



China, People's Republic of: Establishing a Regional Knowledge Hub on Green Growth and Eco-Compensation

Project Name	Establishing a Regional Knowledge Hub on Green Growth and Eco-Compensation	
Project Number	47074-001	
Country	China, People's Republic of	
Project Status	Closed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8554-PRC: Establishing a Regional Knowledge Hub on Green Growth and Eco-Compensation	
	Multi-Donor Trust Fund under the Water Financing Partnership Facility	US\$ 300,000.00
	TA 8554-PRC: Establishing a Regional Knowledge Hub on Green Growth and Eco-Compensation (Supplementary)	
	Technical Assistance Special Fund	US\$ 140,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development - Fishery - Forestry - Land-based natural resources management - Water-based natural resources management Water and other urban infrastructure and services - Urban solid waste management - Urban water supply	
Gender Equity and Mainstreaming		

Description	<p>ADB and the PRC have been actively exploring knowledge partnerships to expand mutual learning with other developing member countries in urban development, water security, and transport sector. In March 2010, the Urban Knowledge Hub was established with the Tongji University in Shanghai, PRC to share best practices in urban planning. A knowledge partnership, covering the water sector, with the Asia-Pacific Center for Water Security was established in 2011 jointly with Tsinghua and Peking universities; while the establishment of the Transport Knowledge Hub is currently under way. The Regional Knowledge Sharing Initiative, which was jointly established by ADB and the Ministry of Finance (MOF), was launched in August 2012 and serves as a vehicle to share development experiences between the PRC and other countries.</p> <p>The initiative to establish a regional knowledge hub on green growth and eco-compensation results from a series of consultations during the development and preparation of various knowledge products and knowledge sharing events. Since 2009, ADB's knowledge agenda has played a major role of creating and disseminating good practices and policy thinking on the topic of eco-compensation. ADB has produced three knowledge products on eco-compensation, including: (i) An Eco-compensation Policy Framework for the People's Republic of China: Challenges and Opportunities; (ii) Payments for Ecological Services and Eco-compensation: Practices and Innovations in the People's Republic of China; and (iii) Eco-compensation for Watershed Services in the PRC.</p> <p>To disseminate these knowledge products, three international conferences in the PRC (held at Shizuishan, Ningxia in 2009, at Ya'an, Sichuan in 2010, and at Jiujiang, Jiangxi in 2011, respectively) on eco-compensation for knowledge sharing had been conducted and participated in by representatives from other DMCs and development partners. These conferences served as a platform for the participating DMCs to operationalize the concepts of eco-compensation and to discuss the problems encountered and how these experiences can be incorporated into the design of future projects. In addition, ADB is investing in a pilot program to operationalize some eco-compensation concepts through projects such as: Loan 2573-PRC: Guiyang Integrated Water Resources Management Project, Loan 2838-PRC: Jiangsu Yancheng Wetlands Protection Project, and Loan 2941-PRC: Anhui Chao Lake Environmental Rehabilitation Project.</p> <p>During the PRC country programming mission in December 2012, MOF, NDRC, and ADB agreed that it is important to jointly establish a knowledge hub on green growth and eco-compensation, promoting mutual learning and providing a unique opportunity to share knowledge, practices, and innovations on eco-compensation across the PRC and with ADB's DMCs. As a result of these discussions, a TA to support the establishment of a knowledge hub was included in the 2013 TA pipeline</p> <p>Near-term activities of the knowledge hub are expected to include the following: (i) develop the knowledge hub's charter, institutional framework, and operational plan and identify stakeholders and target audience, and prepare a communication and marketing plan; (ii) establish a website for green development and eco-compensation both in English and Chinese; (iii) establish a database comprising of international and domestic practices and case studies on green growth and eco-compensation; (iv) publish annual progress reports on green growth and eco-compensation both in Chinese and English; and (v) organize an annual knowledge sharing conference on green growth and eco-compensation.</p> <p>Establishing a knowledge hub on eco-compensation is consistent with ADB's Water Operational Plan (2011) as eco-compensation can help to create the economic incentives for effective implementation of integrated water resources management in river basins. It is also in line with ADB's PRC country partnership strategy, 2011_2015 which supports the government's goal of building a harmonious society by promoting environmentally sustainable development.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>In the last two decades, the growth rates of Asian and Pacific economies were among the highest in the world. The strong economic growth has lifted more than half a billion of its people out of poverty and raised their living standards. However, this success has been achieved at an enormous cost to the environment. Rapid industrialization and urbanization have been accompanied by accelerated exploitation of natural resources and massive increase in discharge of pollutants.</p> <p>Environmental degradation results when valuable services provided by natural ecosystems are not properly priced within the market. Currently, economic instruments which attempt to create such markets or promote the sustainable management of natural resources are not fully in place, leading to an unequal distribution of ecological and economic benefits between protectors and beneficiaries. As a result, natural ecosystems continue to be degraded or to be lost alarmingly. Indeed, many have argued that the failure of society to compensate for conserving the environmental services contributes to the rapid and environmentally damaging changes in the ecosystem that are taking place in the world, particularly in the PRC.</p> <p>The concept of green growth emerged amid concerns over increasing resource constraints and growing economic and environmental risk and uncertainty threatening the stable and prosperous region. Asian and Pacific countries made green policy commitments and investment that respond to sustainable development challenges and support the transition towards green economies in the region.</p> <p>Eco-compensation is a term used in the PRC which is very similar to the internationally used expression payment for ecosystem services (PES), which has become a useful tool to support the green growth strategies in the region. It creates incentives for sustainable ecosystem services, addresses livelihood issues for rural poor, and provides sustainable financing for protected areas. In the PRC, policymakers have been experimenting with new approaches to environmental management, resulting in a wide array of policy and program innovations under eco-compensation. The proposed TA will establish a regional knowledge hub to facilitate sharing of best practices and innovations on green growth and eco-compensation within the PRC and across the region.</p>
Impact	Enhanced knowledge and practices on green growth in DMCs

