

# China's Restoration Fees Require Transparency

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## Main Text:

China is home to 10% of the world's wetland areas, but many of those wetlands are threatened by development (1). To increase conservation efforts, China's first wetland protection law, which came into force on 1 June (2), will charge a fee to developers whose projects result in wetland area losses. The fees will pay for restoring wetlands with comparable qualities and quantities elsewhere. When this strategy has been implemented in the past, transparency has been insufficient. The wetlands law, as well as other laws requiring restoration fees, must include data tracking and availability to ensure that the money is used as intended and that the restored ecosystems are suitable substitutes for those that have been degraded.

China has enacted two previous nationwide mandatory natural habitat restoration fees, one in 1998 for forest vegetation (3, 4) and one in 2003 for grassland vegetation (5). In each case, tracking conservation outcomes and evaluating whether ecological compensation requirements and targets are being met have proved challenging. Information on how much money various levels of governments have collected and spent, and on what, is extremely limited, at least in the public domain. The lack of financial transparency could lead to misuse or misappropriation of

restoration funds as well as ineffective use of funds, with money going toward, for example, projects with no evidence of positive outcomes (6).

A similar approach has been implemented for wetlands in the United States since the 1980s (7) as well as for other habitats in other countries, including Australia, Brazil, the United Kingdom, and Germany (6, 8). In each case, results were mixed (8, 9). Given that success is not guaranteed, it is even more vital to track the progress of the program and adjust its implementation to maximize benefits.

In 2021, China committed to enhancing biodiversity and ecosystem functions and services by gradually advancing information disclosure and encouraging public participation (10). In light of this pledge, China's government should create a mechanism to clearly, thoroughly, and regularly report the collection and use of forest, grassland, and wetland restoration fees. The information should include government spending, ecological assessment before development begins, restoration implementation, and outcomes (11), and all data should be made available for public scrutiny. As a monitoring system model, China could use the US Regulatory in-Lieu Fee and Bank Information Tracking System, a registry of conservation-related programs that has been in place for nearly 40 years (12).

## References and Notes

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