

# Global Governance from the Amazon: Leaving Oil Underground in Yasuní National Park, Ecuador

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## Introduction

This article explores the saga of the complex transnational networks and global governance mechanisms that have emerged to save the Ishpingo-Tambococha-Tiputini (ITT) block of Yasuní National Park in Ecuador's Western Amazon. The evidence from this campaign demonstrates the significance of Southern NGOs in forming alternative norms for global environmental governance. These changes, however, are not without pressures and inconsistencies from the domestic and international levels.

The case of the Yasuní-ITT Initiative and its transnational campaign demonstrate the global tug of war to implement new norms and structures around oil and climate. These new norms and structures have emerged as a result of learning from the disasters of past oil spills in the Amazon and the collective desire of communities in the developing world for post-Kyoto governance that responds to their needs. As former member of the Administrative and Leadership Council for the initiative, Yolanda Kakabadse, explained, Ecuador "is proposing a post-Kyoto framework, which means not modifying Kyoto, but rather entering a pilot process with a different instrument—certificates for avoided emissions."<sup>1</sup>

In June 2007, Ecuadorian President Rafael Correa announced that he would forgo oil profits for one of the country's largest oil reserves (20% of its proven reserves) in the Amazonian Yasuní National Park in exchange for donations from the international community to pay Ecuadorians to keep oil underground. The Yasuní-ITT proposal calls for co-responsibility with the rest of the world (common, but differentiated) in avoiding emissions that the nearly 900 million barrels of oil in the ITT block could produce. The world would pay for avoided carbon emissions in order to protect one of the most biodiverse plots of

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1. Author's interview with Yolanda Kakabadse, Quito, Ecuador, January 21; April 13, 2009.

Earth. The US\$ 350 million per year that Ecuador seeks each year for 13 years would be placed in a United Nations Development Program (UNDP) Trust Fund with a board of directors that includes Ecuadorians and members of the global community.

If successful, it would be one of the largest global environmental trust funds of its kind. The proposal to save one of the world's most biodiverse areas on the planet contains three objectives: 1) to reduce CO<sub>2</sub> emissions, 2) to protect biodiversity—including the rights of indigenous peoples living in voluntary isolation, and 3) to reduce poverty in Ecuador.<sup>2</sup> While other Amazonian initiatives in South America, such as Brazil's Amazon Fund or the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) call for protection of forests, this proposal is unique in two ways: 1) it goes beyond payment to protect forests towards a new global mechanism to pay for avoided emissions from oil in megadiverse developing countries; 2) it seeks the creation of a post petroleum society and economy that provides sustainable living conditions for all, including uncontacted indigenous peoples.<sup>3</sup> These goals are based on Ecuador's vision of the good life (*el buen vivir*), a concept derived from indigenous cultures on living in harmony with nature and specified in their 2008 Constitution.

Research for this study was conducted during a Fulbright Scholar Research Grant in the spring of 2009, and during shorter research visits to Ecuador from 2005 to May 2010. Data collection and formal and informal interviews are employed to better understand the complex web of participants in the transnational networks and the norms that guide them. Interviews were conducted with various private and public actors, including academics, scientists, NGOs, members of government, and representatives from multinational oil companies. In some cases, interviewees have requested anonymity.

## Paradise Found

The extreme levels of biodiversity of this park, a United Nations Educational, Scientific, and Cultural Organization (UNESCO) Man and Biosphere Reserve of 982,000 hectares, have been noted by various scholars.<sup>4</sup> These include a group of 59 *Scientists Concerned for Yasuní* (a group of international scientists whose work was spearheaded by Save America's Forests, an international environmental NGO), who wrote a letter to then-Ecuadorian President Gutierrez, pleading with him to reject oil development that would allow road construction. Other scientists who work out of the two university-affiliated research stations, have

2. Larrea et al. 2009, 6.

3. "Norway pledges \$1 billion to Brazil Amazon Fund," Thomson Reuters Foundation, September 16, 2008. Available at: <http://uk.reuters.com/article/2008/09/16/us-brazil-amazon-norway-idUKN1649421720080916>, accessed July 21, 2011

4. Fontaine and Narváez 2007, 22; and Finer et al 2009, 7.

found that the park, beyond being one of the least deforested areas of the Amazon, is home to the highest documented number of amphibians and reptiles (150 and 121 species respectively), over 600 avian species (also one of the world's record holders), and the highest concentration in a small area of tree species on the planet (more than in all of North America combined). Finally, many endangered species—vertebrate, mammal, and plant—can be found in this park, including two globally endangered mammals: the white-bellied spider monkey and the giant otter.<sup>5</sup>

In addition to its natural biodiversity, Yasuní is home to several uncontacted indigenous Waorani communities (primarily Tagaeri, Taromenane, and possibly, Oñamenane peoples) who have a history of resisting outside involvement. While the population estimates vary in the hundreds for these uncontacted groups, the contacted Waorani communities are estimated at nearly 3,000 people in total. Researchers claim that these uncontacted communities also inhabit parts of oil blocks located in the park, including numbers 14 and 17 operated jointly by China National Petroleum Corporation (CNPC) and China Petrochemical Corporation (SINOPEC) with Petroecuador and block 17 operated by Spanish and Argentinian-owned Repsol YPF and Petroecuador, in addition to neighboring block 31 operated by Petroecuador.<sup>6</sup>

