



China, People's Republic of: Ecological Valuation and Compensation Mechanism in the Kubuqi Desert

Project Name	Ecological Valuation and Compensation Mechanism in the Kubuqi Desert				
Project Number	54026-006				
Country	China, People's Republic of				
Project Status	Approved				
Project Type / Modality of Assistance	Technical Assistance				
Source of Funding / Amount	<table border="1"> <tr> <td>TA 6656-PRC: Ecological Valuation and Compensation Mechanism in the Kubuqi Desert</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 258,000.00</td> </tr> </table>	TA 6656-PRC: Ecological Valuation and Compensation Mechanism in the Kubuqi Desert		Technical Assistance Special Fund	US\$ 258,000.00
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Technical Assistance Special Fund	US\$ 258,000.00				
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth				
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development				
Sector / Subsector	Agriculture, natural resources and rural development - Land-based natural resources management - Water-based natural resources management				
Gender Equity and Mainstreaming	Some gender elements				
Description	<p>The project will be aligned with the following impact: resilient ecological protection and security in the Yellow River Basin achieved. The outcome of the TA is the sustainable financing for the ecological protection and green development in the Kubuqi Desert prompted. The project will include the following outputs:</p> <p>(i) Output 1: Framework and methodology on ecological valuation of the Kubuqi Desert proposed. This output aims to set up the ecological valuation framework and methodology by learning from international and national experiences for accurately quantifying the ecological restoration effects and establishing the ecological value assessment model for the Kubuqi Desert. It will conduct (i) the literature review and a training workshop on international and national frameworks and methodologies on the valuation of ecological assets; and (iii) the valuation of the ecosystem services of the Kubuqi Desert, including valuation on forest, grassland, wetland, and cropland; and based on surveys, monitoring, statistics, and integration with the existing data platform and management system.</p> <p>(ii) Output 2: Policy advice on ecological compensation mechanism for the Kubuqi Desert finalized. This output will develop the ecological compensation mechanism. Its activities include (i) conduct of a case study on the cost benefit analysis of the Kubuqi Desert's model of industry-based ecological restoration for its sustainability and replication in other regions in the PRC and in ADB's developing member countries (DMCs), particularly in the central Asian countries; (ii) conduct of an international exchange on eco-compensation and sustainable financing, and (iii) development of ecological compensation mechanisms, including the policies or guidelines and accounting tools for the public goods of large-scale ecosystem restoration led by the private sector.</p> <p>(iii) Output 3: Knowledge of multiple stakeholders on ecological valuation and compensation enhanced. The output will support the capacity building on developing the eco-compensation mechanisms and sharing knowledge with all stakeholders and DMCs. Activities under Output 3 will include (i) organization of workshops to be participated in by multiple stakeholders for guidelines on ecological valuation and eco-compensation; (ii) conduct of knowledge sharing on the TA subproject 5's results at the high-level Kubuqi Desert Forum to facilitate the sustainable development of the Kubuqi Desert; and (iii) publication of at least one knowledge product for sharing with other DMCs, especially the central Asian and regional economic cooperation (CAREC) countries.</p>				
Project Rationale and Linkage to Country/Regional Strategy	<p>The Kubuqi Desert has its (i) special geographical location being located in the middle and upper reaches of the Yellow River Basin; (ii) natural environment being the easternmost and seventh largest desert in the PRC; and the transition zone between desert and sand; and (iii) important economic role being one of the key implementation areas of the Government of the PRC's subproject began in the 1980s to build the world's influential "three Northern" shelterbelt system, including returning farmland to forests and grasslands, protecting natural forests in the middle and upper reaches of the Yellow River, and controlling the sources of sandstorms in Beijing and Tianjin, which has resulted to gradually improved ecological environment and remarkable achievements of changing sand damage into sand and wind sand into scenery; and thus, creating a green miracle of desertification prevention and control in the world. Therefore, conducting research and further designing innovative experiments in the Kubuqi Desert are of great importance to the PRC's practice of ecological civilization.</p> <p>The government requested a TA from ADB to conduct a study on ecological valuation and compensation mechanism in the context of the Kubuqi Desert. The TA is included in the country operations business plan (COBP) for the PRC, 2018 -2020. The TA subproject 5 will support the overall TA cluster with strong focus on developing the ecological compensation mechanism in the Kubuqi Desert with the involvement of private sector. The TA subproject 5 will also help to formulate fiscal and sustainable ecological solutions, so as to better protect the environment while increasing the productivity and incomes of local people in the Kubuqi Desert.</p> <p>The expected results of the proposed TA subproject 5 are as follows: (i) build different ecosystem assessment models, and develop technical guidelines for ecological valuation; (ii) formulate a diversified and market-oriented ecological compensation program to promote ecological protection and green development in the Kubuqi Desert; and (iii) share knowledge on items (i) and (ii) to other regions in the PRC; and to ADB's DMCs, particularly to the central Asian countries.</p>				
Impact	Resilient ecological protection and security in the Yellow River Basin achieved				
Project Outcome					
Description of Outcome	Sustainable financing for the ecological protection and green development in the Kubuqi Desert prompted				
Progress Toward Outcome					
Implementation Progress					

Description of Project Outputs	Framework and methodology on ecological valuation of the Kubuqi Desert proposed Policy advice on ecological compensation mechanism for the Kubuqi Desert finalized Knowledge of multiple stakeholders on ecological valuation and compensation enhanced
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide, Inner Mongolia
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Responsible ADB Officer	Guo, Dongmei
Responsible ADB Department	East Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, EARD
Executing Agencies	Inner Mongolia Autonomous Region Finance Department (Former Inner Mongolia Autonomous Region) No. 19, Chilechuan Street, Saihan District Hohhot City, Inner Mongolia Autonomous Region People's Republic of China
Timetable	
Concept Clearance	-
Fact Finding	14 Aug 2020 to 14 Aug 2020
MRM	-
Approval	08 Dec 2020
Last Review Mission	-
Last PDS Update	08 Dec 2020

TA 6656-PRC

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
258,000.00	0.00	0.00	0.00	0.00	0.00	258,000.00	-	0.00

Project Page	https://www.adb.org/projects/54026-006/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54026-006
Date Generated	10 December 2020

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