

User-Pay System in Sea Use Law of China

Isao Endo
UNDP/GEF Yellow Sea Project
Project Management Office

IWLEARN Regional Workshop on Payments for
Environmental Services
Hanoi, Vietnam, 3-5 April 2008



Topics of this presentation

- **Background:**
Environmental problems in China
- **Sea Use Law**
(property rights & user fee)
- **Implementation of the Law**
- **Results: Impact of the Law**
- **Future work**



BACKGROUND:
Economy is good,
but ...



Port development



Fisheries



Tourism

Photo: UNDP/GEF, 2007

<http://www.yslme.org>



Environmental
quality is
degrading.



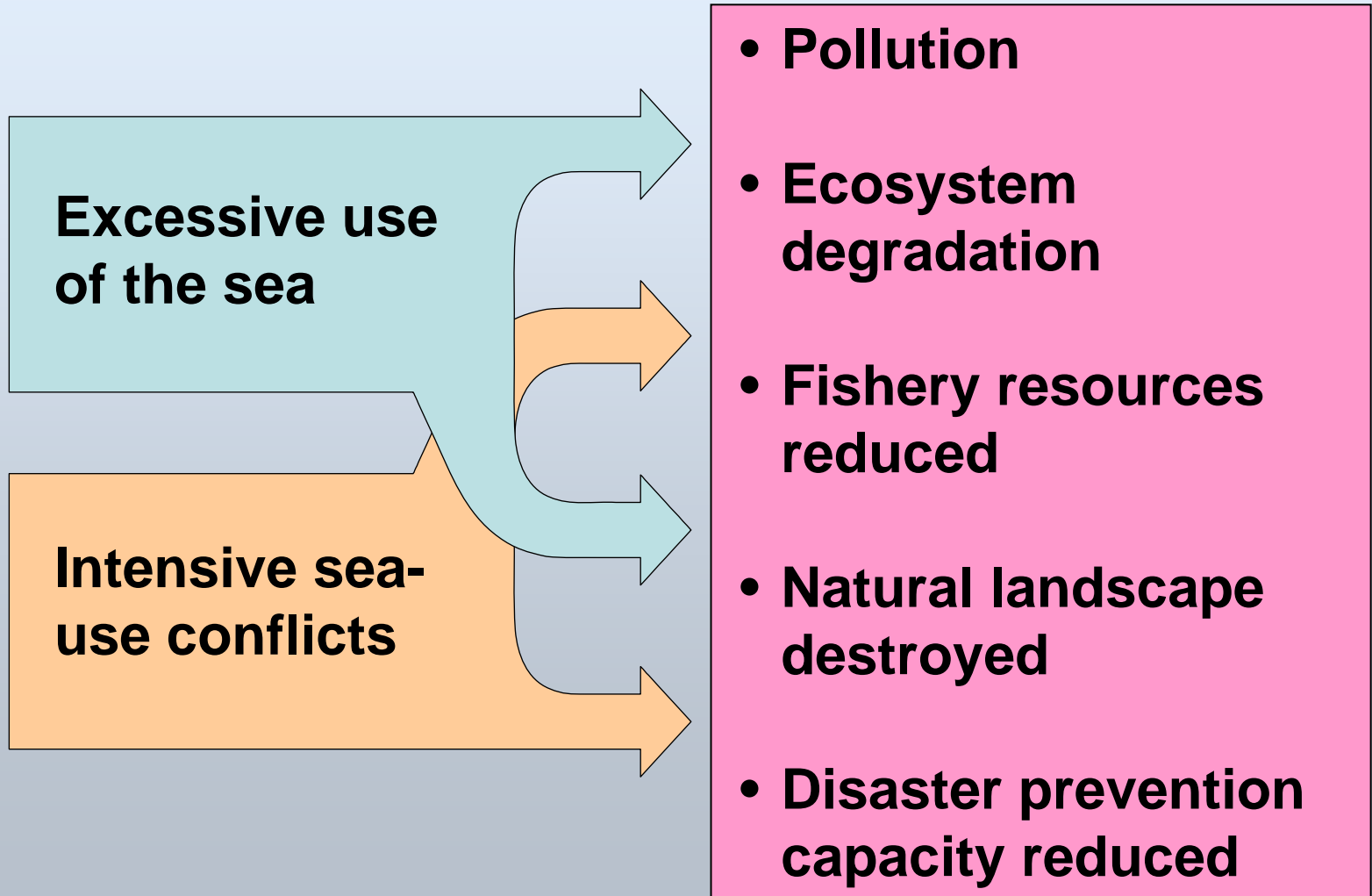
Marine litter



Pollution (excess nutrients)

