

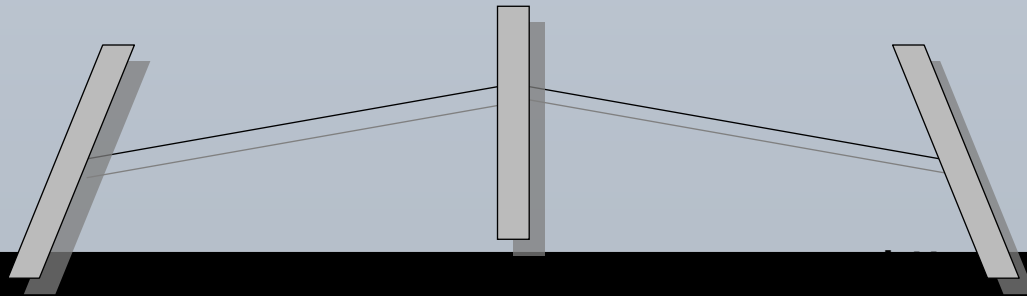
User-Pay System in Sea Use Law of China

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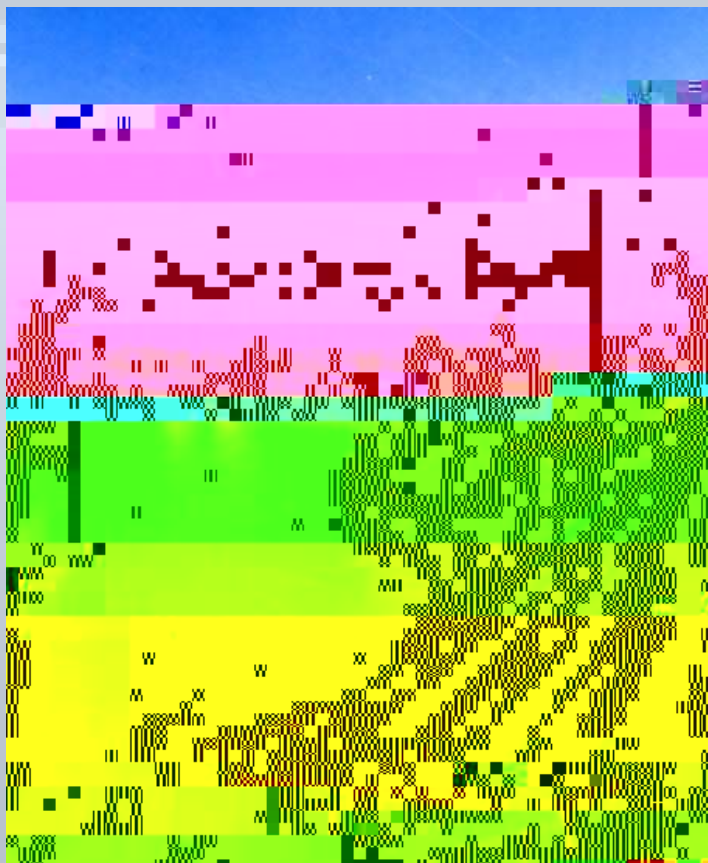
IWLEARN Regional Workshop on Payments for

Topics of this presentation

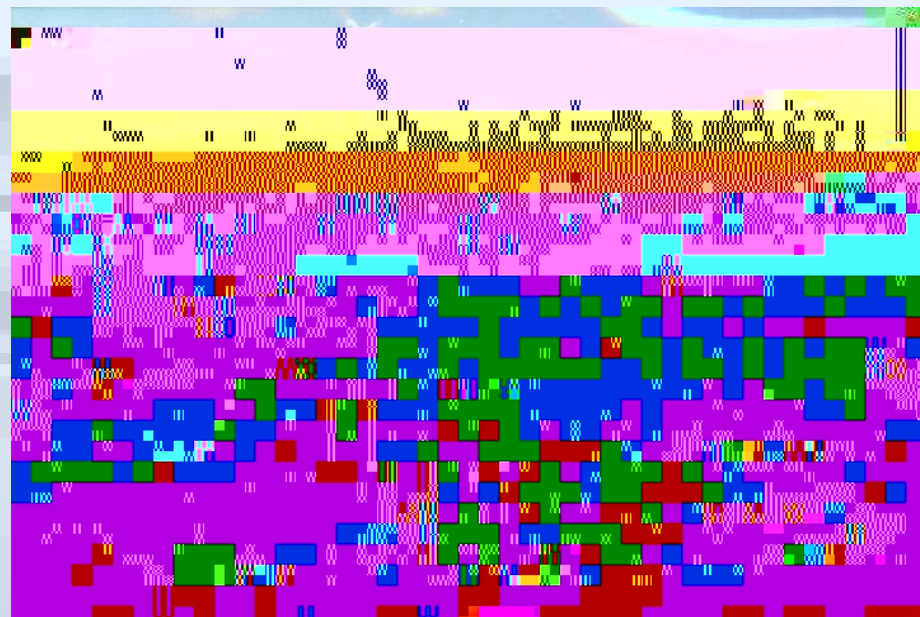
- **Background:**
Environmental problems in China
- **Sea Use Law**
(property rights & user fee)



BACKGROUND:
Economy is good,
but . . .