Such evidence of overwhelming biodiversity contrasts with Ecuador's status as a petro-state. Its oil exports are 35 percent of its US\$ 108.2 billion GDP. It is number 11 on the list of countries that export oil to the United States and it produces approximately 486,000 barrels of oil per day. Its 37-year run of petroleum extraction has left the country among the poorest in South America with poverty rates of 45 percent until 2001, which then declined by 20 percent by 2006. However, poverty in the Amazon where oil is abundant is at extreme levels—66.8 percent, compared to its neighboring Highland provinces at 43.6 percent and the Coastal provinces at 52.4 percent. Furthermore, cancer rates in oil producing areas of the Amazon are 31 percent, whereas the national average is 12.3 percent.<sup>7</sup>

## **International Relations and Globalization: A View from the Rainforest Canopy**

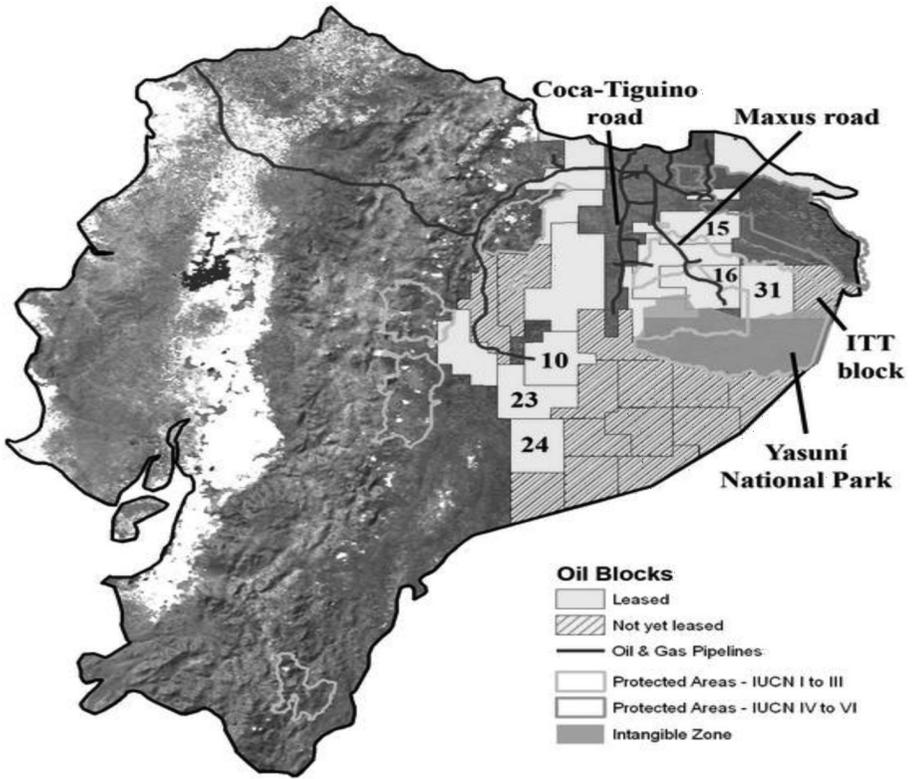
As some scholars note,<sup>8</sup> the Amazon is a unique region of the world, not only for its biological diversity and carbon sequestration properties, but also for its amalgamation of global and local political, economic, and social challenges. Living alongside one another, oil companies and indigenous communities in-

5. Finer et al. 2009; and Bass et al. 2010.

6. Martínez 2008, 69–70.

7. Acosta, 2009a, 75; and Larrea et al. 2008; See also National Statistics and Census Institute (INEC), Life Conditions Survey, 1995, 1998, 1999, 2006. Available at [http://www.inec.gob.ec/web/guest/descargas/basedatos/inv\\_socd/con\\_vid](http://www.inec.gob.ec/web/guest/descargas/basedatos/inv_socd/con_vid), accessed July 23, 2011.

8. Ortiz 1997.



**Map 1**  
Ecuador Oil Blocks

Source: Finer et al. 2009. Image is reused under the Creative Commons Attribution-NonCommercial-ShareAlike 2.5 license.

teract, for example, within local and national political structures that concomitantly promote the extraction of hydrocarbons and grant constitutional rights to nature and indigenous peoples. Economist and former Minister of Energy and Mines, Alberto Acosta,<sup>9</sup> argues that the pressures on the Amazon are global, from transnational companies and international financial pressures on the national government to capitalize its natural resources and trade them on the free market. At the same time, the significance of the Amazon to abating and mitigating carbon as part of global climate change policy is clear. Thus, Acosta calls for policies of *glocalization* that view the local Amazonian needs in light of global demands and solutions. When asked who is responsible for the Yasuní-ITT campaign and its development, he commented, “It is a wide-ranging collectivity. I would say that you cannot look for owners here; rather many peo-

9. Acosta 2005.

ple commented on it, gave suggestions, criticisms, etc. . . . This is not a proposal just for Ecuadorians, but for all people on the planet. I think it is truly revolutionary.”<sup>10</sup>

One scholar contends the “state is in retreat” in some areas of the Amazon.<sup>11</sup> Traditional territorial divisions among state, local, and international levels do not reflect the dynamic interaction among actors at all levels when referring to global environmental movements and policies in the Amazon. When searching for solutions to these issues, actors organize at local levels with local concerns, norms, and ideas, yet work in tandem with global partners for goals at both levels.

The transnational networks that I outline demonstrate fluidity among the levels with more pressure from Southern NGOs and actors toward Northern NGOs and actors than we have observed in the past. Previous global social movement studies<sup>12</sup> emphasized networks connecting North and South, but with norms and funds flowing from the North toward the South, even if strong communication between the two was observed. This study sheds light on more recent processes that we attribute to learning<sup>13</sup> and capacity building<sup>14</sup> from the 1990s, plus increased participation of Southern activists in global processes (such as the World Social Forum), including conferences, networks, and funding sources (such as recent conversations among leaders and Southern NGO activists about a Bank of the South in South America).