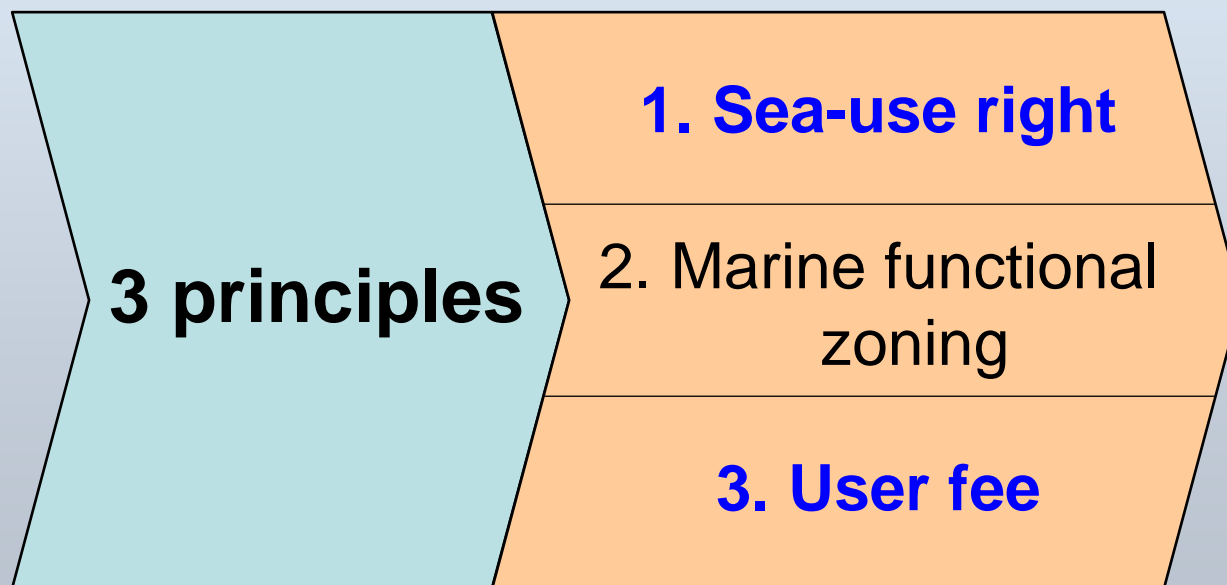


Environmental problems in China

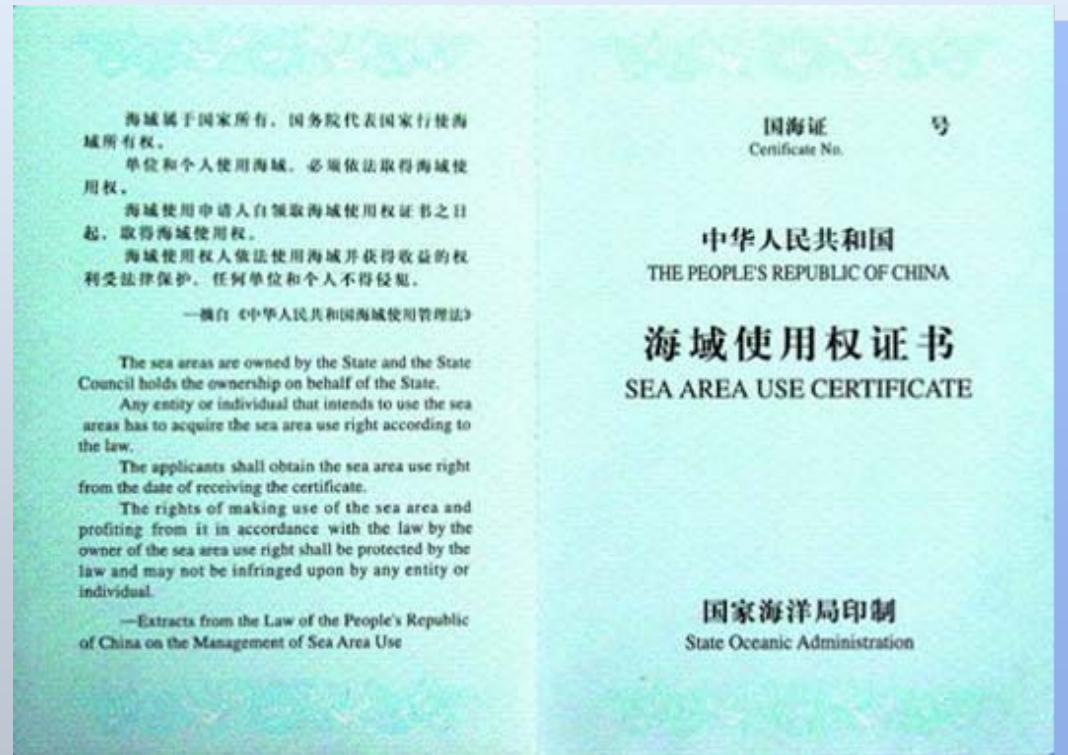


“Law on Management of Sea Area Use”

- To mitigate environmental problems
(Promulgated, Jan 2002)



Sea-use right: Certificate



User fee

- **Unified standard for sea area use fee**
- **According to 6 categories and usage of sea area**
- **Mostly based on land value
(e.g. Fee = 30% of land value)**
- **Bidding/auction introduced**
- **30% of fee → State Gov.
70% of fee → Local Gov.**



Standard fee (example)

Class/usage	1st	2nd	3rd	4th	5th	6th	Levy
Reclamation ¹	180	135	105	75	45	30	One time
Port	0.75	0.60	0.45	0.30	0.21	0.15	Every year
Beach	0.45	0.36	0.30	0.21	0.15	0.06	
Playground	2.25	1.65	1.20	0.81	0.51	0.30	
Mariculture	Standards are set by province.						

