

Eco-Compensation in China

Experience and Approaches

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Contents

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DEFINITION OF ECO-COMPENSATION

STAKERHLODERS IN ECO-COMPENSATION

EC POLICY MEANS IN CHINA

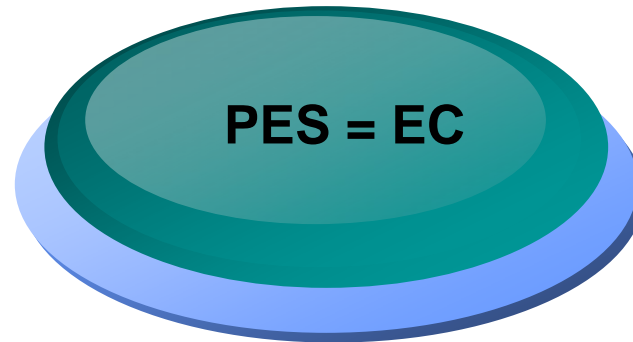
EC FRAMEWORK IN CHINA

EC PILOT WORK IN CHINA

CONCLUSIONS

DEFINITION

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Definition

EC purpose :

protect the ecological system function;

Promote the harmonious relationship between human beings and nature;

EC basis:

Ecosystem service value;

Eco-conservation cost;

Opportunity costs;

EC means:

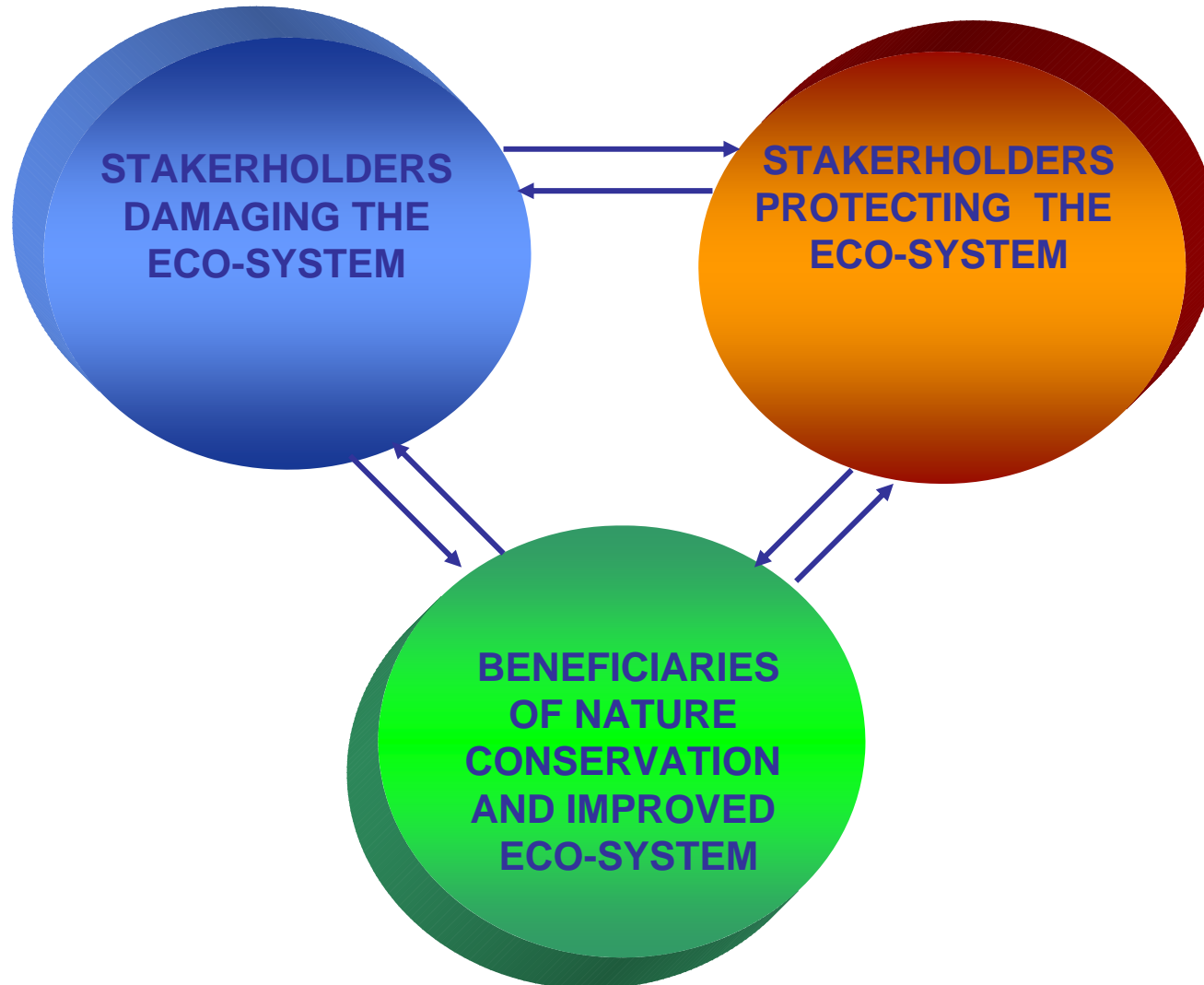
Regulates the relation of ecological protector, beneficiary and destroyer with the means of finance, taxation and market.