Port development



Fisheries

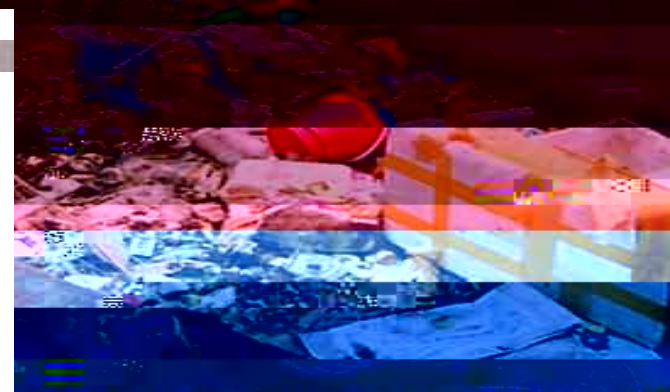


Tourism

Environmental
quality is
degrading.

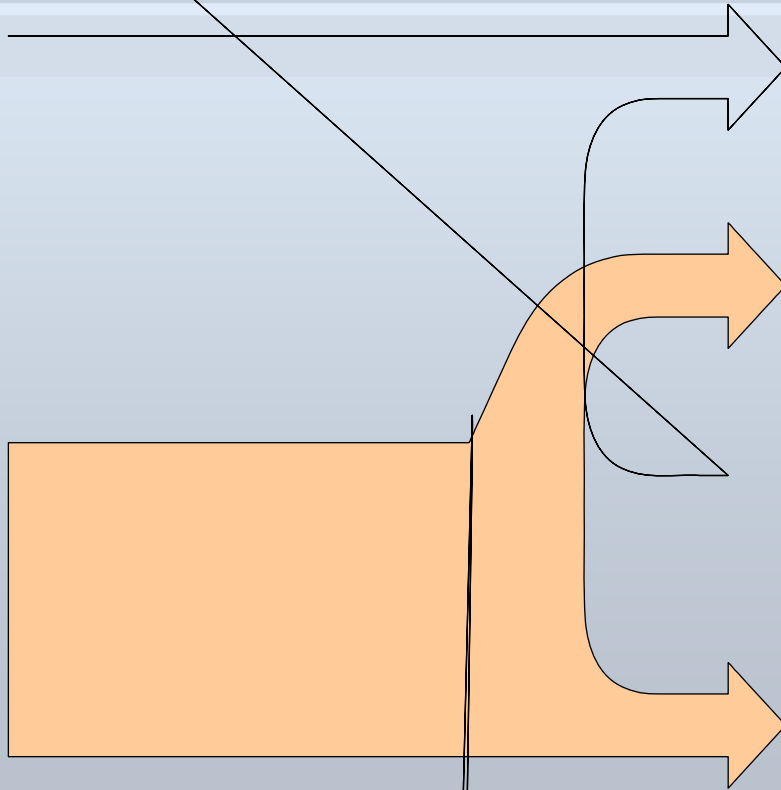


Pollution (excess nutrients)