### *Global Governance: Norms, Agency, and Structure*

The agency of the actors in these global governance networks is based on their normative underpinnings and ideas. Contrary to network theories that create unidimensional views of the formations of global governance networks, I contend that these interactions are not without conflict and negotiation. Open discussion, criticism, and contested negotiation are standard mechanisms of the policies that these networks ultimately produce and campaign on. The Yasuní-ITT Initiative is not neatly aligned with current international regimes and norms on oil extraction regulation but rather it pushes the limits of these structures in order to seek change.

In their study of various global governance networks, Khagram and Ali found that “contested transnational structuration processes now more visibly involve multiple sets of actors attempting to enact novel scripts of norms, principles, rules and decision-making procedures that could very well be signaling a longer-term shift away from government-centric interstate regimes.”<sup>15</sup> While the

10. Author’s interview with Alberto Acosta, Quito, Ecuador, 27 February 2009.

11. Conca 2006, 45.

12. Keck and Sikkink 1998; Martin 2003; Brysk 2000; and Martin and Wilmer 2008.

13. Checkel 2001.

14. Andonova et al. 2009.

15. Khagram and Ali 2008, 158–159.

Ecuadorian government plays a key role as owner of sub-soil rights, changes in the regime toward openness to new social movements during the beginning of the Correa presidency have created opportunity structures for new ways of looking at economic, political, and social development in the country.

Still, President Correa and his administration have also placed roadblocks in front of the Initiative, such as pursuing the licensing procedure to extract the oil from the ITT block in Yasuní National Park in the event the initiative is not funded. Thus, I concur with Okereke and Bulkeley that “agency is located in structure, but not determined by it.”<sup>16</sup> In fact, one of the slogans of the Ecuadorian government’s Administrative and Leadership Committee (CAD) on the Yasuní-ITT Campaign is to “think outside the box” to create new options to save Yasuní and devise a post-Kyoto climate change policy; in other words, “from Kyoto to Quito.”<sup>17</sup> While the transnational campaign to keep the oil underground in Yasuní is alive and well, the dichotomy of perspectives between the Ministry of Non Renewable Resources and the CAD demonstrates the struggles within a state to change norms and structures that have been deeply embedded, as the oil extraction process has been in Ecuador.

### *Norms and the Good Life*

Part of the equation of mobilization around the Yasuní-ITT campaign is the role of NGOs and their strategies.<sup>18</sup> However, the norms that motivate their agency are built around Ecuadorian-specific concepts of *sumak kawsay* in Quichua, *el buen vivir* in Spanish, or *the good life* in English. Other normative foundations around these issues are social environmentalism, ethical ecology, and already established international norms of protected areas for uncontacted indigenous peoples, as well as the protection of UNESCO Man and Biosphere sites. Thus, the ideas and norms driving this campaign weave indigenous *cosmovisión* (or worldview) with global norms from international institutions.

Ecuador’s justification for this campaign is based on its 2008 Constitution, which is the first to give rights to nature and begin to define the concept *el buen vivir*. Former President of the Constituent Assembly, Alberto Acosta, explains that this term derives from indigenous groups and cannot be defined as a linear concept of development by Western standards, but rather as “a category that is in permanent construction and reproduction.” He adds,

. . . material goods are not the only determining factors. There are other values at play, such as: knowledge, social and cultural recognition, ethical and even spiritual codes of conduct in relation to society and Nature, human values, a vision of the future, among others.<sup>19</sup>

16. Okereke and Bulkeley 2007, 69.

17. Martínez 2007.

18. See also Wapner 1996; Keck and Sikkink 1998; and DeMars 2005.

19. Acosta 2009b.

The good life also encompasses norms based on ethical ecology as understood by scholar-activists such as Eduardo Gudynas<sup>20</sup> who argues that politics, conceived as the democratic mobilization and decision making of people around the planet, are central to saving our planet. For Gudynas, people should see themselves as part of nature, rather than try to dominate it. This aligns with the indigenous *cosmovisión* of nature in which humans are part of the cycle of the planet.<sup>21</sup>

The call for global political action in the name of saving the planet and global climate change has been echoed by ecological economist Herman Daly,<sup>22</sup> Yale professor James Gustave Speth,<sup>23</sup> and author-activists Bill McKibben<sup>24</sup> and Paul Hawken.<sup>25</sup> These works emphasize the role of social movements and global citizens in the global governance of climate change. Where the normative underpinning for anti-oil extraction movements becomes less clear is in the economic realm. Here, scholars differ on the value of nature. In other words, can you put a price on the good life?

While Gudynas and Acosta have both argued that there is no price to be placed on protecting nature<sup>26</sup>, other scholars<sup>27</sup> argue that strict environmental regulation, enforcement, and market-based strategies are the keys to preserving our planet. Debate in the US Congress on cap-and-trade systems and the European Union Emission Trading Scheme (EU ETS) illustrate the prevalence of market-based policies from the North, while the story of Yasuní National Park highlights the urgency of policy solutions and a need for consideration of the norms that ground them from the South. This urgency of ideas from the South is reflected in recent scholarship on “new rights advocacy.”<sup>28</sup> New rights advocates not only challenge current global policies, such as development mechanisms or climate change, but also provide alternative ideas and policies. Nelson and Dorsey contend that such alternatives are increasingly taking shape from the South and moving into dialogues and negotiations in transnational networks and international negotiations.<sup>29</sup>

