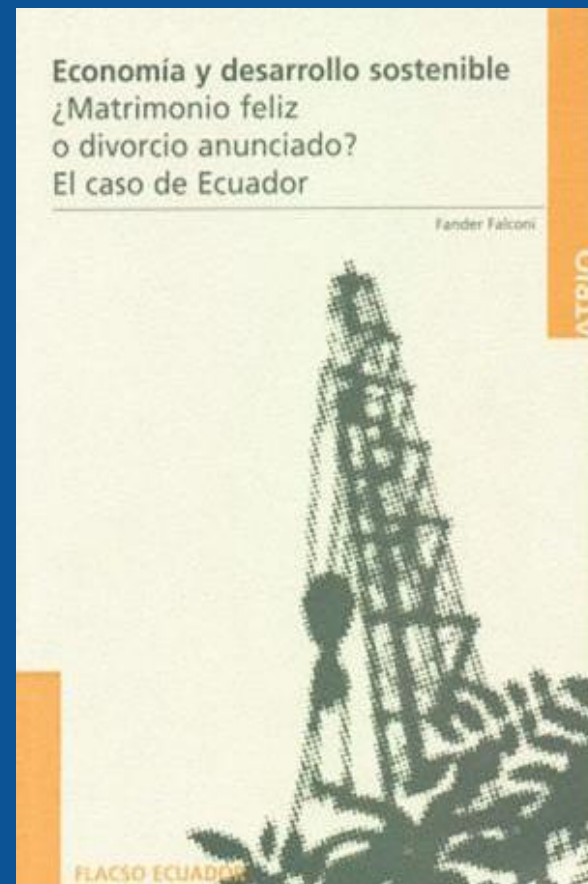
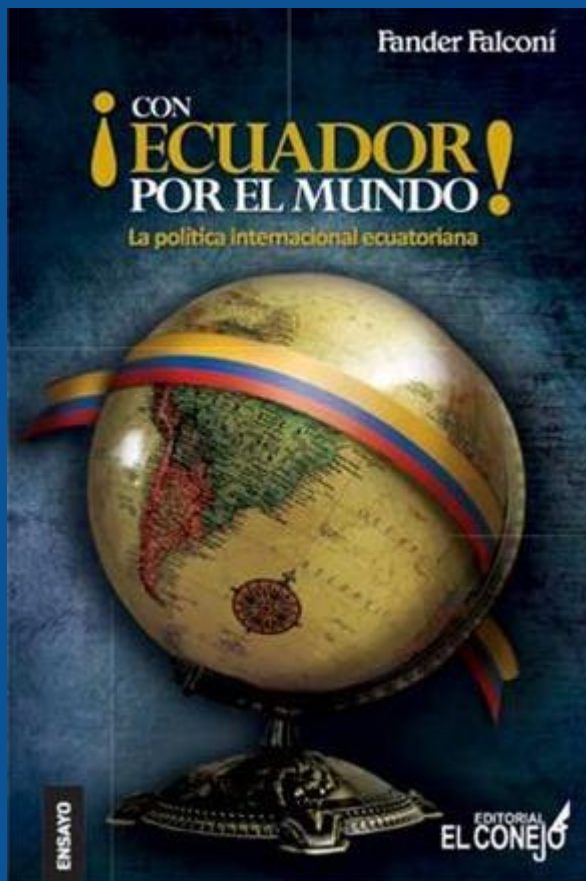


*Ecological Economics in
practice:
Some initiatives from
Ecuador*

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FLACSO- Ecuador
ISEE, Oldenburg, 22-25 August 2010*

- Con Ecuador por el mundo, 2010
- Economía y Desarrollo Sostenible: Matrimonio Feliz o Divorcio Anunciado (FLACSO, 2002).



