

SPS 2-2 YREB Ecological Compensation and Institutional Reform



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Background

The Yangtze River Economic Belt (YREB) not only provides important strategic support for carrying forward China's future economic and social development, but also forms the critical bond linking the BRI and the Two-way Opening Up Strategy. However, realizing integrated river basin management in the Yangtze River basin still has a long way to go, requiring good cooperation among key stakeholders. Eco-compensation is a promising tool for facilitating such cooperation to achieve overall integrated river basin management outcomes. President Xi Jinping has placed major emphasis on green development and restoring nature in this watershed, and has indicated a 'rest' is needed from large-scale development initiatives in the Yangtze basin. The Asian Development Bank has substantial financial support in place for environmental improvements in the YREB. ADB will work in partnership with CCICED on this SPS.

Tasks

The study will take into account the strengthened institutional framework recently suggested by the NPC for natural resources and for ecology and environment. Three tasks are proposed:

1. Ecological compensation reform. Distilling lessons learned from the Chishui River Basin ecological compensation effort; proposing sustainable and market-based finance mechanisms for watershed protection; upscaling from Chishui experience to other parts of the YREB; linking ecological compensation to poverty reduction efforts in the upper Yangtze;
2. Selected water quality and other environmental protection needs. Control measures for total nitrogen and total phosphorus; redlining system development for land and aquatic ecosystems; green development models, with Sichuan as a pilot for regional ecological protection especially for circular economy and land restoration;
3. YREB integrated ecological environmental institutional reform. Recommendations on reform beyond the existing Yangtze Basin Commission; improvements to accountability mechanisms via the new river chiefs system; YREB eco-environmental protection plan reform.