

**Confirmed Minutes of the Fifth Meeting of the
Environment and Conservation Fund Committee
held on 19 January 2012 at 9:30 a.m.**

Present

Dr. Joseph LEE, S.B.S., J.P.	(Chairman)
Mrs. CHAN NGAN Man-ling, Edith	
Mr. CHUA Hoi-wai	
Mr. LEUNG Wai-kuen, Edward, J.P.	
Mr. WONG Yiu-kam, Benny, J.P.	DDEP(1), EPD
Miss CHAN Yin-ting, Eunice	Ag. P(CR), EPD
Mr. KC TAM	Principal Education Officer, EDB
Mr. KW CHEUNG	Senior Conservation Officer, AFCD

In Attendance

Ms WONG Sean-ye, Anissa, J.P.	PS(Env)/DEP
Mr. TSOI Kwan-sang, Steve	SEO(CR)1, EPD

Absent with Apologies

Ms KUOK Hui-kwong	
Prof. LUNG Ping-ye, David, S.B.S., J.P.	
Ms WONG Wai-ching, Connie, J.P.	
Prof. WONG Woon-chung, Jonathan, MH	
Mr. Douglas WOO	
Ms CHEUNG Miu-han, Betty	P(CR), EPD

In Attendance for Item 3

Mr. Donald NG	Principal Assistant Secretary (Energy), ENB
Mr. Kent FUNG	Assistant Secretary (Energy)4, ENB
Mr. WS SZETO	Senior Engineer/Project 7, Electrical and Mechanical Services Trading Fund (EMSTF)
Mr. Raymond TONG	Electrical and Mechanical Engineer/Project 7/3, EMSTF

In Attendance for Item 4

Mr. AU Wai-kwong, Elvis, J.P.

Miss LI Man-yan, Sian

Mr. CC LAY

Mr. Ken SO

Ms Katie CHICK

Mr. LO Wai-yan

Ms Vicky YEUNG

AD(CI), EPD

SAO(NC), EPD

AD(Conservation), AFCD

Chief Executive of the Conservancy
Association (CA)

Conservation Manager of CA

Manager (Projects & Communication)
of Hong Kong Bird Watching Society
(HKBWS)

Senior Project Officer of HKBWS

In Attendance for Item 5

Dr. YAU Wing-kwong

Ms Grace CHEUNG

Ms Mealoha KWOK

Chief Executive Officer of Tai Po
Environmental Association (TPEA)

Project Officer of TPEA

Project Coordinator of Cheung Chau
Woman's Association



Opening Remarks:

The Chairman welcomed all Members to the fifth meeting of the Environment and Conservation Fund (ECF) Committee.

Agenda Item 1: Confirmation on Minutes of the Meeting held on 18.11.2011

2. The draft minutes of the last meeting held on 18 November 2011 were sent to Members on 3 January 2012. The meeting confirmed the draft minutes without amendment.

Agenda Item 2: Matters Arising

Para. 3 Financial Position of the ECF

3. Miss Eunice CHAN reported that the balance in bank as at end of November 2011 was \$1,238.35 million and the uncommitted balance (with amounts of approved projects deducted) was \$454.27 million. Taking also into account the earmarked amounts under designated programmes, the balance would become \$214.27 million.

Agenda Item 3: Building Energy Efficiency Funding Schemes (BEEFS)

(i) Way Forward for BEEFS (ECF Paper 33/2011-12)

4. Mr. Donald NG briefed Members on the recommendations to (i) bring the BEEFS to a close by the end of the three-year period on 7 April 2012, as announced upon the commencement of the Schemes in 2009 and (ii) to provide any additional funding, if necessary, by the ECF to fund all successful applications submitted before the deadline in the event that the remaining balance of the \$450 million originally earmarked was inadequate to meet the requirement. The Energy Conservation Projects Vetting Subcommittee (ECPVSC) was consulted at its meeting on 13 January 2012 and supported the above recommendations for ECF Committee's consideration.

5. Mr. Donald NG said that having regard to the number of applications received and approved, the BEEFS had already achieved its intended objective of enhancing building owners' awareness on the benefits of building energy efficiency. As of December 2011, about 1,550 applications had been received involving about 9,600 buildings, which accounted for about 23% in the building stocks of some 41,000 buildings. Among them, 791 applications had been approved with subsidies amounting to over \$300 million, benefiting over 5,300 buildings. The estimated total electricity saving amounted to 140 million kWh per annum, equivalent to a

reduction of carbon dioxide emissions by 100,000 tonnes. The projects approved in general helped reduce the electricity consumption of the buildings by about 20%. It was observed that the number of applications received had dropped from about an average of 111 per month in 2009 to about 22 per month in 2011, which indicated that interested parties had mostly already applied for the Schemes. Professionals in particular those in the engineering sector, had been geared up for new business opportunities in building energy efficiency. It was considered appropriate to bring a close to BEEFS and focus efforts on other measures to promote energy efficiency. In this regard, the Administration would bring the new Building Energy Efficiency Ordinance (Cap. 610) into effect in September 2012 and was working on tightening the Building Energy Codes. Following its public engagement exercise concluded in December 2011, it was expected the Council for Sustainable Development would come up with some recommendations in the next few months to enhance building energy efficiency.