- Since 2007, Ecuador is located at the forefront of the world in a particular field. The discussions of economics and the environment.
- Ecuador is leader of the Yasuní IIT initiative of no extraction of oil in exchange for a payment by the international community of at least half of the revenue that would be forgone.
- This payment would be by virtue of co-responsibility.
- The initiative applies to part of Yasuní National Park: field ITT (Ishpingo-Tambococha-Tiputini) in the Amazon.

Nature has rights, under the New Constitution approved on September 2008

- The Constitution of 2008 is the most “green” in the planet.
- The Earth, the physical environment, nature, are an integral part of the Constitution, to achieve the “Sumak Kawsay” or Good Living.
- The new Constitution makes of Nature the subject of law: all life cycles must be respected, preserved and regenerated.

Another initiative: “Ecotax”

- What is the Daly-Correa “eco-tax”?
- It implies that OPEC (Organization of Petroleum Exporting Countries) recognizes the existence of the greenhouse effect and becomes an international player in this field, something particularly timely following the failure in Copenhagen in December 2009.
- The tax would achieve two things in particular.
- On the one hand, show that OPEC countries not only acknowledge the existence of the greenhouse effect, but they combat it by rising oil prices with a variable tax of 3%.

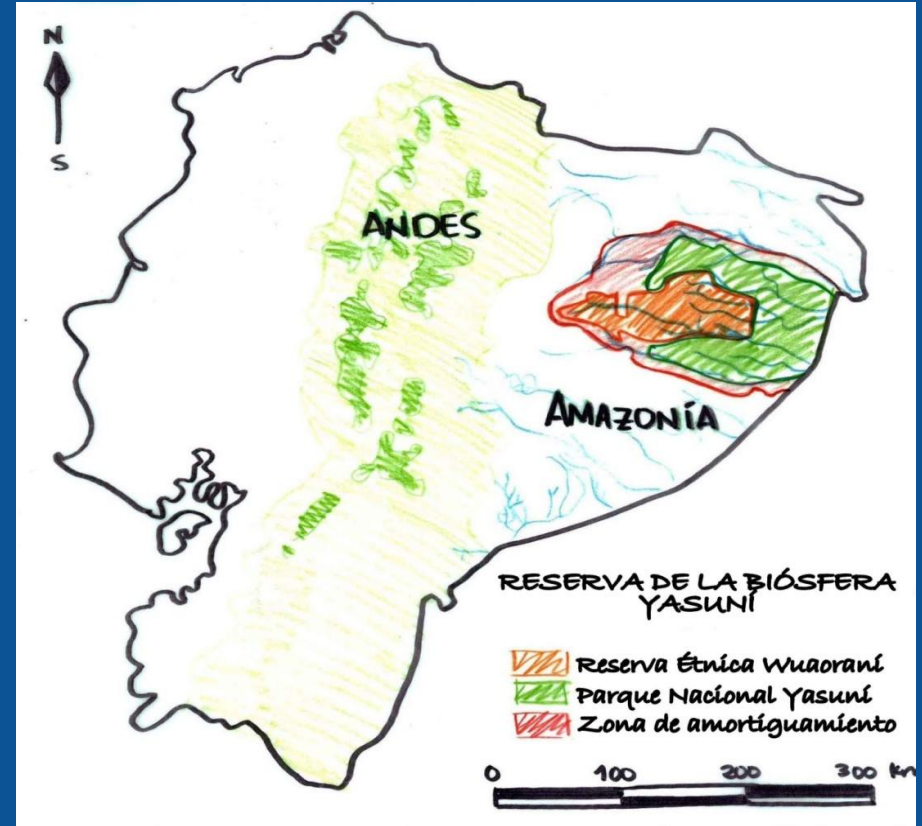
“Ecotax”

- The effect would be to reduce slightly the demand for oil (lower production of CO₂, accordingly), partly offset by increased revenue for the oil exporting countries, to be spent on the energy transition and other social purposes.
- On the other hand, it would prevent depressed prices for exports of oil as would occur if oil taxes (or carbon taxes) are applied in the rich importing countries.

