

## Case Study 3 China's Land Trust Reserves

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*Traditionally, in China all lands belong to 'the people' and there is no 'privately owned' land, as such. Since 2008, a series of policies on forest tenure reform, advocating separating land ownership from contracted management rights, have opened the door for private individuals and organisations to hold management rights without changing land ownership. Meanwhile there has been a call for diversification of funding channels for conservation to include social capital investment. The rapid growth of the Chinese economy and growing domestic philanthropy also makes it possible for private citizens to support conservation financially. These have ultimately led to the birth of a new private conservation model in China during the past decade, bringing private funding and management into China's protected area systems. This new model is adapted from the classical US land trusts, therefore named the 'Land Trust Reserve'. The case study provides an example of establishing a PPA (see Part B, Section 1) in a country where until recently PPAs were not considered feasible.*

### Overview

Currently, more than 15 per cent of China's land has been designated as protected areas, within which 2,750 nature reserves have the highest level of legal protection. However, there are still many conservation gaps in the existing protected areas system in China, while most local and provincial reserves within the system are essentially 'paper parks', with many lacking in funds, enforcement and management staff, and facing frequent conflicts with local economic development. For example, almost half (46 per cent) of the giant panda's (*Ailuropoda melanoleuca*) habitat has not yet been covered by existing nature reserves.

Laohegou was one such conservation gap. Located in Pingwu County, Sichuan Province, Laohegou is a key corridor for pandas and connects two existing national panda reserves. It covers approximately 11,000 ha of old-growth forest including a state-owned forest farm and surrounding collective forest and has an estimated population of 10 pandas. Commercial logging has been prohibited because of the natural forest protection programme, but only limited conservation activities such as fire prevention were performed and continuing unsustainable natural resources extraction by nearby villagers included hunting, fishing and non-timber forest product collection.

In 2011, The Nature Conservancy (TNC) China Program started a collaboration with the local government to explore the establishment of the country's first Land Trust Reserve following the model of the US land trusts. TNC China developed a new entity, the Sichuan Nature Conservation Foundation (SNCF) (which was later renamed as the Paradise Foundation<sup>139</sup>), with support from 22 top Chinese entrepreneurs. One year later, SNCF signed the nation's



Laohegou Nature Reserve @ TNC

first conservation lease, allowing it to manage an 11,000 ha forest parcel for the next 50 years (Best Practice 1.4.2). To further consolidate its legal safeguards for protection, Laohegou was officially declared as a county-level nature reserve in September 2013, with SNCF as its funder and management rightsholder under supervision from the local government (Best Practice 1.1.1). SNCF has invested about US\$3.3 million for the reserve establishment in the first three years and an annual operational cost of about US\$500,000 thereafter (Stolton et al., 2014).

To manage the reserve, SNCF sponsored the creation of a local NGO, the Laohegou Nature Conservation Center (LNCC), which has hired former forest farm staff and nearby residents for daily management and received technical support from TNC China (Best Practice 2.5.1). Led by TNC China and a group of scientists from top research institutions, Laohegou has conducted thorough baseline surveys and then developed its management plan using the Open Standards framework (Best Practice 2.5.4). Strict entry and exit management, to avoid human disturbance, as well as a range-wide patrol system and law enforcement working closely with Forest Police to detect and deal with illegal activities, are regularly performed within the reserve. A relatively simple but reliable ecological monitoring system using camera traps has been implemented since the latter half of 2014 to help evaluate conservation effectiveness (Best Practice 2.4.1).

Beside conservation, Laohegou is also piloting mechanisms to increase income in nearby communities (Best Practice 2.3.2), as well as to fund the reserve stewardship sustainably (Best Practice 3.2.1). An expansion area has been set up to include the nearby communities and a master plan is in place to guide environment-friendly development in this area. SNCF helped set up a system to link the community's eco-friendly agricultural products to outside high-end markets for higher prices than before. Revenues from the sales augment community income and reduce the pressure from the local



Bee keeping in Laohegou Nature Reserve@ Nick Hall

residents who want to hunt and forage within the reserve. In 2015, SNCF funded a social enterprise to produce and sell honey wine using the honey from bee-keeping in the reserve, and the profit from this business will contribute to fund the operations of the reserve.

Very positive changes have occurred since the establishment of the Laohegou Land Trust Reserve. Equipped with adequate funding, qualified staff and a sound management plan, the PPA has eliminated almost all destructive human activities, and today the population of pandas has increased to 13, according to the latest nation-wide population census, and endemic fish have returned to the rivers. Meanwhile, more than one-third of households within the expansion area have been able to double their income through eco-friendly agriculture. The land trust model has been recognised broadly by different government agencies, conservation organisations and businesses, and has demonstrated that this model could be an effective supplement to the current government-led protected area system.

Beyond Laohegou, TNC China and its partners are also exploring other models to demonstrate the flexibility of this approach, such as civil society organisations assuming complete or partial management responsibilities of an existing poorly-managed reserve. *“We’ve been testing this localized land trust model as a way to expand society’s ability to protect and sustainably manage China’s most important lands and waters, while providing green livelihood solutions for local communities and creating a mechanism to finance long-term reserve management through private contributions. We believe that this new model could become an important supplement to China’s current protected area system,”* says Science Director of TNC China, Dr Jin Tong. Borrowing the idea of the US land trust movement, 23 international and domestic environmental NGOs/Foundations launched the China Civic Protected Areas Alliance in November 2017, aiming to catalyse the ‘Chinese land trust movement’ by

providing a platform for communications, funding, standards, policies and capacity building (see Part B, Section 8). The long-term vision of the Alliance is to collaboratively protect 1 per cent of China’s terrestrial land by civic and private organisations and individuals.

## Summary

- SNCF’s establishment was fundamental for the Land Trust Reserve model; it serves as a funding vehicle to receive philanthropic money to support reserve establishment and management, and also an appropriate body to sign the conservation lease or agreement to hold the management right of the land (Best Practice 8.2.1).
- A management team run by local people in Laohegou is very important to securing the long-term stewardship of the reserve (Best Practice 2.5.6).
- The concept of an ‘expansion area’ around the PA links conservation inside the reserve with eco-friendly community development around the reserve (Best Practice 2.3.2).
- A sustainable and diversified financial plan to fund the land stewardship is vital to the long-term stability and viability of the PPA model (Principles 2.3 and 3.2).