6. Two Members supported the proposed way forward for BEEFS. In response to their enquiries about the arrangement of additional funds, Mr. Donald NG said based on past records, it was estimated that the remaining balance of \$141 million would be adequate to fund the outstanding applications and new ones that might be received before the application deadline of 7 April 2012. There should also be a buffer of around \$40 million in case there was a last-minute rush of applications. ENB would manage the cashflow carefully and seek ECF's approval of the exact amount of any additional funds that might be required as soon as they were in a position to do so upon closure of applications.

7. Ms Anissa WONG noted that to maintain the integrity of the Schemes, it was important to meet the reasonable expectation of all eligible applicants who put up applications before the deadline. To this end, the Administration would announce the closure of the BEEFS in advance. Mr. Donald NG added that subject to Members' endorsement, the closure of the Schemes would be announced in end January 2012.

8. With the objectives of BEEFS well achieved, the Chairman suggested that some promotion activities could be arranged in due course to

publicize the successful cases under the Schemes in promoting the benefits of building energy efficiency, e.g. inviting the relevant building owners to share their experiences.

9. With Members' support, the Chairman concluded that the proposed way forward for BEEFS was endorsed.

**(ii) Projects recommended under BEEFS
(ECF Paper 34/2011-12)**

10. Mr. WS SZETO briefed Members on the paper which summarized the recommendations made by the ECPVSC on three energy efficiency projects each with recommended budget exceeding \$2 million. The total amount of recommended funding for the three projects was \$10,512,900 which would be used for replacement of lifts.

11. After deliberation, the Chairman concluded to approve the three energy efficiency projects with the total grant amounting to \$10,512,900.

**Agenda Item 4: Nature Conservation Management Agreement
Proposal – Nature Conservation Management for
Long Valley 2012-2015
(ECF Paper 22/2011-12)**

12. Miss Eunice CHAN briefed Members that when discussing the Nature Conservation Management Agreement (MA) proposal for Long Valley 2012-2015 submitted by the CA and the HKBWS at the previous ECF Committee meeting, some Members enquired about the overall long-term direction of the project. Members also suggested organizing a field visit to Long Valley to facilitate ECF's consideration of granting funding support for the fourth phase of the project. Subsequently, a site inspection was conducted on 21 December 2011 so as to enable the Members to have a better understanding on the achievements of the past phases. Furthermore, to assist the members in considering the application, AFCD provided additional

information on the long-term plan in conserving the 12 Priority Sites and Country Park Enclaves under the Management Agreement Scheme, whereas the ECF Secretariat provided additional information and views on the management of ECF resources.

13. On the overview of long-term conservation of the 12 Priority Sites, Mr. CC LAY advised that upon the announcement of the New Nature Conservation Policy (NNCP) in 2004, a scoring system was formulated by an expert group involving prominent ecological experts and major green groups for evaluating the ecological value of individual sites with the aim to reach a consensus within the community on a list of priority sites for enhanced conservation. Through the scoring system, a total of 12 Priority Sites of high ecological importance for enhanced conservation had been identified. Two new measures, namely Public-Private Partnership (PPP) and MA schemes were proposed for the conservation of those ecologically important sites under the NNCP. Whether PPP or MA schemes might be carried out at a particular site would depend on a basket of factors including the conservation value of the site, the need for active management, support and willingness of landowners or tenants to join the schemes and availability of competent and interested non-profit making organizations. Based on these factors, five sites including Long Valley, Fung Yuen, Ramsar Site, Deep Bay Wetland outside Ramsar Site and Sha Lo Tung were categorized as sites where active management was needed and there were already existing MA projects or potential PPP projects. For the Long Valley Priority Site, the estimated financial input required from the ECF was about \$7 million per year in the next five year.

14. Ms Anissa WONG supplemented that under PPP, developments of an agreed scale would be allowed at the ecologically less sensitive portions of the priority sites provided that the developer undertook to conserve and manage the rest of the site that was ecologically more sensitive on a long-term basis. Under MA scheme, competent non-profit making organizations might enter management agreement with the landowners of the 12 Priority Sites and country park enclaves/private lands, and through the financial assistance provided by the ECF. It provided the landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the sites concerned. Hence, ECF played a pivotal role in the aspect of nature conservation. While there

were long-term financial requirements for MA projects, the ECF grant was time-limited and AFCD would evaluate the effectiveness of the projects when making recommendation for project renewals.