The Yasuní-ITT initiative

- The third action is to keep oil underground located in a part of the Yasuni National Park in Amazonian Ecuador, declared an ecological reserve of the biosphere by UNESCO in 1979.
- The Yasuni-ITT initiative asks for contributions from the international community, at least for one half of foregone oil revenues. 850 million barrels of proven reserves of heavy oil from those fields would be left in the ground.

The Yasuní National Park



Yasuní - ITT: The initiative proposes a change of perspective, a new ethic for living in harmony with nature. Therefore, it requires a concrete and a strong political commitment.

The Yasuní-ITT initiative

- Ecuador has since 2007 officially stated several times that the contribution to the Yasuni ITT Trust Fund from outside sources should be of the order of US\$ 3,600 million, to be obtained in a 10 year period, to compensate for half the foregone revenue.
- One may, if one wishes, compare US\$ 3,600 million to the avoided emissions, 407 million tons of carbon dioxide.
- Thus, avoiding the emission of 407 million tonnes of CO₂ from the burning of the oil by the final consumers.

The Yasuní-ITT initiative

- Deforestation would also be avoided in the area, as also the burning of the gas that comes out with the oil.
- This policy establishes a new ethic in the relationship between humans and nature, protects life and health of peoples in voluntary isolation (Tagaeri and Taromenane), Huaorani and other nationalities.
- It also contributes to the preservation of unparallel biodiversity.

Some books and articles already published on the Yasuní ITT initiative

2010

- Martínez, Esperanza y Acosta Alberto (compilador), *ITT- Yasuní: entre el petróleo y la vida*, Abya Yala, 2010.
- Falconí, F. Forthcoming in *Ecología Política* (Icaria Editorial) and *Iconos* (FLACSO), also in “Con Ecuador por el mundo”.
- Lavinia Warnars. *The Yasuni-ITT Initiative: an international environmental equity mechanism?*, 2010.
- Margot S. Bass, Matt Finer, Clinton N. Jenkins, Holger Kreft, Diego F. Cisneros-Heredia, Shawn F. McCracken, Nigel C. A. Pitman, Peter H. English, Kelly Swing, Gorky Villa, Anthony Di Fiore, Christian C. Voigt and Thomas H. Kunz. *Global Conservation Significance of Ecuador's Yasuní National Park*, 2010.
- Vogel, Joseph and Graciela Chichilnisky. *The Economics of the Yasuni initiative*, 2010.

2009

- Martínez, Esperanza. *Yasuni. El tortuoso camino de Kioto a Quito*, 2009.
- Larrea, Carlos. *Yasuni Oro Verde*, 2009.

Some books and articles already published on the Yasuní ITT initiative

2009

- Matt Finan, Varsha Vijay, Fernando Ponce, Clinton N Jenkins, Ted R Kahn. *Ecuador's Yasuní Biosphere Reserve: a brief modern history and conservation challenges*. Environmental Research Letters, 2009
- Matt Finan, Remi Moncel, Clinton N. Jenkins. Leaving the Oil Under the Amazon: Ecuador's Yasuní-ITT Initiative. Biotropica, 2009
- Larrea, C., and Warnars, L. *Ecuador's Yasuni-ITT Initiative: Avoiding emissions by keeping petroleum underground. Energy for Sustainable Development*. Volume 13, Number 3, pp. 219-223. Elsevier Inc.
- Laura Rival. *Oil Development and Alternative Forms of Wealth Making in the Ecuadorian Amazon*, 2009
- Matt Finan, Varsha Vijay, Fernando Ponce, Clinton Jenkins and Tedd Kahn. *Ecuador's Yasuni Biosphere Reserve: a brief modern history and conservation challenges*, 2009
- Matt Finan, Remi Moncel and Clinton N. Jenkins. *Leaving the Oil Under the Amazon: Ecuador's Yasuní-ITT Initiative*, 2009

- The Yasuní-ITT initiative, revolutionary compared the Kyoto Protocol mechanisms, focuses on preventing carbon emissions.
- The initiative proposes a change of perspective, a new ethic for living in harmony with nature.
- Therefore, an effective decision requires an unwavering commitment.
- Ecuador makes the greatest sacrifice, of one half the foregone revenue.
- We ask for the other half, this could be seen, in Northern countries, as a payment for their ecological debt because of their excessive per capita emissions of carbon dioxide in the past and at present.