Connotation

- The most direct method is “**Equivalent Compensation for Occupancy**” of the natural resource;
- **Constrain** the destruction of ecological environment;
- To make **compensation** for the abandonment of development **opportunities**
- To make **compensation** for the **additional input** by individuals or regions for the protection of specific ecological environment;
- To make protective **input compensation** for regions or natural ecological components with significant ecological value.

STAKERHOLDERS

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EC POLICY MEANS

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Governmental guidance:

Direct legal regulation to internalize ecological costs;
Government funds and subsidies: Special project funds,
financial subsidies;

Market-based compensation:

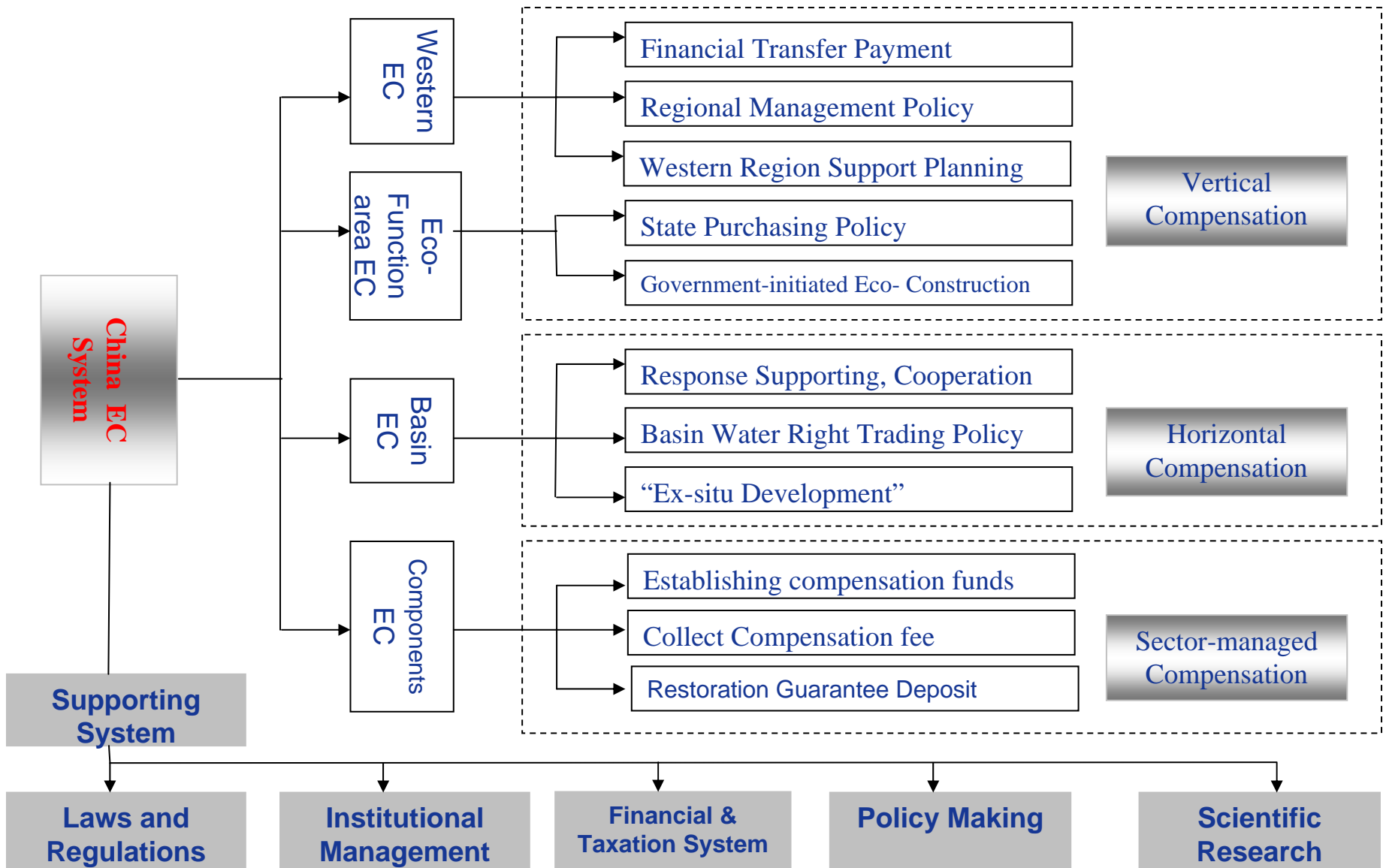
Ecological compensation charging;
Guarantee deposit of ecological restoration or recovery;
Ecological service payment;