Yet there is common ground among scholars from the North and the South on issues of the environment and development. Northern researchers, such as Thomas Princen, Ken Conca, Michael Maniates, and Tim Jackson,<sup>30</sup> concur with Southern researchers like Gudynas and Acosta that today’s levels of consumerism in the developed world have created unsustainable impacts on

20. Gudynas 2003.

21. Gudynas 2003.

22. Daly 1993.

23. Speth 2008.

24. McKibben 2007.

25. Hawken 2007.

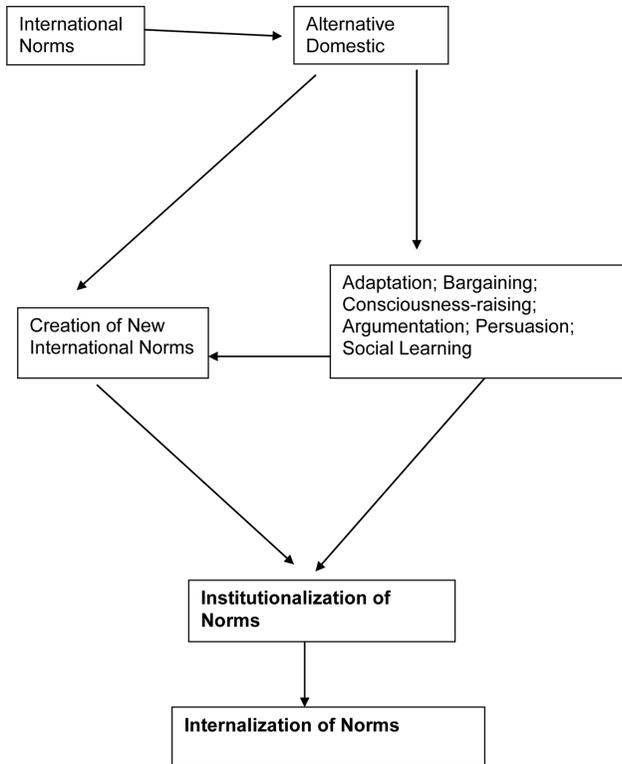
26. Acosta 2009a; and Gudynas 2003.

27. Aldy and Stavins 2009.

28. Nelson and Dorsey 2008.

29. Nelson and Dorsey 2008.

30. Jackson 2010; Princen 2005; and Princen et al. 2002



**Figure 1**  
Dynamic Processes of Global Governance Networks

the planet. Princen<sup>31</sup> calls for policies that include “sufficiency,” rather than accelerated production and consumption. While sufficiency is not the same as avoided emissions, it is in line with the concept of living within our natural environment, rather than exploiting it. The logic of sufficiency also aligns with the Ecuadorian concept of the good life in its promotion of balance within nature. For Thomas Princen sufficiency is “a sense of enoughness and too muchness.”<sup>32</sup> This logic requires an understanding that the world is filled with finite resources. Thus, maximizing utility within a finite planet, the cornerstone of neo-liberal economic and political theories, is illogical. As the authors of the book *Ecuador Post-Petrolero* conclude, living sustainably cannot solely include increased levels of spending and consumerism, but rather require a richer vision of the planet that concerns living within our natural environment and basing our economy on its true motor of growth—the natural world, instead of profit,

31. Princen 2005.

32. Princen 2005, 18.

technology, and efficiency.<sup>33</sup> For these reasons, Ecuador's new constitution, in various articles,<sup>34</sup> gives rights to nature and calls for an economy based on a market that responds to society's needs, rather than a society built by the market.<sup>35</sup>

Scholars of transnational advocacy networks have emphasized the dynamics of the network processes from the international level to the domestic level, assuming that international norms will be absorbed by the domestic community or utilized by domestic opposition groups to pressure a repressive regime to change its policies.<sup>36</sup> However, a closer look at the Yasuní-ITT Initiative points to new directions in network analysis from the South. The intervening processes of social interaction in the 1990s through many transnational networks, coupled with challenges to Western hegemony and the economic crisis have created the perfect storm of creative invention in the South. Contrary to Clifford Bob's<sup>37</sup> search for norms that "fit with international agendas," these activists have a clear normative path toward creating post petroleum and ecologically just systems in the megadiverse world, and have worked with their state to seek international alliances and support, without sacrificing their original desired outcome.

While Risse, Ropp, and Sikkink's model for normative socialization processes<sup>38</sup> encapsulates those networks that work within the boomerang effect, this case and others from the South (such as REDD), do not fit. The difference is that actors do not seek support from already accepted international norms, such as the Kyoto Protocol and its mechanisms of Joint Implementation (JI), the Clean Development Mechanism (CDM), or the European Union Emissions Trading Scheme (EU ETS), to change policies within their state. Domestic communities, in this case from the South, are not satisfied with these norms and rather than only countering them with "Battle of Seattle" type resistance and protest, they formulate alternative norms and mobilize to institutionalize them. Like the Risse, et al. model, actors work with the international community (including INGOs, IGOs, other states, and transnational corporations) to create new, alternative international norms.<sup>39</sup> This is accomplished through the adaptation of their norms to suit the international community and its current structures; bargaining with key players to engage them in dialogue and support; consciousness-raising to engage civil society; argumentation and debate over details of norm implementation and institutionalization; persuasion; and social learning. The aspect of social learning is unique to this model, as per Checkel's findings.<sup>40</sup> It illustrates the social dimensions of interactions on the domestic and international level, such as the case of leaders for the initiative who have

33. Acosta 2000.

34. Articles 15, 57, 72, 73, 281, 395, 313, 317, 397, 407, 413, 417 in the 2008 Constitution.

35. Acosta 2009a.

36. Keck and Sikkink 1998; Risse-Kappen et al. 1999; Khagram et al. 2002; and Tarrow 2005.

37. Bob 2005.

38. Risse-Kappen et al. 1999.

39. Risse-Kappen et al. 1999.

40. Checkel 2001, 553–588.

friendships with leaders in other countries and dialogue with them about how to best frame the campaign to the international community. It also entails learning from previous situations, such as the Texaco oil spill and subsequent mobilization (including a lawsuit) by local and global communities against oil extraction in the Amazon. This information is then used to re-structure characteristics of the initiative on the domestic and global level through rational bargaining.

