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DELEGATION FROM CHINA'S HAINAN PROVINCE BRIEFS CBD SECRETARIAT ON ITS ECO-COMPENSATION POLICY

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A delegation comprising 11 high-level officials from China's Hainan Province paid a visit to the Secretariat of the Convention on Biological Diversity on 23 April 2007 to share their experience on compensation for ecosystem services. Developing effective compensation practices for ecosystem services has become an important platform in the development plans of many rural areas in China, and the southern-most island province of Hainan is aiming to become the country's first eco-province.

A unique way of protecting the biodiversity of our planet, ecological compensation (or eco-compensation) is an institutional arrangement to protect and sustainably use ecosystem services, and to adjust the distribution of costs and benefits between different actors and stakeholders, mainly through economic measures. Thus, the eco-compensation mechanism aims to protect the ecological environment and improve man-nature relations. Hainan province has some of the richest biodiversity and natural resources in the world, including three national nature reserves and two national forest parks. With the best protected large-scale tropical rain-forest in China, it is listed by China as one of 11 land areas with global significance in species and biodiversity. The World Wide Fund for Nature (WWF) has listed Hainan as number 23 in its Global 200 eco-region rankings. The Global 200 represents eco-regions where WWF is initially focusing its eco-region conservation efforts to develop biodiversity visions.

In December 2005, Hainan Province began looking into the establishment of an ecological compensation mechanism. Several symposiums were held, attended by officials from the departments of environment protection, forestry, and water affairs and experts from colleges. In 2006, "Diversion Payment Measures of Ecology of Hainan Province," Provincial Level Forest Ecological Benefit Compensation Measures of Hainan Province," and the "The Collection and Management of Compensations Fees for Water and Soil Conservation Facilities of Hainan Province" were passed in succession.

Hainan Province intends to allocate 0.2% of its revenue—around US\$ 2.6 million annually—to the eco-compensation of all the counties and cities in the province. Priority is given to the counties and cities included in the national ecological conservation area in the interior mountainous region. According to the "Provincial Level Forest Ecological Benefit Compensation Measures of Hainan", the provincial government has defined about 9 million square kilometres of forests as key ecological public-welfare forests. All the key public-welfare forests are thus included in the range of protection and compensation.

Ahmed Djoghlaf, Executive Secretary of the Convention on Biological Diversity, stated: "Payment for eco-services is key to translating into reality the three objectives of the Convention on Biological Diversity. The Province of Hainan is showing the way ahead in



finding a market-based mechanism for addressing the biodiversity challenges through a sustainable approach. We have learned today the real practical insights of the functioning of an eco-compensation system. Such a practical insight will be very useful to other parties as the experience gained by China needs to be shared with others and the lessons widely disseminated.”