Project Outcome

Description of Outcome	A mechanism for knowledge sharing on green growth and eco-compensation
Progress Toward Outcome	TA implementation was completed on 31 December 2015. ADB, CAU, and NDRC agreed that many lessons were learned from TA implementation and the presentations and discussions during the international eco-compensation conference that contributed to improving the outcome of the TA. NDRC and CAU did not encounter any major challenges during TA implementation.

Implementation Progress

Description of Project Outputs	Knowledge hub's charter and operational plan developed A bilingual website for green growth and eco-compensation established A database on green growth and eco-compensation established Annual progress reports on green growth and eco-compensation published An annual knowledge sharing conference on green growth and eco-compensation organized
Status of Implementation Progress (Outputs, Activities, and Issues)	All TA outputs were produced. For Output 1: (i) The draft charter has been adopted by the TA steering committee after detailed review and feedback. For Output 2: (i) The bilingual website on green growth and eco-compensation has been established and was launched during the opening session of the international eco-compensation conference. For Output 3: A database on eco-compensation case studies has been compiled and is accessible on the knowledge hub website and integrated with mapping and searchable features. For Output 4: The annual progress report on eco-compensation will be published electronically and made available on the knowledge hub website. For Output 5: The international eco-compensation conference was held on 29-30 October 2015. Nearly 100 participants were present at the event. The conference was entitled, "Innovations in Eco-compensation beyond Public Financing". Resource persons were from ADB, PRC government, universities, private institutions, and other organizations.
Geographical Location	

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services	The China Agricultural University (CAU) will be hired on a single source selection basis in accordance with the Guidelines on the Use of Consultants (2010, as amended from time to time). CAU is the top natural resources management school in the PRC and is the best qualified to lead and implement an eco-compensation knowledge research and sharing in collaboration with NDRC. CAU is selected to host this knowledge hub for its (i) vision and leadership in green growth, particularly for resource efficiency and eco-compensation; (ii) focus on supporting social development and inclusive growth; (iii) experienced international and national specialists; (iii) experience on disseminating state-of-the-art eco-compensation knowledge; and (v) adequate human and financial resources. CAU also provides post-graduate (Master's and Ph.D.) program on eco-compensation for international students from Southeast Asia and Africa. Single source selection method is chosen in consultation with ADB's Operations Services and Financial Management Department because CAU has exceptional qualifications and experience for the assignment, as it is the leading institution in the area of eco-compensation in the PRC and has the best experts to conduct and coordinate research on eco-compensation.
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Responsible Staff

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Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
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Timetable

Concept Clearance	22 May 2013
Fact Finding	-
MRM	-
Approval	12 Dec 2013
Last Review Mission	-
Last PDS Update	31 Mar 2016

TA 8554-PRC

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
12 Dec 2013	08 Jan 2014	08 Jan 2014	30 Jun 2015	31 Dec 2015	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
140,000.00	300,000.00	0.00	0.00	0.00	0.00	440,000.00	12 Dec 2013	378,326.43

Project Page	https://www.adb.org/projects/47074-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=47074-001
Date Generated	06 July 2017

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