The trust fund

- The key instrument in achieving the consolidation of the Yasuní-ITT initiative is the signing of an international trust fund to guarantee the sovereignty of the state in resource management and ensures the continuity of the contributors to the proposal (independently of the future government).
- The trust fund will harness the resources of governments, international organizations, NGOs, people of the world, business, etc.
- It is an account to receive monetary resources, under certain conditions of good management, security and transparency.

The trust fund

- The creation of the trust is in full exercise.
- Not at the expense of sovereignty.
- The trust fund with UNDP (United Nations Development Programme) was signed on August 3, 2010.
- The trust fund is available in:
<http://yasuni-itt.gob.ec/files/2010/08/1-MOAespanol.pdf>.

International support and the Bundestag

- The initiative enjoys support internal (the Ecuadorian legislature gave its endorsement), external and all multilateral institutions:
 - The United Nations and its organs, OAS, CAN, CAF, European Union, UNASUR, the Non-Aligned Movement, Group of Rio, ALBA, OPEP, the Organization of the Amazon Cooperation Treaty (ACTO) also support it.
- It is supported by Spain, Belgium, France and Germany.
- The Bundestag, the German parliament as a whole, supported the idea in June 2008, and again in 2010.

Comments about Yasuni ITT initiative

- **The NGO Amazon Watch** reported on 3rd August 2010 that the deal with UNDP finally spares a significant area of the Yasuni National Park from oil drilling. This precedent of avoided CO₂ emissions from fossil fuel extraction could factor into future climate negotiations. The proposal seeks to strike a balance between protecting the park and its indigenous inhabitants, while still generating some revenue for Ecuador.
- “We welcome this long sought after final step to protect an important part of Yasuni National Park,” said **Kevin Koenig, Amazon Watch Ecuador Coordinator** who has been closely monitoring the initiative since its inception.
- “This is a big win for Ecuador, and the world. Now we need more countries to contribute, and for President Correa to keep his word.”

Comments about Yasuni ITT initiative

- The environmental organization, **Acción Ecológica** with its “Amazon For Life” campaign collected tens of thousands of signatures of support and kept the initiative in the news during times when the government’s commitment appeared to wane.
- Although there is cause for celebration, some of Ecuador’s indigenous groups are concerned by the Correa administration’s announcement the last week to open up areas of Ecuador’s roadless, pristine southeastern Amazon region, as well as re-offering older oil blocks that were unsuccessful due to indigenous resistance.
- “We hope that the success of the Yasuni proposal doesn’t mean a defeat for the forests and people of the southern rainforests,” said **Marlon Santi**, President of the national indigenous confederation CONAIE. “We don’t want Correa to offset his lost income from leaving the ITT oil in the ground by opening up other areas of equally pristine indigenous lands.”

Conclusions

- ITT initiative means a first step towards the transition to a not-extractive economy. There is a growing debate on post-extractivism in Latin America.
- The contributions received are paying a historical ecological debt of the rich countries of the north to the impoverished countries of the South.

Conclusions

- It is also necessary to promote scenarios of Socio-Ecological Transition for dependent economies (characterized by a primary export profile, desindustrialization, exclusion, poverty, income concentration, exhaustion of resources and environmental unsustainability) towards sustainable economies (diversification of products and markets, industrialization with employment generation, equity and co-evolution between human cultures and the environment).
- The ITT Yasuni initiative is a proof of life.

Thank You for
your attention

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