

# CLIMATE CHANGE LEGISLATION IN

## Ecuador

*AN EXCERPT FROM*

### The 2015 Global Climate Legislation Study

A Review of Climate Change Legislation in 99 Countries



Michal Nachmany, Sam Fankhauser, Jana Davidová, Nick Kingsmill,  
Tucker Landesman, Hitomi Roppongi, Philip Schleifer, Joana Setzer,  
Amelia Sharman, C. Stolle Singleton, Jayaraj Sundaresan and  
Terry Townshend

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# Ecuador

## Legislative Process

Ecuador was the first Latin American country to successfully move from military rule to a multi-party decentralised democracy based on the rule of law, following a referendum in 1978. However the Republic has endured recurrent periods of political instability during the past decade that have eroded the strength of the state, and weakened the public sector. Historically there has been little co-operation between political parties and the political instability is reflected in the fact that few recent leaders have finished their term in office: there were seven Presidents between 1996 and 2007.

These factors contributed to Ecuador's constitution being rewritten in 2008, the country's 20th such change. In 2009 the unicameral 137-seat National Assembly was created, which replaced the Legislative Commission. Assembly members were last elected in 2013 by popular vote for a four-year term on a party list proportional representation system. The next election is scheduled for 2017. The new constitution also allows the president and vice-president to be elected for four-year terms. The president in turn appoints a 38-member cabinet. These changes appear to have heralded a new period of political stability, with the incumbent President being re-elected in early 2013.

In the judiciary, the National Court of Justice is elected by an independent body of professionals, the Judiciary Council. Judges are elected for nine years. Candidates for the Constitutional Court are selected by the president, government officials and the Supreme Court, with the judges finally appointed by the National Assembly for two-year terms.

## Approach to Climate Change

With its diverse range of natural environments, from coastal plain to high mountains to the Amazon rainforest, Ecuador is expected to experience a range of impacts due to climate change. As a relatively small middle-income country, Ecuador does not support emissions targets for developing countries that do not cause large anthropogenic emissions. Nonetheless, adaptation to and mitigation of climate change is now a government objective. The constitution states that Ecuador “will adopt climate change mitigation policies” and promotes the development and adoption of clean technology.

The Ministry of the Environment is charged with awareness raising and developing institutional co-operation on climate change, notably through the Inter-institutional Climate Change Committee. It oversees commitments to the UNFCCC and the CDM and is taking the lead in preparing and executing the National Strategy for Climate Change, as per Decree 1815. This decree establishes the preparation and execution of the National Strategy for Climate Change, the benchmark for climate change actions, covering the period 2012-2025.

The National Climate Change Strategy is comprehensive and ambitious, and fits into broader development strategy. It aims to protect the country's biodiversity, which Ecuador sees as a fundamental resource for health and well-being. The strategy is highly integrated across other policy areas: sectors that are prioritised in the National Plan for Good Living are also given priority in the National Strategy for Climate Change in order to provide policy coherence. These priority areas are: agriculture and livestock security; development of fishing and aquaculture; maintenance of water supply and natural ecosystems; development of tourism; improvement of infrastructure and robustness of human settlements. The strategy is one component of a broader series of measures under the new constitution that are being put in place to foster more sustainable development in Ecuador.

The Climate Strategy takes particular note of the decentralised nature of the government, and the rights and abilities of regional governments to participate in action on climate change. It also recognises the role of civil society in climate change policy making and action, with specific reference to a 2011 law concerning the participation of civil society in governance.

The Climate Strategy has three implementing plans. The National Plan for the Creation and Strengthening of Institutional Conditions is to be developed by the office of Undersecretary for Climate Change, whose remit is to facilitate adaptation and mitigation by developing national institutional capacity. It also co-ordinates the development of the two other envisaged climate action-oriented plans: the Climate Change Mitigation Plan and the Climate Change Adaptation Plan. These should generate and implement actions and measures for climate change adaptation and mitigation across Ecuador and are currently being discussed.

The related National Plan for Good Living (2013-2017) aims to ensure sustainable management of resources and biodiversity, and develop strategies for the mitigation of and adaptation to climate change (Objective 7). This plan sits alongside the National Environmental Policy which similarly is designed to ensure the well-being of Ecuadorians. These policies are faithful to the Constitution which remarkably defines nature as a rights-bearing entity, which “has the right to exist, persist, maintain and regenerate its vital cycles, structure, functions and its evolutionary processes.”