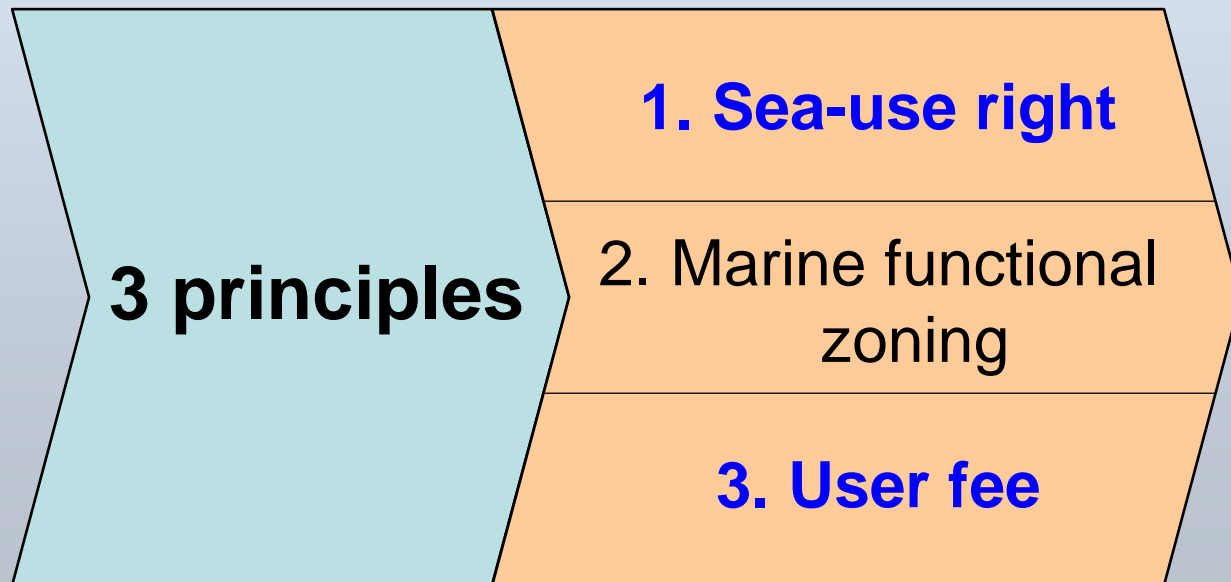
Marine litter

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.

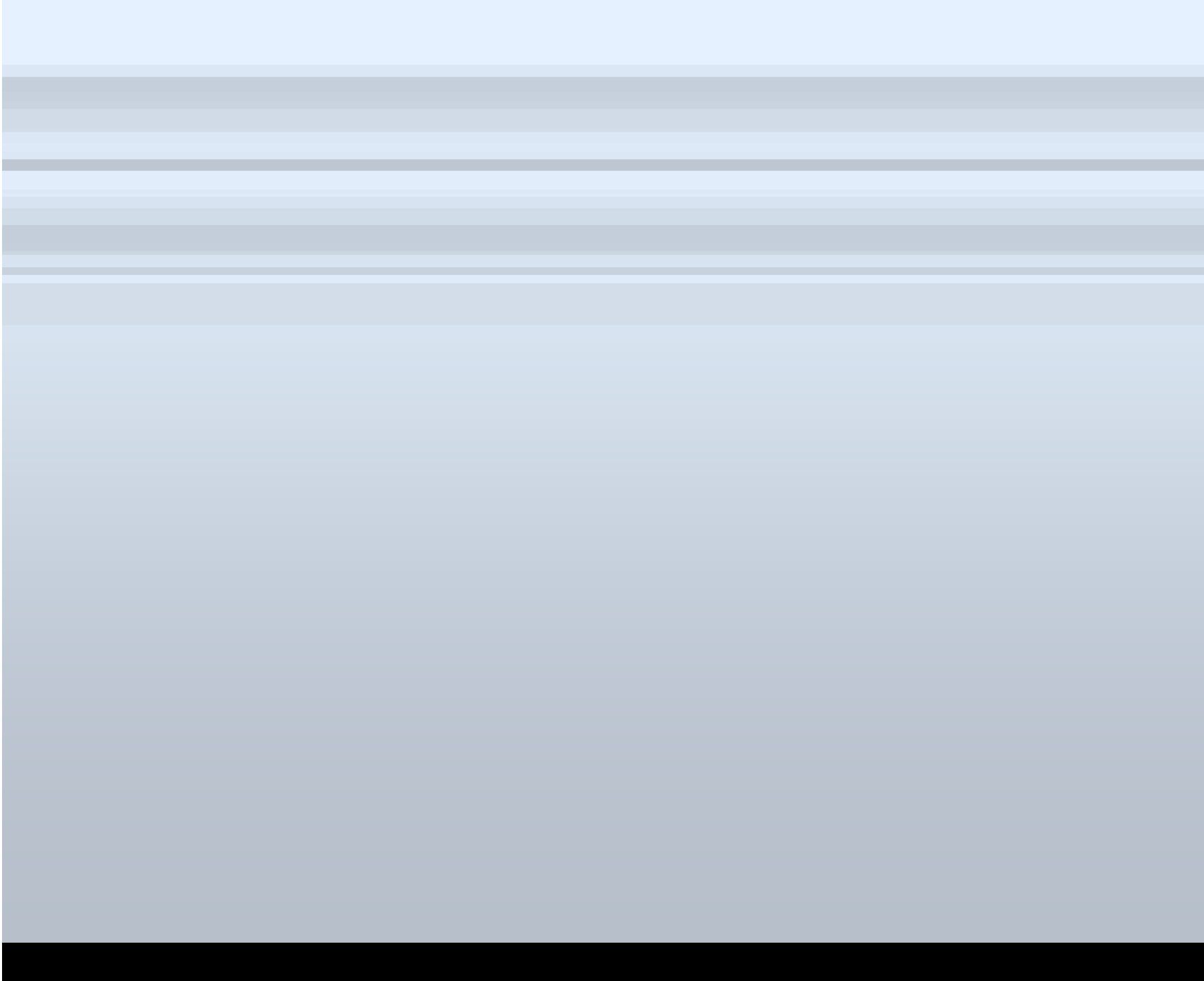
Standard fee (example)

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



Impact of the Law

- **40,000** certificates issued¹
 - **1.1 million** ha covered
 - **3.5 billion** Yuan collected²
- 
- A diagram consisting of a light blue rectangular box on the left containing three bullet points. Three large, light blue arrows originate from the right side of this box and point towards a large, solid orange rectangular box on the right side of the slide. The arrows are arranged vertically, corresponding to the three bullet points.