Zhejiang Province, Fujian Province, Jiangxi Province, Guangdong Province and some Other practices-----”down to up” policy making

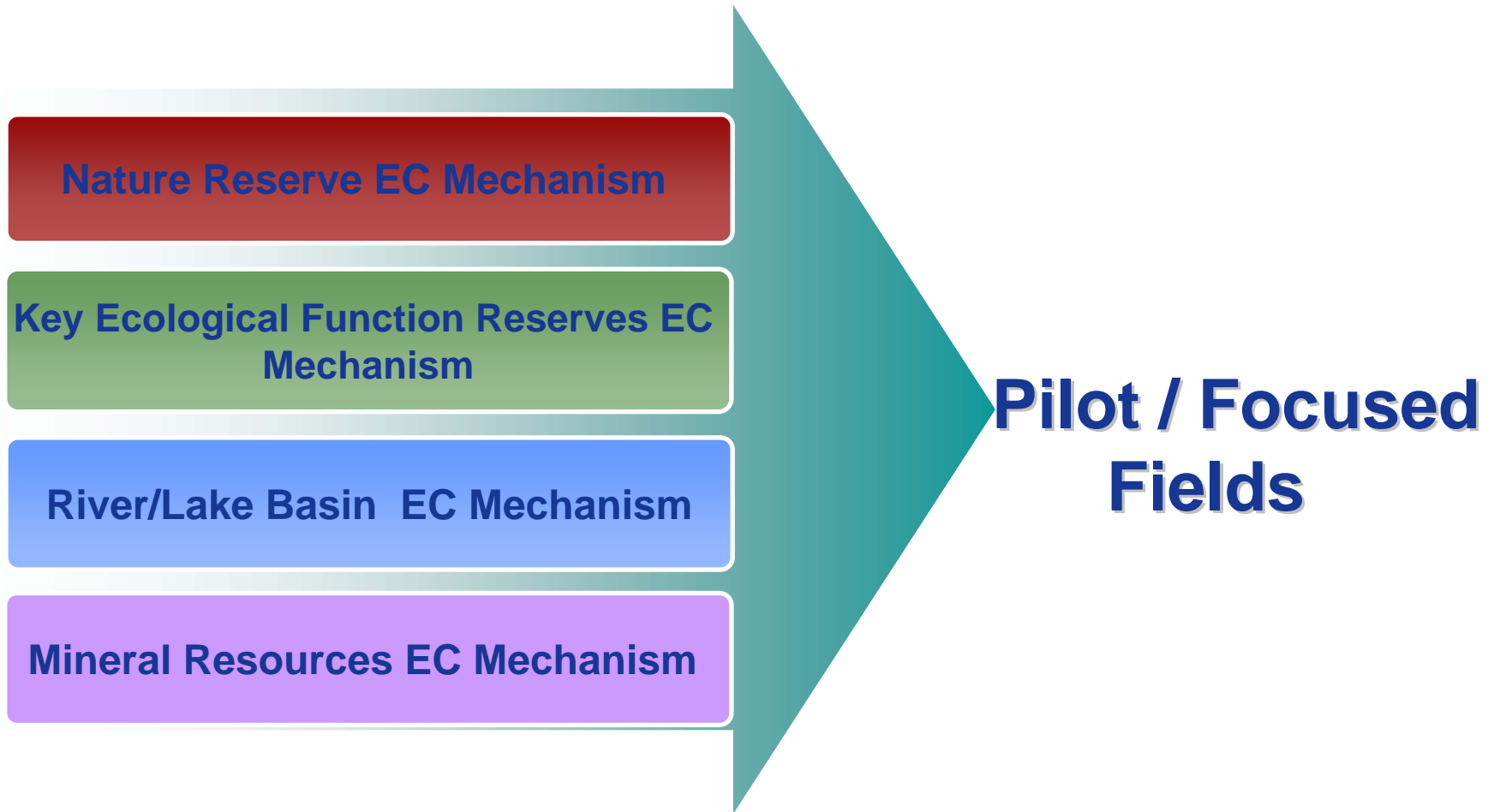
EC SYSTEM IN CHINA

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EC PILOT WORK IN CHINA

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Opinions on guiding the pilot work of ecological compensation
(SEPA,2007)

Compensation of Key Ecological Function Reserves

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The land using right of state-level nature reserves and extremely sensitive areas of eco-conservation will belong to the state by the means of purchasing;

The planning and construction of state-level nature reserves and key ecological function areas will be led by the State;

special financial subsidies are used in development zones, key ecological function areas and ecological fragile zones;

Ecological Compensation of River/Lake Basin

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Compensation modes:

1

Twinning support cooperation

