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Negotiations took place while the country sought funds to forgo oil exploitation in pristine forest under the Yasuni-ITT scheme

The Ecuadorian government was negotiating a secret \$1bn deal with a Chinese bank to drill for oil under the Yasuni national park in the Amazon while pursuing a high-profile scheme to keep the oil under the ground in return for international donations, according to a government document seen by the Guardian.

The proposed behind-the-scenes deal, which traded drilling access in exchange for Chinese lending for Ecuadorian government projects, will dismay green and human rights groups who had praised Ecuador for its pioneering Yasuni-ITT Initiative to protect the forest. Yasuni is one of the most biodiverse places in the world and home to indigenous peoples – some of whom are living in what Ecuador's constitution calls "voluntary isolation".

The initiative – which was abandoned by Ecuador's government last year – is seen as a way to protect the Amazon, biodiversity and indigenous peoples' territories, as well as combat climate change, break Ecuador's dependency on oil and avoid causing the kind of social and environmental problems already caused by oil operations in the Ecuadorian rainforest.

"This raises serious doubts about whether the government was truly committed to keeping ITT oil in the ground," said Atossa Soltani, from NGO Amazon Watch and a former ambassador for the initiative. "While we were promoting the Yasuni initiative to donors, the government was offering ITT's crude to China."

The document, titled China Development Bank Credit Proposal, bears the name of Ecuador's Ministry of Economic Policy Co-ordination on every page. Under the heading Results of the 1st Negotiating Round: Preliminary agreements, which took place between 13-23 May 2009, it states: "Last minute clause: The Ecuadorian party has said it will do all it can to help PetroChina and Andes Petroleum explore ITT and Block 31."

ITT refers to the Ishpingo, Tambococha and Tiputini oil fields – the first two under Yasuni, the

last partially – and Block 31 is an oil concession immediately to the ITT's west. PetroChina is a listed company controlled by China National Petroleum Corporation (CNPC), owned by the Chinese state, and Andes Petroleum is a joint venture between CNPC and another state-run Chinese firm.

Ecuador oil map

The objective of the Chinese negotiators was in part to "guarantee the supply of crude oil for PetroChina in the medium term", while the Ecuadorian government wanted to "obtain access to a favourable line of credit to finance priority projects," the document says.

The proposed deal was that the China Development Bank, would lend "no less than US\$1bn in the first phase" to "Ecuador's Ministry of Finance or an entity designated by Ecuador's government".

But while these negotiations were taking place, Ecuador was appealing to potential donors to support the Yasuni-ITT Initiative – a scheme that emerged from civil society and was adopted by president Rafael Correa's government in 2007, with a trust set up in 2008 to collect donations.

The details have changed over time, but the fundamental concept is to forgo exploiting the millions of barrels of oil in the ITT fields – estimated to be 20% of Ecuador's total oil deposits – in return for financial compensation.

In August last year Correa abandoned his government's support for the initiative and announced he wanted oil operations to go ahead – triggering protests and other opposition in Ecuador and abroad, a government backlash, and fervent speculation about why it failed.

Correa laid most of the blame on the lack of donations – just over US\$2m in the government trust and just under US\$10m in another trust set up in 2010 and administered by the UN Development Programme (UNDP), despite an ultimate target of US\$3.6bn.

However, others have pointed the finger at pressure from Ecuador's oil sector and the country's relationship with China, which has seen the former increasingly dependent on the latter for financing and Chinese companies' obtaining a near monopoly on Ecuador's oil and being linked to Yasuni in particular.

Correa himself has also been heavily criticised and accused of failing to convince potential donors he was serious about the initiative – especially given his refusal to abandon a "plan B" to exploit ITT and the fact that operations were permitted in Block 31 where deposits are so small that many see it as the first phase of an eventual move into ITT.

"The document shows that in 2009 Ecuador's government negotiated with China to do all it could so Chinese oil companies can explore in ITT and Block 31, contradicting the Yasuni-ITT Initiative that was in effect at the time," says Alexandra Almeida, from Ecuadorian NGO Acción Ecológica.

Last October it was agreed that donors to the UNDP trust could choose between having their donations returned or reinvested in other projects in Ecuador. To date, more than US\$2m has been given back.

Ecuadorians who continue to support the Yasuni-ITT Initiative are aiming to force a referendum and must collect 600,000 signatures by 12 April – a move countered by the government, that wants its own referendum in favour of oil operations.

Rafael Correa's office declined to comment.