Another aspect of this model that is critical is the political opportunity structure (POS).<sup>41</sup> Shifts in norms at all levels require good timing and openness to new concepts. While the creation of new norms does not necessitate POS, the ability to network and persuade others to accept them is dependent upon POS at the domestic and global level. This is the intricacy in trying to change norms and the behaviors that they create at domestic and global levels. The Yasuní-ITT initiative illustrates the long road of seizing POS during the Correa regime and post-Kyoto discussions on climate change. Although these are structures that have influenced the initiative, the actors involved have surely not been limited by them.

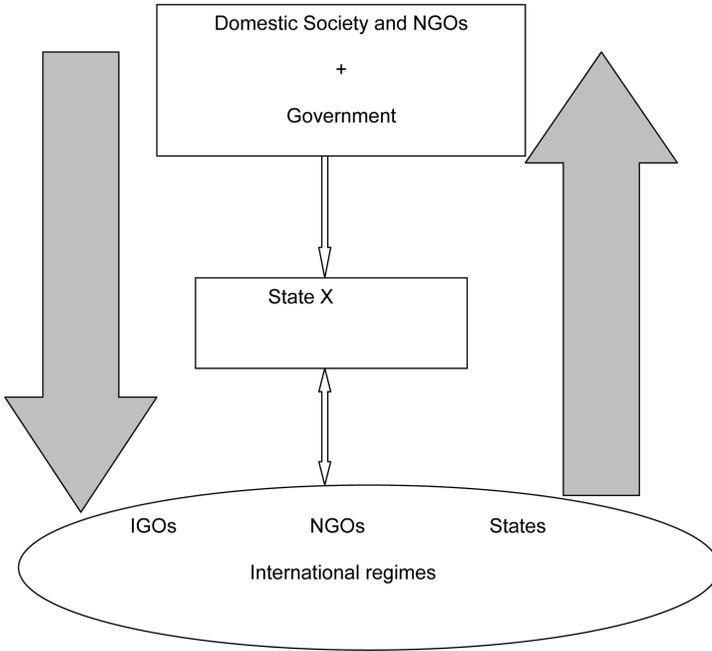
In the counter boomerang effect, domestic actors initiate a campaign *with* the state government. Ultimately, the state becomes the representative of the normative change, institutionalizing it. During the institutionalization phase, the state may distance itself from its original civil society allies, which can cause gaps in knowledge transfer and communication among these actors. During institutionalization and the quest for acceptance at the international level, the state will represent the claim at the global level. In this case, international network collaborators are often privy to information that their domestic counterparts do not have. However, social learning is a critical component of this process. Once the state has institutionalized the norm and interacted at the international level, it then returns to work with domestic civil society to further the initiative. The Yasuní-ITT case will illustrate these dynamics.

This process may be caused by structural limitations in the international system. As states are often the actors that support and implement new international norms through international organizations and agreements, domestic civil society can be left out of the equation. Here again, social interaction is a key element of this equation. In the case of Yasuní-ITT, domestic supporters who were originally involved in the initiative, re-engage and ultimately dialogue with the government and international supporters to re-fashion the initiative.

### **Yasuní-ITT: Learning from the Past**

This proposal is based on lessons from the previous campaign surrounding the Chevron Texaco case of over 30,000 indigenous and *colono* peoples who claim that the company destroyed the ecology of their northern Amazonian province

41. Tilly 1978.



**Figure 2**  
The Counter Boomerang Effect

and left behind grave social and health problems, reportedly including high cancer rates.<sup>42</sup> In response to this case and others in the Southern Amazon, activists, researchers, and scholars began calling for a moratorium on oil drilling in this region in the mid-1990s. In 2000, Alberto Acosta and Acción Ecológica, an Ecuadorian NGO, published a book entitled, *El Ecuador Post-Petrolero*, which called for a moratorium on oil extraction in the Amazon and a move toward alternative energy sources for the country.<sup>43</sup> This laid the groundwork for a larger plan that included opposition to global climate change, support for those portions of the developing world not included in the Kyoto Protocol, and protection of the rainforest and for those uncontacted peoples living within it.

The election of President Rafael Correa in 2007 is significant as some in his cabinet and supporters were members of the anti-oil extraction community. Furthermore, his first Minister of Foreign Affairs, María Fernanda Espinosa Garcés, was formerly the International Union for Conservation of Nature (IUCN) Regional Director for South America and a Senior Advisor on Biodiversity and Indigenous Peoples for IUCN. When President Correa an-

42. Langewieshce 2007.

43. Acosta 2000.

nounced his official support for leaving oil underground in the ITT block in June 2007, he designated the study of the proposal to the Ministry of Foreign Affairs, headed by Minister Espinosa.