In order to develop the knowledge and scientific capacity to deal with climate change, Ecuador has developed a number of research facilities that undertaking targeted research, such as the International Centre for Research on El Niño that provides a regional perspective on the west of South America and the National Institute of Meteorology and Hydrology.

### **Energy supply**

Ecuador's recent economic growth is partially the result of fossil fuel extraction, with exports of around 250,000 barrels of crude oil a day. It is hoped that the development of new domestic refining capacity will reduce oil derivative imports, slow domestic oil price increases and hence reduce inflationary pressure. The development of the sector has been aided by international investment and direct

budgetary assistance, particularly from China through PetroEcuador. On the other hand, the climate change impacts from oil exports are partially reflected in the 'ecotax' imposed on the importers of the oil.

Dependency on fossil fuels for growth represents a challenge for climate change mitigation and adaptation, as it does for other countries. Ecuador faces the realities of being a middle-income country trying to develop its resources to achieve economic growth. Within the context of a broader development vision, the government is seeking to finance improved service provision and infrastructure that will both improve quality of life and be robust to climate change impacts, but without exacting too high a cost on the environment.

An example of the challenges of reconciling sustainable development and tackling climate change is the Yasuni National Park in the Amazonian region, which has long been known to contain large oil reserves in the Ishpingo-Tambococha-Tiputini fields. Since these reserves are in an environmentally sensitive area and a national park, President Correa introduced a moratorium preventing planned drilling here. He offered to pay 50% of the projected site revenues to offset the opportunity costs of keeping the oil in the ground. Only USD13m of the USD3.6bn required to do this was raised from the international community, so exploitation was authorised in 2013.

However, the government acknowledges the challenges of managing development impacts on the environment, and is taking action to achieve more sustainable development. Under Objective 10 of the National Plan for Good Living, the government is promoting innovation and diversification of the economy away from natural resource dependency and diversification of the energy mix within the National Climate Change Strategy.

The focus in the energy sector is to reduce net emissions through increased efficiency in production of electricity and to promote the development of renewable energies including hydro-electric and solar power. The National Electricity Board (CONELC) launched a feed-in tariff scheme in 2011 to support the development of solar photovoltaic, wind, geothermal, biomass, biogas and hydro-energy. With eight new hydro-electric plants to be constructed by 2017, Ecuador aims to obtain 93% of its electricity from hydro-electric power (more than 50% already generated in 2012).

### **Energy demand**

A number of projects have been implemented to reduce energy consumption and increase energy efficiency. Those include 'Programme INNOVA Ecuador' that assists uptake of energy efficient technologies in different industry sectors, 'Programme RENOVA' that led to the replacement of more than 100,000 inefficient refrigerators and more than 20,000 inefficient vehicles by 2015, and projects that support energy efficiency measures in urban zones. In 2013, around 50% of public buildings designed energy savings plans and started implementing them. The National Plan for Good Living (2013) also includes a number of quantitative targets and goals for increasing energy efficiency and reducing energy consumption by 2025 (intermediate goals 2017). Additional measures to reduce GHG emissions exist in transportation, where a biodiesel blend mandate of 5% was introduced in 2012.

## REDD+ and LULUCF

As a country that was once heavily forested, and where deforestation levels are still quite high, climate change mitigation is centred upon the reduction of deforestation and degradation, and forest restoration through REDD+, with deforestation being considered as both a social and environmental problem. The main drivers of deforestation are the expansion of agricultural land, for the raising of cattle in particular. Deforestation is addressed under the National Plan for Good Living; Forest Conservation Incentives Programme; Sustainable Livestock Programme; and the REDD+ National Programme. Through the diverse measures, Ecuador aims to reforest 500m ha of native forests on the national level by 2017 (already reforested around 46,200 ha over 2008-2012).

## Adaptation

Ecuador is especially vulnerable to climate change impacts due to rising temperatures, natural disasters (landslides, floods), and reduced hydropower resources related to glacier retreat. It seeks to decrease its vulnerability through a number of adaptation projects, including the Climate Change & Water Governance Programme that promotes vulnerability studies, climate change resilient land planning, implementation of local strategies for climate change adaptation, and building institutional capacities, and is partly funded by the GEF; the Adaptation to Glacier Retreat and Moorland Conservation Programme that aims to enhance the resilience of Andean ecosystems, and to help local economies adapt to climate change impacts and glacier retreat.

