# Event Highlights

***Event:*** *The 7th International Conference on Eco-Compensation and Payments for Ecosystem Services*
***Venue:*** *Crowne Plaza Huangshan, Huangshan City, Anhui Province, PRC*
***Date:*** *3−4 December 2018*

## Introduction

Eco-compensation encompasses a range of different mechanisms including transfer payments, monetary subsidies, project support, favorable policies, and other measures that governments at all levels in the People's Republic of China (PRC) use to compensate those who invest money or suffer from economic losses when protecting or restoring ecosystems. Internationally, the most similar concepts to eco-compensation are "Payments for Ecosystem Services" (PES) and Environmental Fiscal Reform.

The relative success of the PRC's large-scale eco-compensation schemes (e.g., the Conversion of Croplands to Forests Program) has catalyzed the development of a growing range of eco-compensation programs at varying scales. However, this success has also created new challenges. The PRC's 13th Five-Year Plan has thus prioritized the further development, application, and monitoring of eco-compensation as a high priority in order to achieve the PRC's broader agenda of an "ecological civilization."

Most recently, the PRC has determined that eco-compensation is to be one of the main policy instruments for poverty alleviation in key ecological function zones (e.g., biodiversity rich areas nationally prioritized for conservation), and for protecting the Yangtze River basin, which runs through Anhui and 10 other provinces before entering the East China Sea in Shanghai. Momentum for eco-compensation has thus been growing, with the National Development and Reform Commission and three other ministries having jointly issued a policy paper which urges each province to establish watershed eco-compensation mechanisms by 2020, and which aims to establish trans-provincial watershed eco-compensation mechanisms for all of the PRC's major rivers by 2025. Given the recent economic downturn and growing public sector constraints, the PRC government is also keen to learn from international best practice on how to effectively engage the private sector and civil society to catalyze their contributions to conservation.

The aim of the conference is to serve as a platform to (i) advocate the joint efforts of public, private, and civil societies in acquiring sustainable financing on conservation; (ii) share recent progress of eco-compensation and payments for ecosystem services related to key themes, including transboundary watershed management, public-private partnership in eco-compensation, eco-compensation for poverty reduction, and eco-compensation performance measurement; and (iii) promote and strengthen regional and global networks among policy-makers, practitioners, and researchers.

The conference was successfully convened. More than 330 participants attended including representatives from the Government of the PRC, other developing member countries, academic institutions, and private and business sector.[1]

---

[1] Representatives from the National Development and Reform Commission, Ministry of Ecology and Environment, Ministry of Agriculture and Rural Affairs, Ministry of Natural Resources, Ministry of Water Resources, and 15 provincial development and reform commissions; developing member countries such as Nepal and Cambodia; international organizations including the World Bank, International Center for Integrated Mountain Development, Environmental Policy Innovation Center of the United States, The Nature Conservancy, and Environmental Defence Fund; academic institutions such as Peking University, Renmin University of China, Chinese Academy of Sciences,

**HIGHLIGHTS**

The conference has the following sub-themes:
- (i) Distilment of latest development of eco-compensation in the PRC and PES in the world;
- (ii) Transboundary watershed eco-compensation and PES such as the Xin'an River model;
- (iii) Private sector involvement in eco-compensation and PES such as the Chishui River model;
- (iv) Integrating the goals of poverty alleviation in eco-compensation and PES;
- (v) Evaluating the performance of eco-compensation and PES – Natural capital accounting and other indicators.

Key takeaways from the presentations, table discussions, and Q&As:

- (i) Many government-funded eco-compensation programs have been implemented in the PRC for the past 2 decades and vast experiences could be distilled and learned by other regions;
- (ii) Trans-provincial watershed eco-compensation schemes have been installed first in Xin'an River Basin and then replicated in 6 other trans-provincial rivers in the PRC, which indicated the promising nature of the eco-compensation agreement between the upstream and downstream governments based on the joint monitoring of water quality and/or water quantity;
- (iii) Private sector engagement in the eco-compensation or PES programs will be conditional on strong regulations, full enforcement of laws/regulations, and technical readiness etc. which the PRC needs to build up before the business sector could meaningfully get involved;
- (iv) Poverty reduction or other policy goals might be integrated into the eco-compensation programs if it was purposely designed;
- (v) Gross Ecosystem Product might be instrumental in evaluating the performance of the eco-compensation programs. But more studies are needed to fine tune the indicator;
- (vi) Other DMC participants expressed willingness to learn more on the government role in the eco-compensation programs in the PRC. Central Asia DMC potential participants are keen to attend the Conference but failed to come due to complicated visa issues.

**Post-conference Evaluation**

Based on the overall assessment (results below), the conference is be considered successful with **84%** of respondents giving the overall rating of **Very Satisfied**.

| Area | Very Satisfied | Satisfied | Neutral | Dissatisfied | Very Dissatisfied |
|---|---|---|---|---|---|
| **Content** | | | | | |
| Content of the program | 45 | 59 | 5 | 1 | 0 |
| **Objectives** | | | | | |
| Objectives were clearly stated | 58 | 32 | 20 | 0 | 0 |

| Area | Very Satisfied | Satisfied | Neutral | Dissatisfied | Very Dissatisfied |
|---|---|---|---|---|---|
| Objectives were achieved | 51 | 52 | 7 | 0 | 0 |
| **Methodology and Materials** | | | | | |
| Use and quality of presentation materials | 52 | 48 | 10 | 0 | 0 |
| Use and quality of handouts/reading materials | 50 | 53 | 7 | 0 | 0 |
| **Logistics and Administrative Support** | | | | | |
| Pre-program communication & confirmation | 65 | 44 | 1 | 0 | 0 |
| Venue | 88 | 22 | 0 | 0 | 0 |
| Support provided by organizers | 90 | 20 | 0 | 0 | 0 |
| **Overall Rating** | **92** | **18** | **0** | **0** | **0** |

## Next Step

Publication of (i) a knowledge product on "Developing Gross Ecosystem Product Accounting for Eco-Compensation: Lessons Learned from Pilot Projects in the People's Republic of China"; and (ii) a discussion paper followed by a policy brief on eco-compensation and synthesis from conference proceedings, in 2019.

## Contact person

Pavit Ramachandran
Principal Environment Specialist, EAER