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LEGAL BULLETIN

AMENDING ORGANIC LAW OF THE ORGANIC ENVIRONMENTAL CODE

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On September 2, 2026, the **Amending Organic Law of the Organic Environmental Code** (the "**Amending Law**") entered into force following its publication in the Official Gazette on the same date. The reform introduces changes aimed at strengthening adaptation and mitigation measures, as well as measures to address loss and damage associated with the adverse effects of climate change.

Expansion of the Scope of Climate Policy

The reform incorporates into the objectives of the **Organic Environmental Code** (the "**COA**") the addressing of loss and damage associated with the adverse effects of climate change, as well as the development of financial instruments, carbon mechanisms, cooperative approaches, and non-market approaches. It also establishes as State objectives the promotion of climate finance and climate cooperation mechanisms, as well as the strengthening of environmental and social safeguards and transparency in climate governance.

The reform establishes **Nationally Determined Contributions** (**NDCs**), together with climate planning, monitoring, reporting, verification, evaluation, and transparency instruments, as mechanisms for climate change management.

New Interinstitutional Coordination Mechanisms

Coordination among the National Environmental Authority, the public and private sectors, academia, and civil society is strengthened. In addition, the **Interinstitutional Climate Change Committee** (the "**Committee**") is established and will be responsible, among other functions, for coordinating and monitoring climate policy and its related instruments.

The Committee will be chaired by the National Environmental Authority and will comprise national authorities from the sectors of planning, finance, risk management, water, agriculture, energy, industry, hydrocarbons, transportation, housing, health, social inclusion, and science and technology, together with representatives of decentralized autonomous governments.

Climate Finance

The reform expands the sources of climate finance to include national and international resources, whether public, private, multilateral, bilateral, or blended, which will be allocated to mitigation and adaptation actions, as well as measures to address loss and damage caused by climate change.

In addition, the National Environmental Authority may promote financial instruments, results-based payments, carbon mechanisms, and climate cooperation modalities.

Climate Cooperation Instruments

The reform establishes an express framework for participation in and development of **carbon markets**, whether regulated or voluntary, as well as cooperative and non-market approaches.

The National Environmental Authority will establish rules governing **offsetting, value-chain mitigation (insetting)**, authorization, recognition, registration, registered ownership, accounting, transfer, use, retirement, cancellation, reporting, and interoperability of mitigation outcomes.

Safeguards Applicable to Climate Governance

Environmental and social safeguards are incorporated as guidelines applicable to climate governance instruments. Such safeguards must be observed to prevent or manage adverse impacts, ensure participation and access to information, and safeguard collective rights.

They also incorporate gender, intercultural, and intergenerational approaches, as well as the protection of biodiversity and the **Rights of Nature.**

National Climate Change Registry

The reform establishes the **National Climate Change Registry** as the official information platform for climate change management in Ecuador.

The Registry will include, among other features, a climate and carbon transactions module, monitoring, reporting, and verification tools, and sector-specific registries.

Mitigation Outcomes, Units, and Climate Instruments

The Amending Law clarifies that mitigation outcomes and climate units constitute quantifiable and verifiable results subject to public regulation and do not constitute an appropriation of environmental services or nature.

It further clarifies that the registration of mitigation outcomes does not, in and of itself, constitute authorization to commercialize or transfer such units.

Loss and Damage as a Distinct Pillar of Climate Governance

Finally, the reform establishes measures to identify, assess, prevent, reduce, manage, and respond to economic and non-economic impacts arising from extreme climate events and slow-onset processes.

It also establishes minimum measures relating to adaptation, mitigation, and the addressing of loss and damage attributable to climate change.

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