## *Executive portfolio: Ecuador*

<b>Name of law</b>	<b>Ministerial Accord No. 089 on Regulation for NAMAs</b>
<b>Date</b>	10 September 2013
<b>Summary</b>	The Decree establishes the National Authority for Implementation of Nationally Appropriate Mitigation Actions (NAMAs) developed in co-ordination with the UNDP. This Authority is chaired by the Minister of Environment while the Undersecretary of Climate Change is in charge of implementing the registry. The NAMA registration is compulsory and is part of the National Environment Information System.

<b>Name of law</b>	<b>Ministerial Accord No. 33 on REDD+</b>
<b>Date</b>	18 June 2013
<b>Summary</b>	The Ministerial Accord sets out the regulations for the implementation of the REDD+ mechanism in Ecuador.

<b>Name of law</b>	<b>National Plan for Good Living (2013-2017)</b>
<b>Date</b>	17 February 2013
<b>Summary</b>	<p>The National Plan for Good Living (2013-2017) sets out to ensure sustainable management of Ecuador's resources and biodiversity, and develop strategies for the mitigation of and adaptation to climate change (Objective 7). This plan aims to implement the Constitution, which remarkably defines nature as a rights-bearing entity, which "has the right to exist, persist, maintain and regenerate its vital cycles, structure, functions and its evolutionary processes."</p> <p>The Plan proposes several strategic policies and guidelines for sustainable development, including:</p> <ul style="list-style-type: none"> <li>• Guarantee the promotion and respect of rights of the nature</li> <li>• Improve the sustainable management of forests</li> <li>• Promote energy efficiency and development of renewable energies to reduce emissions</li> <li>• Promote sustainable, rational and efficient consumption patterns</li> <li>• Implement measures for climate change mitigation and adaptation to reduce the vulnerability of the economy and environment, especially concerning groups with special needs</li> <li>• Consolidate the Yasuní-ITT initiative and use international mechanisms to keep the crude oil in the ground</li> </ul> <p>It further sets a number of goals to be reached by 2017, including:</p> <ul style="list-style-type: none"> <li>• Increase the share of territory under specific conservation scheme to 35.9% (30.5% in 2012)</li> <li>• Increase the area dedicated to reforestation to 300,000 ha (46,185 ha in 2012)</li> <li>• Develop and use 60% of the renewable energy potential of Ecuador (43.1% in 2012)</li> <li>• Reach 76% national energy independence (71.1% in 2011).</li> </ul>

<b>Name of law</b>	<b>Biodiesel mandate (Executive Decree No. 1303)</b>
<b>Date</b>	17 September 2012
<b>Summary of bill</b>	The Decree introduces a 5% biodiesel mandate for the Diesel Premium used in the automotive sector, to be progressively increased until 10%.

<b>Name of law</b>	<b>Programme RENOVA (Executive Decree No. 676; Executive Decree No. 741)</b>
<b>Date</b>	14 May 2012
<b>Summary of bill</b>	<p>Programme RENOVA is one of the projects aiming to reduce energy consumption and increase energy efficiency in Ecuador. RENOVA concerns the transport and equipment sectors and aims to assist replacement of more than 300,000 inefficient refrigerators and more than 20,000 inefficient vehicles by 2015. The replacement of inefficient vehicles is mainly supported through exoneration from import tax for vehicles respecting quality and efficiency standards. The replacement of inefficient refrigerators concerns residential consumers whose electricity consumption does not exceed 200 kWh/month (around 83% of all the users). Through Programme RENOVA the Government distributes efficient refrigerators to eligible consumers that fulfil the following requirements:</p> <ol style="list-style-type: none"> <li>1. Fill in the application form;</li> <li>2. Have an electricity connection with a meter registered at their own name;</li> <li>3. Have paid the bills over the past 12 consecutive months;</li> <li>4. Their monthly consumption does not exceed 200 kWh/month;</li> <li>5. Own a refrigerator older than 10 years that is still working;</li> <li>6. Have correctly installed electrical installations that are in good condition.</li> </ol>

<b>Name of law</b>	<b>Executive Decree No.004/11 on Feed-in Tariff for non-conventional renewable energy sources</b>
<b>Date</b>	14 October 2011
<b>Summary of bill</b>	The Decree re-introduced a Feed-in Tariff (FiT) for non-conventional renewable energy sources (PV, wind, solar thermal, biogas, geothermal) with a capacity below 50MW. PV-technology receives the highest tariff (USD0.40/kWh on the continent, USD0.44/kWh on the Galapagos Islands), valid for 15 years. These tariffs are reserved only for non-conventional renewable energy projects selected by the government and that will together supply a maximum capacity of 6% of the national installed on-grid capacity.

