

Supplementary Material 1

Table S1. Major PES programs in China ¹.

Water Quality & Quantity	Watershed Eco-compensation Programs	Total budget of RMB 14.6+ billion, RMB 703+ million already spent, plus annual payments of RMB 288+ million.
	Water Use Rights Transfers	Total estimated project costs of RMB 2.777 billion, RMB 1.149+ billion invested so far.
Forest-related	Sloping Land Conversion Programs (SLCP)	Total budget of RMB 337 billion (of which RMB 130.1 billion has been spent from 2000 to 2006). 139 million mu (9.27 million ha) of cropland enrolled and 205 million mu (13.67 million ha) of wasteland afforested.
	Central Government Forest Ecosystem Compensation Fund (FECF)	A total of 1.578 billion mu (105.2 million ha) of national level key public benefit forest area enrolled by the end of 2007. Cumulative total investment of RMB 13.34 billion by the end of 2007 (RMB 3.34 billion in 2007 alone).
	Provincial-Level FECF (complementary to central government FECF)	Apart from national key public benefit forest area, 1.15 billion mu (76.7 million ha) of provincial-level public benefit forest area enrolled by the end of 2007. Subsidies of RMB 1.2 billion in 2006.
	Natural Forest Protection Program (NFPP)	Total targeted forest area of 1.023 billion mu (68.2 million ha), of which 846 million mu (56.4 million ha) is designated as natural forest area. Total budget for 2000–2010 is RMB 96.2 billion, of which the central government will provide RMB 78.4 billion.
	“Three-Norths” Shelterbelt Program	Completed afforesting 367 million mu (24.47 million ha), and controls desertification on over 450 million mu (30 million ha) and soil erosion on 300 million mu (20 million ha) of land. Total estimated budget for the current period of the program (2001–2010) is RMB 35 billion, of which RMB 25 billion will be from the central government.
	Beijing-Tianjin Sandstorm Source Control Program	Total program budget is RMB 50 billion, of which Beijing is to invest RMB 3.9 billion. By the end of 2007, 47 million mu (3.13 million ha) of land had been afforested, and total expenditures were RMB 19.9 billion.
	Forest Vegetation Restoration Fee	RMB 8.044 billion from 2003 to 2005.
Soil erosion	“Four Wastelands” policy (4W)	The size of the program is likely to be huge both in terms of land area and revenue generated for local governments and participating farmers, as well as in terms of imputed labor costs of soil erosion prevention.
	Soil Erosion Control Fees and Soil and Water Conservation Installation Compensation Payments	No information available, although probably huge in terms of revenue generated and land area involved, since this policy encompasses the whole of China.
	Yangtze River Upper Watershed Water and Soil Conservation and Key Prevention Program	As of 2004, more than RMB 15.929 billion spent for management of soil erosion on over 8 million ha.

Table S1. *Cont.*

	National Green and Organic Food Certification System	Large and growing, though exact numbers are not readily available.
	Dalian City, Liaoning Province, Green Agriculture Support Subsidy	No number available on the program's total budget or the number of farmers who have benefited from these subsidies.
	Shanghai Organic Fertilizer Subsidy	The size of the program has expanded from use of 15,000 tons of organic fertilizer on 100,000 mu (6,667 ha) in 2004, to 120,000 tons of organic fertilizer on 600,000 mu (40,000 ha) in 2006. From 2004 to 2006, a total of RMB 56.25 million was spent in subsidies.
	Beijing Organic Fertilizer Subsidy and Safe Pesticides Subsidy	RMB 20 million invested in 2007 to subsidise the use of 75,000 tons of organic fertilizer used on 200,000 mu (13,333 ha) of grain fields in 13 counties in Beijing.
Eco-agricultural	National VAT Tax Exemption for Organic Fertilizer Use	No numbers are available on the size of total tax exemptions.
	Rural Biogas Development	Central government investments of RMB 12+ billion from 2003 to 2008. Provincial and local government investments of RMB 1.5 billion in 2006 alone. Program activities from 2004 to 2008 encompassed counties and 98,600 villages, with 10 provinces issuing complementary policies. A cumulative total of 26.23 million household biogas stoves installed by the end of 2007. The program aims to have a total of 40 million household stoves installed by the end of 2010.
	Promoting Conservation Tillage	Central government investment of RMB 170 million from 2002 to 2007, with matching local government investments of RMB 1.78 billion. Enrolment of 30.62 million mu (2.04 million ha) of conservation tillage area, and almost 100 million mu (6.67 million ha) of no-tillage area. Project encompasses 15 northern provinces.
Carbon	Clean Development Mechanism	China hosts 22 per cent of registered CDM projects and supplied 73 per cent of global CDM credits in 2007; 725 million tons CDE.
	Voluntary Carbon Market	The Asia-Pacific region (China data N/A) supplied 39 per cent, or 16.4 MtCO ₂ e of global VERs.
	China Green Fund	RMB 300 million. 1.05 million mu (70,000 ha) of area for afforestation.
Emissions trading	Ongoing Piloting of SO ₂ and COD Emissions Permit System and Emissions Trading	Transactions of 970 tons/year of COD, 28,500+ tons plus 1007 tons/year of SO ₂ (contract lengths unknown). RMB 52.81+ million in transactions. More than RMB 9.3 million in government pilot support funding.
Other	Government Green Procurement	Huge potential market size. In 2006, total government procurement was estimated to be over RMB 300 billion.

¹ Zhang, Q.; Michael T. Bennett; Kannan, K.; Jin, L. *Payments for Ecological Services and Eco-Compensation*; Asian Development Bank: Mandaluyong City, Philippines, 2010.