

CLIMATE ACTION IN ECUADOR

Country context

From 2001–2012 Ecuador's Gross Domestic Product (GDP) registered positive, but fluctuating growth rates, highly related to oil activity. However, since 2010 growth has been more stable, at around 3.5% per year. According to Ecuador's First Biennial Update Report to the United Framework Convention on Climate Change (UNFCCC), the energy sector which includes oil activity, contributes the most (44%) to total national greenhouse gas (GHG) emissions, followed by the land use, land use change and forestry (LULUCF) sector (30%). Before the start of the Low Emission Capacity Building (LECB) project in 2012, Ecuador already had a **solid political and institutional base for climate change management**, and mitigation and adaptation to climate change had been addressed in public policies.

Ecuador's Constitution of 2008, which was the first in the world to recognize legally enforceable ecosystem rights, a Plan for Good Living and other framework sectoral and cross-cutting policy instruments were aligned and had had an impact on climate change management.

In terms of specific policy on climate change, Ecuador had developed a National Climate Change Strategy (ENCC) in July 2012, addressing the following sectors for mitigation: agriculture, LULUCF, energy, management of solid and liquid waste, and industrial processes. However, climate change initiatives were scattered and still needed to be mainstreamed into sectoral and national plans and programmes. Technical and institutional capacity was also needed to implement the ENCC.

To address these issues, the country harnessed LECB support by creating the Capacity Building for Climate Change Mitigation in Ecuador project (FOCAM for its Spanish acronym), which is the name the project adopted in this country.



LECB ECUADOR at a glance



Total financing

US \$1,604,910



Timeframe

5 years (2012-2017)



Sectors

Energy, Transport and Industry



Counterparts

Ministry of Environment (MAE), National Secretariat for Planning and Development (SENPLADES)



Thematic areas

- Institutional frameworks
- GHG inventory systems
- NAMAs
- LEDS
- INDC support
- MRV systems
- Private sector involvement
- Climate finance

LECB LATIN AMERICA

Updated and improved national GHG Inventory and GHG emissions baselines

Under LECB, the previously developed 2011 GHG Inventory for Ecuador's Second National Communication to the UNFCCC was updated and strengthened. Its technical team reviewed the previous Inventory and corrected miscalculations, improving the GHG emissions baseline for Ecuador. This data helped provide assurance to international donors interested in supporting mitigation projects. It is also used by the national government to demonstrate project results. (project).

Development of a monitoring, reporting and verification (MRV) system

The MRV system designed for Ecuador is a working document produced by LECB. It comprises the following elements: 1) Framework of application of a MRV system; 2) National and external factors for the MRV (drivers); 3) Principles of MRV; 4) Key elements of MRV; 5) Approaches to the implementation of the MRV of emissions, reductions, and support; 6) MRV system applicable to Ecuador with its scope and scheme, which includes the National Inventory System (SINGEI); and, 7) Tools for developing sectoral GHG emissions projections.

Formulation of NAMA proposals in the energy sector and integration into INDC

Three NAMAs in the energy sector were supported by LECB, and integrated into Ecuador's INDC through the leveraging of additional funds for the design, development and implementation of: NAMA for Efficient Cooking (PEC), NAMA for the Development of Large-scale Hydroelectric Power Plants (DHC) and NAMA for Optimization of Electricity Generation and Energy Efficiency (OGE&EE). LECB facilitated strategic alliances between the Ministry of Environment (MAE), the Ministry of Electricity and Renewable Energy (MEER), public company Petroamazonas (that controls 80% of oil production in Ecuador) and the Coordinating Ministry of Strategic Sectors (MICSE). For each NAMA, the project developed monitoring and reporting mechanisms, identified entities and responsibilities, conducted co-benefits and financial analysis, systematized possible financial mechanisms, and constructed a logical framework. LECB supported the development of an online monitoring and reporting platform for [NAMA PEC](#) through technical trainings and data quality controls.

**+1 million
Tonnes of CO₂ eq**

GHG emission reduction on the period 2009–2017 from the implementation of the OGE&EE NAMA

RESULTS

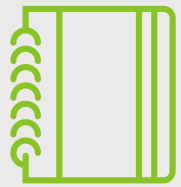
Monitoring of climate change public and private expenditure

LECB applied two UNDP methodologies to track public and private expenditures and serve as potential tools to monitor climate change expenditures periodically. It applied the Climate Public Expenditure and Institutional Review (CPEIR) as a first step towards mainstreaming climate change into the national planning and budgeting process. **Ecuador is the pioneer country in finalizing this calculation of public expenditure on climate change in the region.** Through the Private Climate Expenditure and Institutional Review (PCEIR), the effectiveness of public policy in mobilizing private investment was assessed by LECB. The expenditure of private companies with environmental protection expenditure during 2010–2014 was also reviewed.

