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QUITO, Oct 3 (Reuters) - Ecuador's parliament on Thursday authorized drilling of the nation's largest oil fields in part of the Amazon rainforest after the failure of President Rafael Correa's plan to have rich nations pay to avoid its exploitation.



photo: Getty

The socialist leader launched the initiative in 2007 to protect the Yasuni jungle area, which boasts some of the planet's most diverse wildlife, but scrapped it after attracting only a small fraction of the \$3.6 billion sought.

The government-dominated National Assembly authorized drilling in blocks 43 and 31, but attached conditions to minimize the impact on both the environment and local tribes.

Though Correa says the estimated \$22 billion earnings potential will be used to combat poverty in the South American nation, there have been protests from indigenous groups and green

campaigners.

About 680,000 people have signed a petition calling for a referendum.

"We want them to respect our territory," Alicia Cauilla, a representative of the Waorani people who live around the Yasuni area, said in an appeal to the assembly.

"Let us live how we want."

Correa has played down the potential impact of oil drilling in the area, saying it would affect only 0.01 percent of the entire Yasuni basin.

A U.S.-trained economist, Correa has won broad popular support among Ecuador's low-income majority with heavy spending on welfare, health, education and infrastructure projects.

He says it is essential for the country to expand its oil reserves in order to direct more state spending toward the poor.

Oil output in OPEC's smallest member has stagnated since 2010 when the government asked oil investors to sign less-profitable service contracts or leave the country. Since then, oil companies have not invested in exploration.

State oil company Petroamazonas will be in charge of extraction in blocks 43 and 31, which are estimated to hold 800 million barrels of crude and projected to yield 225,000 barrels per day eventually. Ecuador currently produces 540,000 bpd.