### **Bargaining, Negotiation, and the Beginnings of Institutionalization**

According to former Minister of Energy and Mines, Alberto Acosta, the first phase of strategizing about an official proposal began in January 2007, after President Correa's election, in conjunction with Esperanza Martínez of Acción Ecológica, an example of the use of POS directly after the election. Acosta remembers the time period between January and June 2007 as one of tension between the ministry and the Executive President of Petroecuador, Carlos Pareja Yannuzzelli. This illustrates the push and pull between governmental institutions involved in this process. While Acosta supported the proposal to leave oil underground, Pareja sought outside contracts from *la Industria Petrolera de Venezuela* (PdVsa), *Sinopec* of China, *Petrobras* of Brazil, and *Enap* of Chile in an attempt to convince the president to drill for oil. However, during the Petroecuador Board Meeting on March 30, 2007, President Correa accepted the proposal to leave oil underground.<sup>44</sup>

On June 5, 2007, President Correa officially announced his support of the Yasuní-ITT proposal, but with the caveat that the international community had to compensate Ecuador for its sacrifice of 20 percent of its reserves. He stated, "Ecuador doesn't ask for charity, but does ask that the international community share in the sacrifice and compensates us with at least half of what our country would receive, in recognition of the environmental benefits that would be generated by keeping this oil underground."<sup>45</sup> The proposal immediately caught international attention and within a few weeks, Amazon Watch, a San Francisco-based NGO, sponsored high publicity trips by Hollywood celebrities to visit the affected areas. Footage of Yasuní narrated by Martin Sheen was even played during the July 7, 2007 Live Earth concert series, organized by former United States Vice President Al Gore.

Yet even the celebrity status of the proposal could not disguise the fact that President Correa had accepted it with a Plan A (leaving oil underground) and a Plan B (extracting oil). As oil prices soared in the summer 2007, President Correa announced an agreement for possible contracting of the ITT block with Enap, Sinopec, and Petrobras. From this moment, the Yasuní-ITT Initiative would begin its zigzag policy approach, swaying between Plans A and B.<sup>46</sup>

However, the proposal gained international momentum and support when, on September 24, 2007, President Correa presented it before the United Nations at a meeting on global climate change. He said,

44. Martínez 2009, 1–13.

45. Correa 2009.

46. Martínez 2009.

For the first time in history, an oil producing country—dependent on oil export for one third of its budget—proposes to forgo this income for the well-being of humanity . . . [Ecuador] invites the world to join our effort through fair compensation in order to lay the foundations for a more humane and fair civilization.<sup>47</sup>

Following this talk, the President presented the plan at the Clinton Global Initiative in New York City, where it was recognized for its innovation to combat climate change.

Meanwhile, behind the scenes of these public events, transnational networks and national institutional arrangements were developing. According to then-University of Maryland scientist, Max Christian, President Correa asked Ambassador Luís Gallegos and Organization of American States (OAS) Representative Gustavo Palacio in Washington, D.C. to convene international experts to study the options for revenue-substitution to finance the moratorium on Yasuní; effectively seeking governance options outside the sovereign state. In addition, the Wallace Global Fund (in conjunction with the Clinton Global Initiative) funded a World Resources Institute (WRI) study of the viability of revenue substitution models, such as carbon trading and debt cancellation.<sup>48</sup> Other signs of coordination among Northern and Southern NGOs during 2007 were: a) the two workshops in September and November hosted in Washington, D.C. and Quito respectively to discuss the IIT proposal and plans and b) the proposal presentation at the Bali Conference on Climate Change in December 2007.<sup>49</sup>

## The Challenges of Changing Norms from the Domestic Side

As planning for the complex mechanisms of financing and guarantees began to unfold throughout the summer and fall 2007, some cracks in the organizational structure were evident. For example, many NGOs commented that they were very involved in the initial setup of the plan and launch in June 2007. Some, like Amazon Watch, were working within the Ministry of Foreign Affairs doing things like writing briefs for the President and helping manage the press at the Clinton Global Initiative in New York City in September 2007. While various INGOs accompanied President Correa to the Clinton Global Initiative, they observed a lack of coordination on the part of the Ecuadorian government to promote the proposal. Others, such as Finding Species, commented that they felt very “involved in” and “informed of” the initiative. They provided photos of Yasuní National Park for the promotional materials. One NGO commented, “This is the first time we have worked *with* the government on an initiative.”<sup>50</sup>

Yet, on the national government side of the campaign, Lucía Gallardo,

47. Correa 2007.

48. Author’s interview with Max Christian via telephone, 21 June 2007.

49. Ministry of External Relations, Commerce and Integration 2007.

50. Author’s interviews, Quito, Ecuador, Spring 2009.

General Director of the Environment in the Ministry of Foreign Affairs, met regularly with national and transnational NGOs, but did not make progress on a plan. The anti-Kyoto Protocol argument strained relations with the larger INGOs, such as The Nature Conservancy (TNC) and Conservation International (CI), which were concerned with how this plan to leave oil underground would apply to the Kyoto mechanisms of JI or CDM. Smaller INGOs and national NGOs, such as Amazon Watch, Finding Species, and Pachamama, commented in interviews that they liked the original proposal to seek global donations to keep oil underground, even if it was not within the Kyoto guidelines. This demonstrates the rational negotiating and bargaining process of transnational networks when actors seek to institutionalize the alternative norms of the good life and a post petroleum Ecuador.<sup>51</sup>

### *Is there a Price on the Good Life?*

The time period of January through June 2008 differed from the first phase of the initial proposal that was based on the ethical and environmental value of Yasuní to the planet with donations from civil society and collaborating countries. During this second phase of mobilization and institutionalization, Juana Ramos, the newly appointed Technical Secretary of the Yasuní-ITT Initiative and a previously-appointed consultant began to consider market alternatives to finance the US\$ 350 million that President Correa told them they had to raise by June 2008. This included creating the financial mechanisms that would support donations to the initiative.<sup>52</sup>

