to its extraordinary biodiversity, conservation and cultural patrimony. It holds 2.274 species of trees and shrubs. In one hectare there are 655 species: more than the total of native species of trees in the US and Canada. There are 593 species of birds, 80 species of bats, 150 of amphibians and 121 reptiles. The number of insects, estimated in 100,000 species for hectare, is the highest in the planet. The Park concentrates the highest density of species of amphibians, mammals, birds and plants in the Amazon.

## **KEY ISSUES**

The Yasuni ITT Initiative is unique because it combats climate change and is multidimensional because it includes a series of aspects related to different environmental, social and economic aspects:

- **Climate change:** Avoided emission of 407 million tons of CO<sub>2</sub>, similar to annual emissions by Brasil or France, by not exploiting oil in the ITT field, is Ecuador's contribution to world to mitigate climate change.
- **Conservation of biodiversity:** most of the ITT Field is located in the Yasuni National Park. According to scientific studies, there is an extraordinary richness of animal and plant species, which should be conserved in a long term.
- **Social investment:** The Yasuní ITT Initiative has as one of its objectives social investment and poverty eradication programs and projects that can contribute to strengthen our search for a Life in Fullness.
- **Change of energy matrix:** by leaving oil underground, we are giving an example to change our consumption habits. The funds from the Yasuní ITT Initiative will be used for investment in renewable and alternative energy projects.
- **Change of development model:** the Initiative sets the basis for a real change in the current development model. Non-oil exploitation means that the country seeks the possibility to obtain income from other sources in search for a change of paradigm.

More information: Coordination Ministry of Heritage

[www.yasuni-itt.gov.ec](http://www.yasuni-itt.gov.ec)

[www.ministeriopatrimonio.gov.ec](http://www.ministeriopatrimonio.gov.ec)

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