

**Abstract 2: Implementation of the Forest Ecosystem Compensation Program: Impacts and Implications for Collective Forest Owners. Author: Zuo Ting, China Agricultural University (CAU).**

The Forest Ecosystem Compensation Program (FECP) is a major new initiative in China designed to compensate the owners of critical forest ecosystems for the environmental services they provide. This paper first reviews the objectives and status of the FECP in China, the budgets, the targeting, the levels of compensation, and then focuses on implementation in Hunan Province. The paper assesses the impact of the compensation on incentives to maintain forests, comparing the level of compensation with alternative sources of income, such as sustainable commercial logging and non-timber forest product (NTFP) collection. The paper then assesses the equity dimensions of the program, identifying the distribution of benefits between public and private/collective lands, and how the funds are distributed within communities. The paper then draws lessons for the consideration of national policy makers and recommendations for improving the FECP.