Ramos relayed that there was great international interest in a carbon bond initiative, most specifically from Spain, Norway, Germany, and various European parliamentarians with whom she had met in March 2008. The concept was to relate the bond value to the value of the petroleum left underground. This, she said, “was an enticing means of valuing the bond as stock prices for oil were easier to quantify than were other forms of carbon capture that were in the international markets.”<sup>53</sup>

While the carbon bond concept generated international interest, on the civil society level, it stirred criticism. Ramos commented that organizations such as Oil Watch, an INGO directed then by Esperanza Martínez of Acción Ecológica, criticized the sale of carbon bonds as a means of promoting the Kyoto Protocol and encouraging pollution. However, Ramos asserted that carbon bonds for unextracted oil are not accepted measures under the Kyoto Protocol.<sup>54</sup> All actors involved agreed upon the normative foundations of the proposal—a post-petroleum Ecuador; a post-Kyoto plan for the developing world; and the

51. Author’s interviews, Quito, Ecuador, Spring 2009.

52. Author’s interview with Juana Ramos, Quito, Ecuador, 6 March 2009.

53. Author’s interview with Juana Ramos, Quito, Ecuador, 6 March 2009.

54. Author’s interview with Juana Ramos, Quito, Ecuador, 6 March 2009.

constitutional right of the good life. The issue was the translation of norms into economic and political structures.

Institutional tumult aside, President Correa continued his international promotion of Yasuní-ITT during May 2008. On May 12<sup>th</sup>, President Correa presented the proposal to representatives of the Fifth Latin American and Caribbean-European Union Summit.<sup>55</sup> On May 21, 2008, Organization of Petroleum Exporting Countries (OPEC) Secretary General Abdala Salem El-Badri visited Ecuador and reviewed the initiative.<sup>56</sup> At the OPEC meeting the year before, President Correa proposed a tax on petroleum exports from OPEC countries, later to be called the Correa-Daly tax after ecological economist Herman Daly. Former University of Maryland researcher Max Christian, along with other members of the NGO working group on the initiative, assisted with the conceptualization of President Correa's OPEC speech.<sup>57</sup> Thus, while the institutional mechanisms of the proposal inside Ecuador were weak, the campaign continued at the global level.

### **Institutionalizing the Initiative and Ironing out the Details**

By June 2008, Juana Ramos resigned as Technical Secretary and President Correa, via Executive Decree, formed the CAD—Administrative and Leadership Council—with Roque Sevilla as the President, Francisco Carrión and Yolanda Kakabadse as Commission Members, Galo Armas as the Secretariat, and Carlos Larrea as the Technical Coordinator. With this new institution, the President also extended the deadline to collect the US\$ 350 million for the initiative until September 2008, and ultimately lifted it in February 2009.<sup>58</sup>

The initial CAD investigation into international feasibility and acceptance of the proposal took place on a visit to Europe and the US during the summer through December 2008. They presented the revised Yasuní-ITT proposal on a visit to Washington, D.C. on December 16, 2008 at the World Resources Institute with NGO representatives from The Nature Conservancy, Conservation International, Save America's Forests, Amazon Alliance, Amazon Watch, World Wildlife Fund, Finding Species, among others. The funding for the initiative was to be directed to the over 40 protected areas of Ecuador and to other projects as outlined in the Ecuadorian National Development Plan.

However, the carbon bond initiative had changed. Rather than selling bonds at the price of petroleum, the government proposed to sell Certificates of Guarantee Yasuní (CGY) not at the price of oil, but at the price of non-emitted carbon. Thus, the concept of leaving oil underground, while still central to the proposal, had been transformed into the environmental benefit of avoided

55. "Correa to speak on his plan to leave oil underground at the LAC-EU Summit," *El Comercio*, 12 May 2008.

56. "Secretary General of OPEC Visits Ecuador Interested in ITT Project," *El Comercio*, 20 May 2008.

57. Author's interview with Max Christian via telephone, 21 June 2007.

58. Government of Ecuador, 2009.

emissions. This shift in conceptualization left the proposal still market-driven, yet available through different market vendors—carbon markets. Also included were the original funding sources of contributions from collaborating countries and members of civil society.<sup>59</sup>

With this new plan and a strengthened institutional anchor to the initiative, the Yasuní-ITT campaign seemed as though it would gain momentum in 2009. However, by January 2009, Minister of Mining and Petroleum, Derlis Palacios, announced future bidding for the ITT block, stating that “If we find an immediate solution [for keeping oil underground], we will consider it. I think that we have already lost good time. We will make every necessary attempt to protect the environment, but the country needs money.”<sup>60</sup> The next day, newly appointed Minister of Foreign Affairs, Fander Falconí, apologized for this miscommunication and President Correa again endorsed leaving oil underground through an executive decree that made the Yasuní-ITT proposal official foreign policy for the country without a deadline.<sup>61</sup>

The ping-pong of Plan A and Plan B had drained much of the energy from the transnational networks’ actors. Many were skeptical of government plans and had disconnected from the initiative during the fall 2008.<sup>62</sup> The CAD contracted a series of studies during spring 2009 regarding the legal, financial, and environmental elements of the Yasuní-ITT proposal that they presented in December 2008. Funding from the German International Cooperation Enterprise, GIZ, financed the consultations that were presented at a government workshop in Puenbo, Ecuador, March 2009 to review the findings. While one would have expected nearly two years after the initial announcement of the initiative a finalization of the proposal with a clear strategy to disseminate it worldwide, the Puenbo meeting demonstrated the CAD’s indecision on its financial mechanisms.