61.5%
**private environmental
expenditure**

from 2010–2014 was spent in four priority sectors (LULUCF, energy, water, and food security).

IMPACTS



Improved knowledge and information for decision making are now available, starting with the GHG emissions baseline

Specific mitigation scenarios for three NAMAs for the energy sector were developed and used as a basis for Ecuador's INDC presented to the UNFCCC. Proposals for a MRV system, as well as the first national reports on public and private spending on climate change, were also developed with LECB support, and it provided information and technical support for the development of the Third National Communication by Ecuador to the UNFCCC.



Raised public profile of climate change on the national agenda

LECB contributed to the issue of climate change being raised on public agendas. Evidence for this are the extended visibility of the Under Secretary of Climate Change (SCC) and the inclusion of climate change mitigation in other sectoral portfolios and instruments, such as the National Energy Agenda 2016–2040. LECB's support to the participatory design and implementation of the three NAMAs for the energy sector also facilitated stronger public involvement and support of climate change mitigation.



Strengthened capacity for climate change mitigation in key institutions

delivered by LECB efforts to mainstream GHG emissions management into sectoral decision making, especially within the MAE and the MEER. The CPEIR process to determine climate expenditure also strengthened capacities within the Ministry of Finance and Planning and SENPLADES.



General overview of the UNDP Low Emission Capacity Building Programme

Since its inception, the UNDP LECB programme has paved the way for effective and lasting climate action by building capacities of government staff to develop policies, strategies and tools that help implement their climate change goals. Focusing specifically on essential building blocks such as strengthening GHG inventory data and systems; formalization of institutional arrangement for climate actions; development and alignment of low emission development strategies (LEDS); and the creation of Nationally Appropriate Mitigation Actions (NAMAs), LECB provided much of the enabling environment necessary for countries to respond quickly to emerging needs, such as the submission of Intended Nationally Determined Contributions (INDCs) and socialization of the Paris Agreement. Given its flexible nature and strong country ownership, often the originally-envisaged and measurable LECB outputs have been exceeded, leading to some unplanned but highly welcomed additional impacts.

CASE STUDY

BUILDING THE FOUNDATIONS FOR ECUADOR'S INDC



The LECB project supported Ecuador in developing three key NAMAs and integrating them into the country's commitment towards the Paris Agreement. This is evidenced by the high ambition in Ecuador's energy-related pledge: "Ecuador aims to reduce its energy emissions by 20.4-25% in relation to BAU. However, there is potential to raise this reduction to 37.5-45.8% with international support. This second conditional reduction will imply that energy emissions per capita will be 40% less than BAU in 2025".

Thanks to the leveraging of additional funds by LECB, and the strengthening of the evidence base the foundations for the INDC were built.

LECB carried out several actions related to the construction of the INDC including events, communication and technical assistance, such as the "Climate Alliance" (Alianza Climática) event lead by MAE as a call to action towards COP 21, attended by more than 1,000 people.

LECB also designed a communications strategy which included a series of workshops on effective communications for climate change, reaching over 2,000 people.

In terms of technical assistance, LECB included training in energy modelling, the update of technical information for the energy INDC and the three energy NAMAs, the definition of the LULUCF component of the INDC and the inclusion of climate change adaptation in the INDC. The project also contributed directly to the development of the INDC document.

Thanks to LECB, the Petroamazonas' Energy Efficiency OGE&EE NAMA was exposed at national and international forums and demonstrated not only it's contribution to Ecuador's energy sector, but also to the environment. It allowed us to show that there are opportunities to reduce GHG emissions through energy efficiency projects in the oil and gas sector.



David Neira
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Carbon Finance, Petroamazonas

The UNDP Low Emission Capacity Building (LECB) Programme was launched in January 2011 as part of a joint collaboration between the European Union, the Governments of Germany and Australia and UNDP. It is a global programme that helps countries build the public and private sector capacities needed to scale up country-driven mitigation actions.

LECB Ecuador made possible by:



Supported by:



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