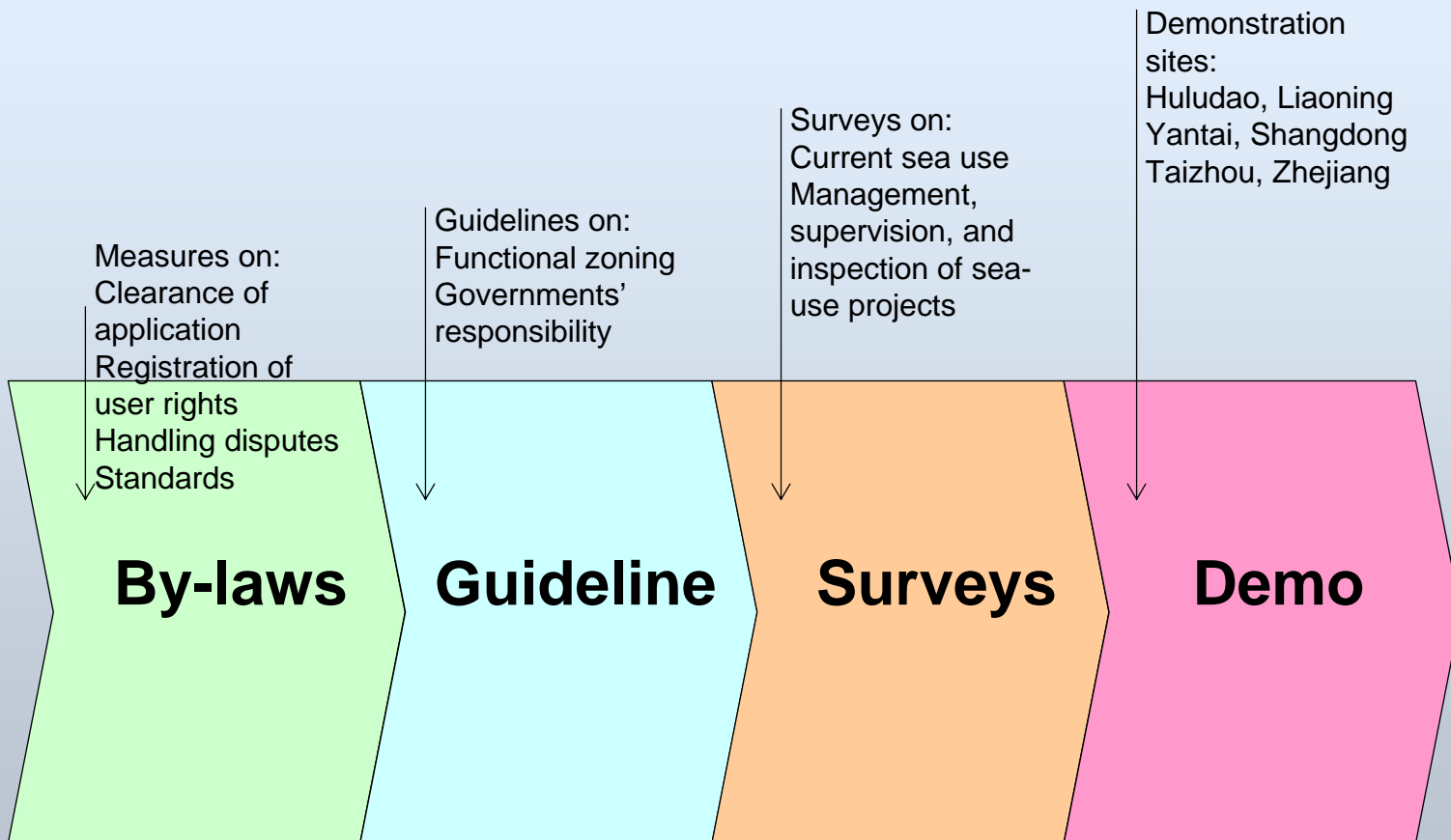
Unit: 10 thousand Chinese Yuan/ha

Note: ¹ Reclamation for construction

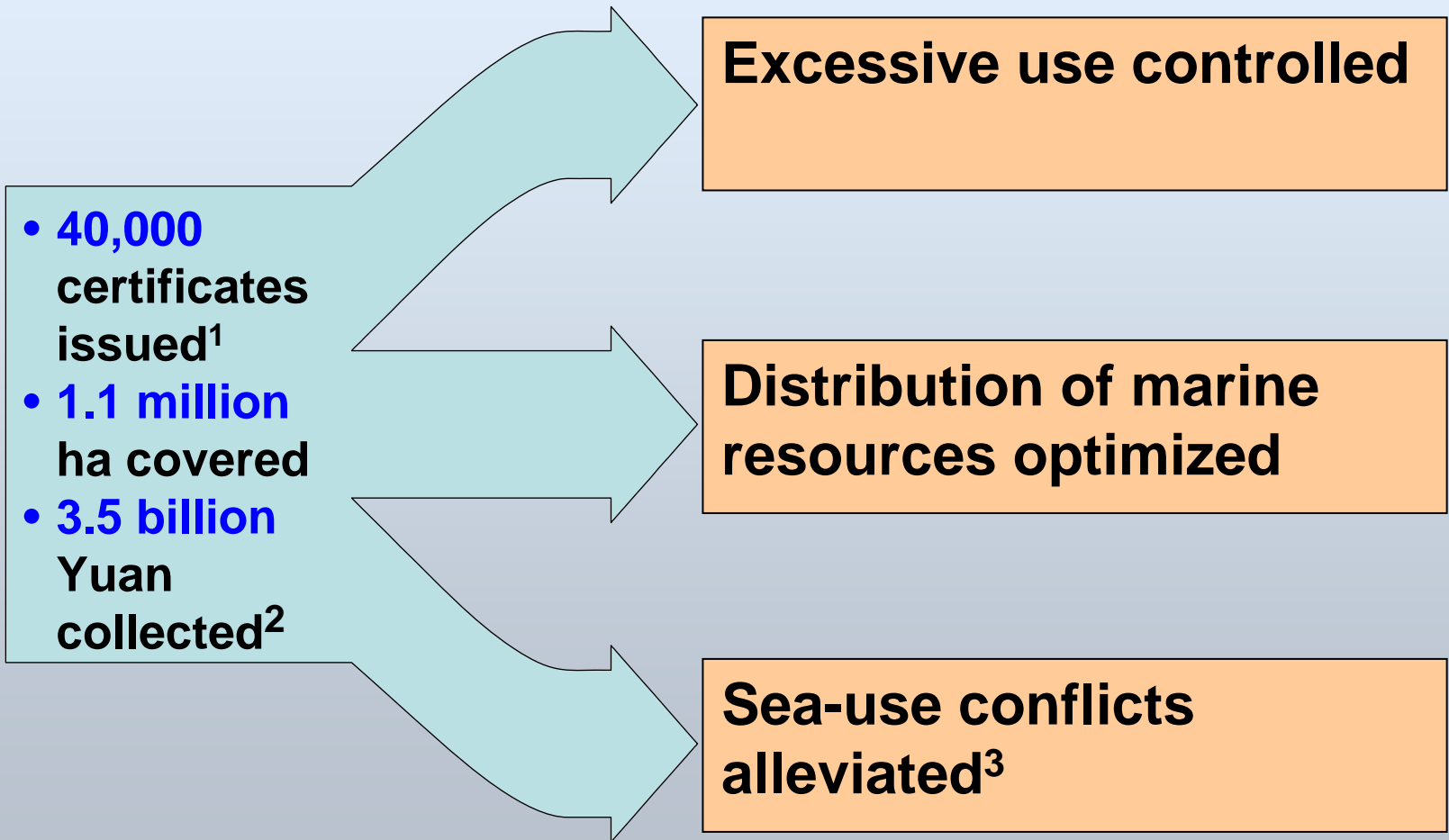
Source: SOA, 2007



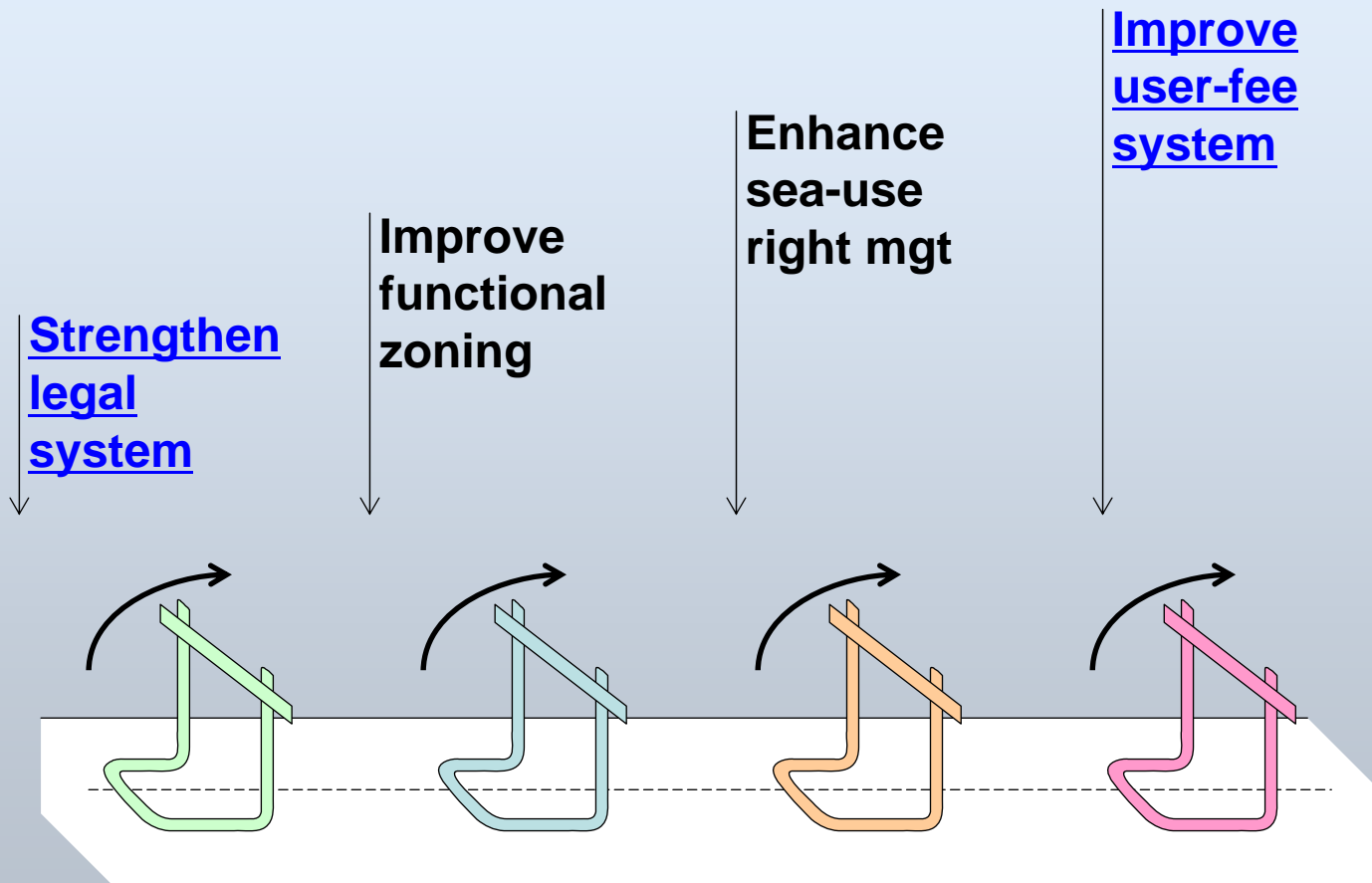
Implementation of the Law



Impact of the Law



Future work



Future work (cont.)

- **Strengthen legal system**
 - Prepare supporting regulations and by-laws (e.g. regulation on sea-use fee collection and on conflict resolution)
- **Improve user-fee system**
 - Charge based on scientific assessment, not land value



Improve user-fee: Efforts being made

- The first value assessment in Shandong Province was carried out for the “cargo field backfill project in the eastern part of Lan Shan Port (this port locates in Rizhao)” in Feb. 2004.
- Beijing De Xiang Asset Assessment Co. Ltd carried out this assessment. More than ten experts (majored in marine resources, marine engineer, port and navigation, land management and asset assessment) took part in this assessment.
- The sea area use fee for 735 mu (1/15 ha) is 83,435,900 Yuan.
- Relevant government agencies approved this assessment on Jun 30, 2004.



Conclusion

- Introduced sea-use right & fee system to address excess use of marine resources.
- Based on the law and marine functional zoning.
- By-laws and guidelines prepared for smooth implementation of the system.
- Surveys and demonstration activities conducted.
- As a result, excess use controlled & conflicts alleviated.
- However, there is a need to strengthen legal system & to improve user-fee system.



End of Presentation

Thank you!



References

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Acknowledgement

I would like to thank Dr. A Dong of the State Oceanic Administration (SOA), China for providing useful information about the sea-use law in the country. I thank Ms. Ming Yu of Ocean University of China for providing me with valuable advice, data, and information on user fees. I thank Dr. Haiqing Li of SOA for his excellent paper which constituted the foundation of this presentation. All the support I obtained from these people and others made it possible to prepare this presentation. However, any mistakes that remain are my own.

