



China, People's Republic of: Policy Research on Ecological Protection and Rural Vitalization for Supporting Green Development in the Yangtze River Economic Belt - Study on the Comprehensive Eco-Compensation Mechanism (Subproject 3)

Project Name	Policy Research on Ecological Protection and Rural Vitalization for Supporting Green Development in the Yangtze River Economic Belt - Study on the Comprehensive Eco-Compensation Mechanism (Subproject 3)	
Project Number	52194-004	
Country	China, People's Republic of	
Project Status	Proposed	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA: Policy Research on Ecological Protection and Rural Vitalization for Supporting Green Development in the Yangtze River Economic Belt - Study on the Comprehensive Eco-Compensation Mechanism (Subproject 3)	
	Technical Assistance Special Fund	US\$ 400,000.00
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Agriculture, natural resources and rural development - Land-based natural resources management - Rural water policy, institutional and capacity development - Water-based natural resources management	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>The TA subproject 3 will have the following outcome: coordination and streamlining of eco-compensation policies and programs enhanced. The TA subproject 3 will be aligned with the following overall impact of the TA cluster: green economic development and ecological protection in the Yangtze River Economic Belt achieved. The TA subproject 3 will support the overall TA cluster outputs by (i) developing a coordinated, effective, and streamlined approach for eco-compensation program implementation for the environmental protection of the Chongqing Municipality through a comprehensive eco-compensation approach, of which recommendations will include policy reform requirements; appropriate compensation payments; and impact monitoring of eco-compensation payments; (ii) building on the activities of ADB and exploring new innovations and the practical aspects of improving the effectiveness of eco-compensation programs (Outputs 1 and 2); (iii) contributing towards the technical design of the eco-compensation programs to be implemented; (iv) identifying policy recommendations on integrating local development into ecological conservation programs (Outputs 1 and 2); and (v) clarifying the key issues, major tasks, and policy incentives for achieving the dual objectives of ecological improvement and economic development in key ecological function zones. Sharing of knowledge from the experiences and lessons under the TA subproject 3 will be important and used to scale up and replicate in other regions, where appropriate (Output 3, para. 7). To achieve these objectives, CDRC and CFD requested ADB's support for the three outputs of the TA subproject 3: Output 1: A policy study on improving the effectiveness of eco-compensation policies, plans, and programs prepared; Output 2: An implementation plan for a comprehensive eco-compensation mechanism for each of the three selected pilot counties prepared; and Output 3: Knowledge product summarizing experience and lessons from selected county pilot case studies prepared.</p>	

Project Rationale and Linkage to Country/Regional Strategy	The knowledge and support technical assistance (TA) cluster was approved on 15 September 2018. The overall TA cluster is estimated at \$1.5 million. The TA subproject 1 was approved on 15 October 2018, while the TA subprojects 2 and 4 are being processed for approval within the year. The TA subproject 3 is estimated to cost \$450,000, of which \$400,000 will be financed on a grant basis from the Asian Development Bank's (ADB) Technical Assistance Special Fund (TASF-other sources). The Chongqing Municipal Development and Reform Commission (CDRC) will serve as the executing agency and the Chongqing Municipal Finance Department (CFD) as the implementing agency for the TA subproject 3. The CFD will provide counterpart support and other in-kind contributions. 3. Since 2013, the Chongqing Municipal Government (CMG) has developed and piloted numerous eco-compensation mechanisms and approaches for environmental protection, especially responding to the ecological protection priorities of the Yangtze River. However, they continue to face key challenges in their effective implementation, including the uncoordinated and overlapping payment schemes and lack of effective monitoring mechanisms. To address these issues, the TA subproject 3 will adopt a comprehensive eco-compensation approach, which is an assessment regime to strategically analyze the existing eco-compensation payment schemes and related programs as part of developing a coordinated, effective, and streamlined approach for environmental protection in the Chongqing Municipality.
Impact	Green economic development and ecological protection of the Yangtze River Economic Belt achieved
Outcome	Coordination and streamlining of eco-compensation policies and programs enhanced
Outputs	A policy study on improving the effectiveness of eco-compensation policies, plans, and programs prepared An implementation plan for a comprehensive eco-compensation mechanism for each of the three selected pilot counties prepared Knowledge product summarizing experience and lessons from selected county pilot case studies prepared
Geographical Location	Nation-wide, Chongqing

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	A consulting firm will provide 18.0 person-months of national inputs (public finance specialist and team leader, eco-compensation specialist and deputy team leader, and institutional reform specialist) and 2.5 person-months of international inputs (payments for ecosystem services specialist). The consultants will submit progress reports, which will be reviewed by ADB and the government. All reports will be available in English and Chinese language. Resource persons may be invited to review the consultants' outputs and share knowledge during workshops and conferences. The consulting firm will be engaged using the quality- and cost-based selection method, with a quality-cost ratio of 90:10 due to the high technical complexity of the consulting assignment, by inviting simplified technical proposals following ADB's Procurement Policy (2017, as amended from time to time) and its associated project administration and/or staff instructions. For efficient contract management, an output-based contract may be offered.
Procurement	Procurement will follow ADB's Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time.)

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Timetable

Concept Clearance	-
Fact Finding	31 May 2018 to 01 May 2018
MRM	-

Approval	-
Last Review Mission	-
Last PDS Update	07 Nov 2018

Project Page	https://www.adb.org/projects/52194-004/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52194-004
Date Generated	09 November 2018

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