Post-Wenchuan Earthquake Reconstruction Mechanisms and Policy

Pu Yufei
Deputy Director-General
Comprehensive Management Department
State Information Center, P. R. China
Outline

- Guiding Principle
- Key Reconstruction Mechanisms
- Reconstruction Policy
1.1 Rehabilitation Goals for Two-Stages

- The Overall Planning for the Post-Wenchuan Earthquake Rehabilitation and Reconstruction (hereinafter referred as the Planning)
- Goals for the next three years (six ‘have’s)
- Goals for the long-term development
1.2 Guiding Principles

- Based on the evaluation of carrying capacity of local resource & environment, the quake-hit areas are categorized as:
  - Completely Rebuilt Areas $<10\%$
  - Moderately Rebuilt Areas $<30\%$
  - Ecological Rehabilitation Areas $>60\%$
1.3 Guiding Principle

- Completely Rebuilt Areas
  
  *To be built into the industrials clusters for economic revitalization and job creation*

- Moderately Rebuilt Areas
  
  *...the ecological function zones with moderate-scale population, good environment and featured industries*

- Ecological Rehabilitation Areas
  
  *...the important habitats for nature resources & animal protection*
2 Key Reconstruction Mechanisms

- **Investment Mechanism**
  - 1 trillion Yuan needed for reconstruction and recovery
  - Multi-channels financing

- **Coordination Mechanism**
  - Tasks defined and assigned between the provincial government and the municipalities (counties)

- **Monitoring Mechanism**
  - Follow-up auditing
3.1 Reconstruction Policy

- **Fiscal Policy**
  - Post-earthquake Recovery Fund-70 billion Yuan in 2008
  - Downsizing the expenditure of the central government, increasing the transfer payment to the local levels
  - Tax concession
3.2 Reconstruction Policy

☐ Financial Policy

- Differentiated preferential policy: favored deposit reserve rate, increased rediscount quotas, preferential house credit rate, etc.

- Finance innovation: setting up the house financial institution, small-loan company, rural credit cooperative and start-up fund for SMEs
3.3 Reconstruction Policy

- Land Policy
  - Special measures in land use and approval
- Industrial Policy
  - Industry reconstruction in compliance with the policy of energy saving and emission reduction
- Policy of Resettlement and Employment
Thank You!