International consultants from Climate Focus, Katoomba, and Silvestrum presented their findings, which all agreed that carbon markets would be difficult avenues of finance for the project because the EU ETS had already established guidelines through 2012 that did not include CGYs. Some discussed US market potential with possible future US legislation on climate change. Following this discussion, participants from the technical advisory committee discussed other funding options, such as CGYs to guarantee debt forgiveness and international loans (which was quickly rejected).<sup>63</sup>

Over the course of the next few weeks, the proposal was revised a final time to include CGYs as a guarantee for debt forgiveness and less of an emphasis on carbon markets. The key element of the previous proposal of avoided emissions remained, yet now in payment for debt forgiveness or through volun-

59. Sevilla 2008.

60. “ITT Block Will Go for International Bidding,” *Diario Hoy*, 9 January 2009.

61. “The Government Freezes Extraction from Yasuní,” *El Comercio*, 14 February 2009.

62. Author’s interview with Verónica Quitiguina, Quito, Ecuador, 4 March 2009.

63. Participant observation March 2009.

tary carbon markets. A renewed emphasis on collaborating country and civil society contributions was also included. One transnational actor involved in the discussions commented that CAD President, Roque Sevilla, was determined to make the proposal work and included aspects that actors from civil society had favored.<sup>64</sup> This process of feedback from global and local actors, negotiating about the value of the CGYs, and the ultimate formulation of financial mechanisms to support the initiative illustrates the local and global feedback loops of the proposal, as well as the government's (through the CAD) commitment to respect the normative underpinnings of the proposal: to support the concept of *el buen vivir* through new post-Kyoto mechanisms that Ecuador would pilot for other megadiverse, fossil fuel dependent countries of the developing world.

### Politics of the People over the Pipeline

Part of the impetus for reform of the proposal came from international consultants. However, a significant catalyst for change came from civil society. Many transnational actors were critical of the carbon market emphasis. Former Minister of Energy and Mines, Alberto Acosta, Esperanza Martínez of Acción Ecológica, Joseph Vogel from the University of Puerto Rico at Río Piedras, and Uruguayan academic Eduardo Gudynas released a critique of the proposal in the spring 2009 in which they emphasized alternative forms of funding and Ecuador's responsibility to protect Yasuní without market reinforcements.<sup>65</sup> Their close relationship with La Universidad Andina economist Carlos Larrea, the CAD Technical Coordinator, coupled with other currents from civil society supporting them, influenced the final CAD version of the Yasuní-ITT proposal.

In May 2009, CAD members travelled internationally to garner support for the new proposal. By September 2009, the German government had pledged US\$ 50 million over 13 years to the initiative and Spanish officials were considering a pledge of US\$ 20 million over the same time period.<sup>66</sup> A much anticipated signing of the UNDP trust fund agreement at the UN Framework Convention on Climate Change meeting in Copenhagen in December 2009 never materialized. President Correa, in a Saturday radio address to the country, criticized the terms of the agreement, saying it was "an insult to Ecuadorian sovereignty," referring to the composition of the UNDP Trust Fund oversight committee. Following the Copenhagen meetings and the President's rejection of the UNDP trust fund signing, CAD President Roque Sevilla and member Yolanda Kakabadse resigned, as did Foreign Minister Fander Falconí. A revised UNDP agreement, with expanded Ecuadorian presence on the oversight committee, was signed on August 3, 2010 and newly appointed CAD members continue to travel the globe in support of the initiative and its financing.

64. Author's interview with Roque Sevilla via telephone, Quito, Ecuador, 5 February 2009.

65. Acosta et al. 2009.

66. "Correa Negotiates for Manta-Manaos Highway," *El Universo*, 30 September 2009.

The Yasuní-ITT Initiative and its transnational campaign demonstrate the significance of civil society mobilization around collective norms from the South. While President Correa and some members of his administration have given unclear signals as to their commitment to leave oil underground in Yasuní's ITT block, the political mobilization from 2007 at the proposal's initiation from civil society and the ensuing governmental institutionalization from a technical secretariat to a commission and a UNDP trust fund have strengthened networks among global and local supporters of the initiative, as well as new structures and mechanisms to pay for preserving the Amazon and other megadiverse areas in the developing world.

The Bolivian-sponsored Peoples World Conference on Climate Change and Mother Earth in July 2010, new global mechanisms for reducing deforestation and forest degradation (REDD) in the developing world, and the Yasuní-ITT Initiative are all illustrative of a push from the South to formulate climate change policies based on Southern norms. These norms focus on social and environmental justice with governance and finance mechanisms that seek to incorporate social, environmental, and economic impacts from climate change and include the South in future global environmental governance agreements. The national and international NGOs involved in the initiative collaborated with the Ecuadorian state, through processes of negotiation and bargaining, to formulate a proposal that reflected the norms of the good life, post petroleum society, and protection of indigenous communities that were left out of the Kyoto framework. In this sense, the Yasuní-ITT sponsors created an alternative normative path and subsequent structures on the domestic and international level to define it, such as the Yasuní-ITT Administrative and Leadership Council and the UNDP Trust Fund. The outgrowth of such global collaboration was also an understanding of the planet that goes beyond markets to include common global responsibilities as demonstrated in the various means of contribution to the fund from individuals in civil society to the sale of CGYs for avoided emissions. The global environmental governance structure of the UNDP Yasuní Fund includes Ecuadorian officials, contributors, and civil society representatives. It provides a replicable model for other megadiverse, fossil fuel dependent countries, including Bolivia, Brazil, Colombia, Peru, Indonesia, and Nigeria. The lessons from the Yasuní-ITT initiative provide fodder for researchers to better understand the global-local dimensions and networks that are producing alternative mechanisms of global environmental governance, as well as different visions of how to live *within* nature, and even possibly toward the good life.

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