the upper and lower reaches form the relationship of twinning support

2

Basin water right trading

On the basis of fair water distribution and water quality control

3

“Ex-stu” development

the lower reaches may provide development enclaves for the upper reaches

To choose small-and-medium scale basins or basins involving fewer provinces (or autonomous regions and municipalities) to develop pilot of basin EC;

Ecological Compensation of River/Lake Basin

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key aspects:

1

Compensation evidence

Water resource quantity and quality, acreage of nature reserves, protection areas of water resource and ecological function zones

2

Compensation standard

Opportunity-cost method, protection expenses method

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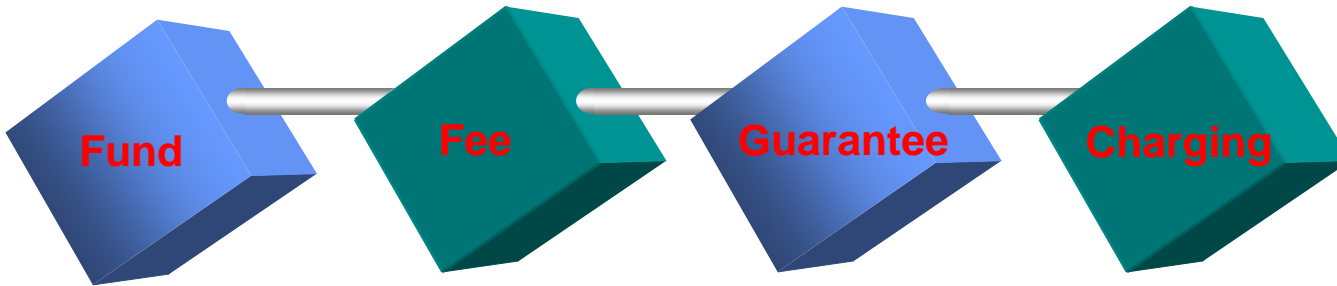
3

compensation platform

- River basin coordination and management institutions
- Nature reserves management mechanism
- Management institutions of ecological function protection areas
- Leading group of ecological province & ecological city construction

