6.1.5 Ecuador



Context

Ecuador's emerging carbon market is developing within a constitutional framework that recognises the rights of nature, collective Indigenous rights and the inalienable character of ancestral territories, while prohibiting private appropriation of environmental services. Nevertheless, environmental legislation and ministerial rules have progressively created mechanisms for greenhouse-gas offsetting and carbon-credit transactions. The study examines how this framework affects peasant and Indigenous territories in high-Andean ecosystems, particularly paramos, which regulate water, store carbon and sustain culture and livelihoods. It analyses two contrasting voluntary-market initiatives. The Sierra Andes project, launched in late 2024, seeks to monetise carbon stored in Kayambi community-managed paramos in Cayambe. The Ukumari-Selva Alegre project, formulated in 2021, sought carbon certification over 9,190 hectares claimed by a private company despite overlapping claims by approximately 250 Indigenous and peasant landholders.

Conflict description

The conflict arises from the conversion of inhabited and collectively managed ecosystems into financial assets without adequate safeguards for tenure, consent, transparency or benefit-sharing. Ecuador's Technical Standard for Greenhouse Gas Offsetting establishes proposers, implementers, private conformity-assessment bodies and a national registry. Yet it requires only a notarised declaration that land is free of disputes, rather than rigorous verification of ownership, possession and customary claims. It also allows intermediaries to contract with owners, possessors, usufructuaries or users, potentially widening uncertainty. Although projects on collective territories require documented consent, the rules do not clearly require the full process of prior, free and informed consultation. The standard itself was adopted without the pre-legislative consultation required for measures affecting collective rights, creating a possible constitutional challenge. In the Sierra Andes project, the Confederation of the Kayambi People initially committed 20,000 hectares of paramo, with a later phase envisaged for another 30,000. The project involves El Ordeno, Chilean technical and investor networks, token sales and a trust. Public material indicates that the Kayambi people may eventually own 40 per cent, but does not clearly identify the first 20,000 hectares, demonstrate consent from the paramo committees that directly manage them or explain benefit distribution. Initial investors, including El Ordeno, are to recover funds before the community receives remaining returns. The structure is therefore opaque and may separate control over carbon revenue from the labour and governance through which communities conserved the ecosystem. Selva Alegre exposes a more direct tenure threat. Rainforest del Ecuador claimed 9,190 hectares on the basis of a title that the study reports was allegedly derived from a forged transaction expanding an 80-hectare parcel.

The claim overlapped prior registered titles and long possession by local families, as well as three protective forests. VERRA rejected certification in 2021, but the underlying land dispute remains, and the company reportedly offered the area for resale at twice its purchase price. The case shows how anticipated carbon revenue can incentivise title manipulation, speculation, legal conflict and potential dispossession.

Resistance and pathways forward

Resistance has centred on investigation, legal defence and community networking. In Selva Alegre, Fundacion Aldea documented overlapping titles and alleged irregularities, while affected communities, with women in prominent representative roles, built alliances with urban organisations and defended leaders facing criminalisation. This work helped bring the land problems to the attention of the certification process, contributing to VERRA's rejection of the proposed project. In the Kayambi case, the immediate need is for transparent public information and consent procedures that reach the community bodies directly responsible for paramo governance, not only higher-level leadership. The study argues that Ecuador must reconcile carbon-market regulation with its Constitution, ILO Convention 169 and the UN Declaration on the Rights of Peasants. This requires pre-legislative consultation, independent verification of tenure before registration, safeguards against agreements where titles are contested, and accessible grievance mechanisms. Benefit-sharing should recognise the value created by generations of community conservation, including monitoring, limits on agricultural expansion, reforestation and collective labour, rather than treating communities as residual beneficiaries after investors and intermediaries are paid. The environmental authority should oversee voluntary as well as regulated transactions, disclose contracts and financial flows, and prevent private arrangements from circumventing the constitutional prohibition on appropriating environmental services. Carbon finance may support conservation only where communities retain effective authority over territory, receive clear and fair benefits and can withhold consent. Without those conditions, the market risks becoming a new route for speculation and dispossession rather than climate justice.