

News digest

The big environmental stories in the Chinese media (10-16 September)

Eco-compensation schemes set for reform

The central government has set out plans to reform its eco-compensation scheme over the next 15 years, in a [guideline](#) issued on Sunday. The new plan aims for “beneficiaries”, including industry, to pay a greater share of environmental protection and compensation.

China rolled out several eco-compensation systems after a devastating flood along the Yangtze River in 1998, which was partly attributed to deforestation upstream. These included payments to incentivise upstream regions to conserve the environment, and to compensate them for letting go of some economic opportunities. Up to 2019, the government has invested nearly 200 billion yuan (US\$31 billion) in such schemes, [Yican](#) reported.

The guideline addresses eco-compensation policies for river headwaters, critical water sources, soil erosion control areas, flood buffer areas and other key ecological areas. Under the new scheme, compensation will be based on a “beneficiary pays” principle.

Until now, government (ie taxpayers) has footed most of the compensation bill. The current standards often vary by region, depending on the local governments’ fiscal revenue. For example, when forest logging bans came in at the border of Zhejiang and Jiangxi provinces, villagers on the Zhejiang side of the valley received far more compensation than those on the Jiangxi side. Experts believe such payments do not reflect the true ecological value villagers create. They have been calling for a more harmonised system.

China now plans to establish compensation mechanisms covering both upstream and downstream provinces in the Yangtze and Yellow river basins.

[The first multi-province pilot program](#) on the Yangtze river basin was set up in 2018, featuring a 200-million-yuan compensation fund to control pollution affecting neighbouring provinces.

Read more about the latest [efforts to protect the Yangtze](#), as well as to [divert its water](#) to the north of China, on our website.