Improve user-fee: Efforts being made

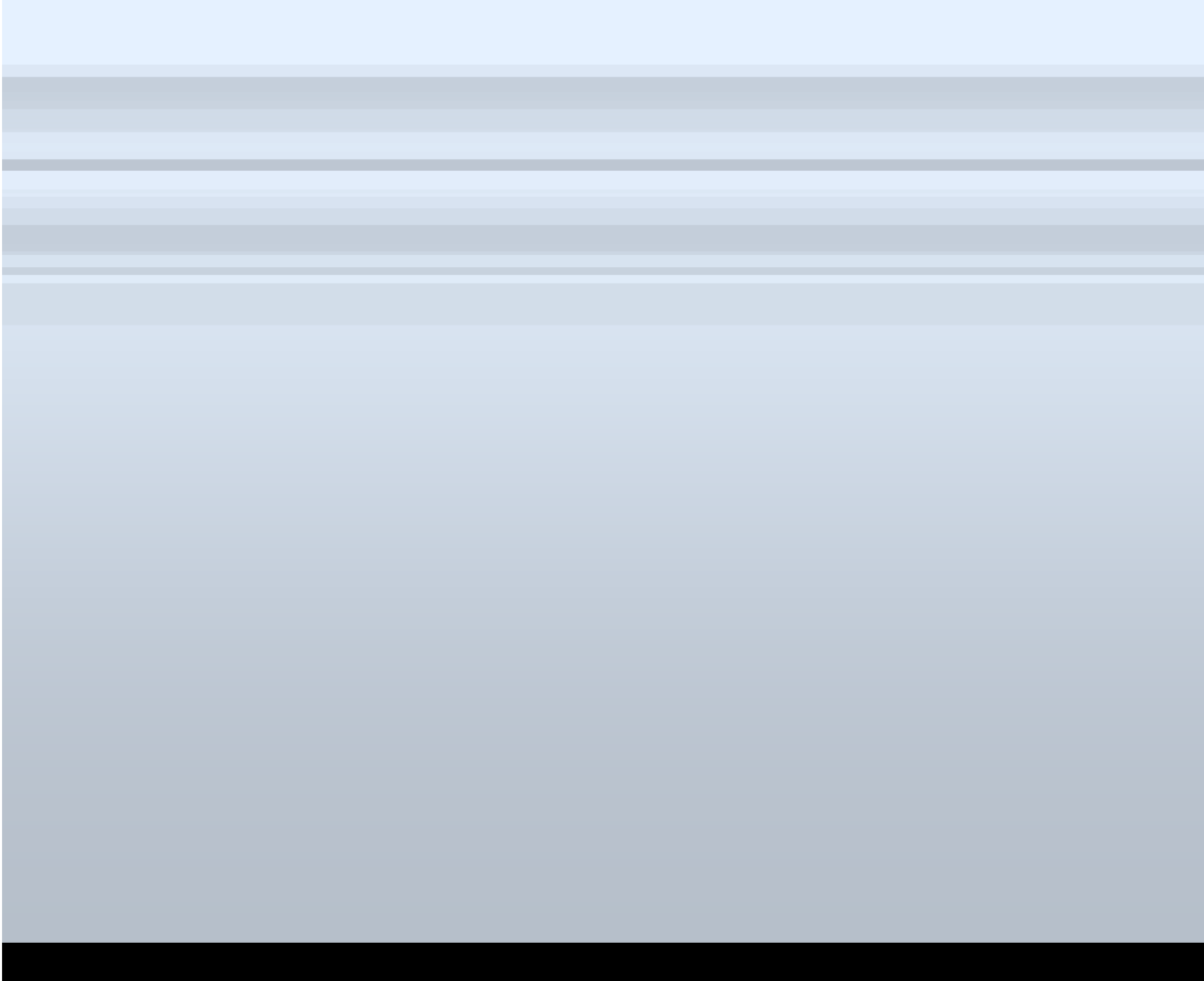
- **The first value assessment in Shandong Province was carried out for the “cargo field backfill project in the eastern part of Lan Shan Port (this port locates in Rizhao)” in Feb. 2004.**
- **Beijing De Xiang Asset Assessment Co. Ltd carried out this assessment. More than ten experts (majored in marine 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!



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.