<b>Name of law</b>	<b>Executive Decree No. 495 on the creation of an Inter-Institutional Committee on Climate Change</b>
<b>Date</b>	20 October 2010
<b>Summary of bill</b>	<p>This Decree provides for the co-ordination of climate change policies and actions via the creation of an Inter-institutional Committee on Climate Change. It is aimed at co-ordinators from Ministries and Secretariats that handle this inter-sectoral approach. Members are: National Secretariat of State Planning and Development; Ministry of Foreign Affairs; Secretariat of Higher Education, Science; Technology and Innovation; Co-ordinating Ministry of Production, Employment and Competitiveness; Co-ordinating Ministry of Strategic Sectors; Co-ordinating Ministry of Economic Policy; National Secretariat of Risk Management; National Secretariat of Water Resources; Ministry of Environment.</p> <p>The role of the Committee include:</p> <ul style="list-style-type: none"> <li>• Co-ordinate integration of climate change policies into national institutions</li> <li>• Promote research into development and adjustment policies</li> <li>• Promote adaptation and mitigation in public investment projects</li> <li>• Consult specific working groups</li> <li>• Promote training and technical assistance in adaptation and mitigation</li> <li>• Enhance international cooperation and international technical assistance</li> <li>• Define negotiating positions for international delegations</li> <li>• Co-ordinate the development of reports and policies for the international arena (e.g. UNFCCC)</li> </ul>

<b>Name of law</b>	<b>National Strategy on Climate Change (Executive Decree No. 1815 and Ministerial Accord No. 095)</b>
<b>Date</b>	17 July 2009
<b>Summary of bill</b>	<p>Decree No. 1815 defines climate change adaptation and mitigation as government policy. It states that the Ministry of the Environment, Secretary of Climate Change is in charge of oversight of this policy and the issue more generally in government. Adaptation and mitigation of climate change policies are to be developed and published by the Ministry of Environment. The Decree further mandates elaboration of three implementing plans:</p> <ul style="list-style-type: none"> <li>• The National Plan for the Creation and Strengthening of Institutional Conditions (established the position of Undersecretary of Climate Change in 2009);</li> <li>• The Climate Change Mitigation Plan;</li> <li>• The Climate Change Adaptation Plan.</li> </ul>

The Decree resulted in adoption of the National Strategy on Climate Change 2012-2025 in July 2012.

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The strategy is based on several guiding principles, including: Regional and international co-operation; Consistency with international principles; Priority to local implementation; Environmental integrity; Citizen participation; Protection of vulnerable groups and ecosystems; and Inter-generational responsibility.

The strategy further contains two main strategy directions (mitigation and adaptation) and 15 specific objectives for 2017 and 2025. The objectives for adaptation include:

- Implement measures to guarantee food security under climate change impacts
- Secure economic yields and infrastructure against climate change impacts
- Implement measures to protect human health under climate change impacts
- Improve water management to ensure water availability and its sustainable use
- Conserve natural resources and ecosystems to enhance their capacity to respond to climate change
- Assist vulnerable groups with adaptation to climate change
- Improve disaster management at the public and private levels
- Increase the capacity of human settlements to face climate change impacts

The objectives for mitigation include:

- Identify and integrate appropriate mitigation practices in agriculture and fisheries sectors
  - Implement measures to protect, enhance and sustainably manage ecosystems with carbon sequestration capacity
  - Strengthen measures promoting energy efficiency and savings, as well as transformation of country's energy mix towards greater share of renewable energy sources
  - Promote sustainable practices that help to reduce GHG emissions from services and industry production, over the lifetime of products
  - Lead transformation of the economy towards more efficient energy and natural resources use and renewable resources use to reduce GHG emissions.
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