

PES and MES in China: A brief introduction

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PES and MES in China

Ongoing since the early 1990s...

Soil and Water Conservation Law (1991):

Stipulates that farmers can contract marginal, barren & degraded land in watersheds and have ownership rights over what is produced, with the obligation to prevent soil erosion.

Green Food Label, Environmental Label

The Green Food Label indicates that food is produced with low pesticide and chemical fertilizer use. The Environmental Label indicates that non-food products are produced in line with national environmental and social development goals.

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1997 Yellow River dry-up, 1998 Yangtze River Floods led to...

Conversion of Cropland to Forests and Grassland Program:

Initiated in 1999, pays farmers to retire & plant trees/grasses on marginal cropland. Has enrolled 9 million ha of cropland, spent over RMB 130 billion so far. Currently encompasses 25 provinces, 2279 counties, and over 32 million rural households

Forest Ecosystem Compensation Fund:

Farmers and communities paid to conserve key “public benefit” standing forest area. Initiated in 2001, has spent over RMB 13.34 billion (RMB 3.34 billion in 2007 alone), currently covers over 105.2 million ha of forest area across 30 provinces.

...which have generated significant activity and momentum at both central and local levels...

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... also has been the backdrop to development of “Ecocompensation Mechanisms” ...

11th 5-year plan (2006-2010):

Calls for policymakers to develop “ecocompensation” pilots and to quicken the pace of development of “ecocompensation mechanisms.”

Ministry of Environmental Protection:

Is calling for establishment of ecocompensation pilots in four key areas:

- (1) Nature Reserves*
- (2) Key Ecological Function Areas*
- (3) Mineral Development Areas*
- (4) Watersheds*

PES and MES in China

...which has further been reinforced by ongoing local innovation...

Variations on central policy

Locally-initiated innovations and experimentation.

... and developing policy frameworks, including underpinnings for MES...

Organic Food certification system

Government “Green” procurement

Renewable Energy Law (2005), Energy Efficiency Law (2007).