Charging policy of ecological compensation

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Establishment of protection compensation fund

Ecological public welfare forest; nature reserve; basic farmland subsidy

Levy of ecological destruction compensation fee (mainly for coal exploitation)

Pilot work had been started in Shanxi Province

Implementation of restoration guarantee-deposit system

Mine exploitation; construction material development

Building state policies of charging on ecological destruction compensation

Financially centralized; administered by different levels

CONCLUSIONS

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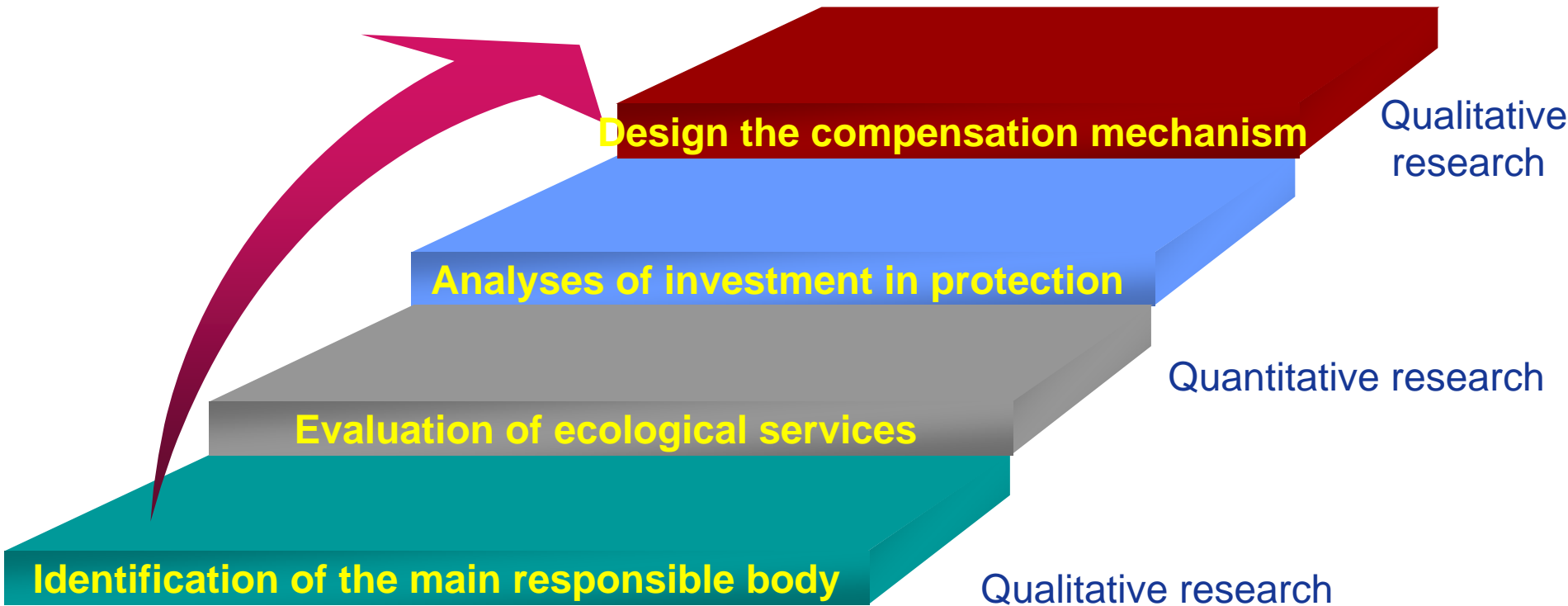
1. **EC policies would be effective to improve ecological system function and enhance environmental quality.**
2. **However, EC policies in China are still in the tentative stage, China has just started the pilot work.**
3. **There are a lot of key Technical Steps or questions to be solved.**
4. **We should pay more attention to these technical steps with the pilot work progressing.**



CONCLUSION

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Key Technical Steps of EC



Meanwhile, harmonizing the relationship between sectors is very important.



Thank You !

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