15. Mr. Benny WONG said that unlike other ECF projects which were time-limited, MA projects by their nature required long-term funding support. Given that ECF was finite and periodic injection into the fund was subject to approval of the Legislative Council, funding for MA projects would need to be considered along with other ECF schemes so as to maintain a balance. For the sake of prudent resource management among ECF schemes in the longer run, it was proposed that a benchmark should be set as a ceiling for resource allocation to MA projects per year. With reference to projected demand in future financial years under various ECF schemes, \$10-15 million was proposed to be the benchmark for allocation to MA projects each year, subject to regular review on the overall funding position of the ECF being conducted. In addition, to deepen community ownership and uphold a greater sense of ownership in budget control, it was considered desirable to encourage MA applicants to seek alternative funding (including income-generating activities and private sponsorship) and a percentage, say 5%, of the total budget could be set as a reference point. The Chairman agreed that the applicants should be encouraged to seek alternative funding for enhancing their ownership of the projects and consciousness on prudent cost control. Ms Anissa WONG remarked that with regard to the changing public expectation over various environmental issues, it would be essential to be mindful of the fund allocation among various ECF funding schemes.

16. Mr. CC LAY advised that in vetting the MA applications, AFCD remained vigilant in ensuring that the proposed projects were within the objectives of the NNCP and the proposed budgets were reasonable and acceptable. He further said that considering the capacity of the CA and HKBWS and the cost-effectiveness of management input, CA and HKBWS suggested that the total management area should be set at 25-30% of the total farming area of Long Valley and Ho Sheung Heung as an interim target in the next five years. Based on the current proposal, an approximate amount of funding required for Long Valley would be about \$3.3 million per year. The annual project cost would increase to about \$4 million should the recommended management of 30% of the total farming area be materialized in the long run. On the other hand, there was still room for inclusion of

more agricultural habitats in the area for conservation management. It was understood that a local NGO was considering to carry out conservation work at agricultural habitats currently outside but adjacent to/near the area managed by CA and HKBWS, which covered about 27% of farmland in Long Valley. AFCD considered that if these agricultural habitats could be included for active conservation, it was deemed adequate in conserving the core area of the site.

17. Regarding setting a percentage of the budget for applicants to seek alternative funding, Mr. CC LAY considered that there might be practical difficulties as the income-generating activities were subject to various environmental and socio-economic constraints. Nonetheless, AFCD would encourage the applicants to think creatively the means to generate income and to secure sponsorship proactively.

18. A Member supported the proposal of setting a benchmark for resource allocation for nature conservation projects as a resource management discipline. The requirement for the applicants to seek for alternative funding was also worthy of support as the course of securing sponsorship was a good opportunity for the applicants to promote the messages of nature conservation to other organizations.

19. While expressing his support to the current proposal of Long Valley, a Member opined that the estimated number of participants of the project was rather conservative and enquired on how to achieve a balance and increase the number of participants without hampering the conservation of important habitats and wildlife caused by excessive or incompatible human activities. In response, Mr. CC LAY said that the capacity thresholds of different sites in accommodating human activities were not the same. The equilibrium to be reached should take into account the unique nature and characteristics of the habitats and wildlife concerned. The Member suggested that CA and HKBWS should form partnership with organizations such as teachers' association, NGOs and schools so as to enhance the outreach of the project through the network of these organizations. With this kind of cooperation established, volunteers from these organizations might be recruited to help promote the importance of nature conservation. As most of the walk-in visitors were those interested in photography, Mr. CC

LAY suggested that the project team could also approach photography clubs for cooperation. Ms Anissa WONG opined that the greater involvement of local organizations and schools would enable more guided tours to Long Valley to be organized while at the same time contributing to the spread of education messages.

20. Mr. KC TAM considered that the expected number of participants of school exhibitions to be arranged under the proposal at 4,000 teachers and students was on the low side. There was also no eco-tour particularly organized with students as targets. With the inclusion of Liberal Studies and the requirement of Other Learning Experience (OLE) lessons in the New Senior Secondary Curriculum, he suggested that the project team should design some packages of eco-activities for schools which could enhance the knowledge of students on environmental protection through this meaningful project. Such packages could also become a source for generating revenue. A Member opined that in order to make nature conservation sustainable, it would be important to bring out the importance of nature conservation work to the general public through education and promotion. More on-site education and learning activities should be organized for students and the general public.

21. Ms Anissa WONG concurred on the importance of educating the public as support from landowners and the public was of utmost importance in nature conservation. Mr. CC LAY supplemented that the project team had already strengthened the education elements in the current proposal in comparison with the previous phases.

22. The representatives of CA and HKBWS were invited to join the meeting at this juncture to answer Members questions on the project.

23. A Member expressed that he was impressed with the achievements of the project during the site visit conducted on 21 December 2011. He enquired about how the project would spread the green messages to more people for inducing mindset change. Mr. Ken SO explained that the number of visitors in the previous phases of the project was limited by the lack of suitable educational infrastructure. With the setup of an Education Centre in the nearby village, they would be able to organize more workshops

and activities to attract more visitors. The estimated number of participants in the current proposal had already been adjusted upward.

24. In response to the enquiries of two Members, Mr. Ken SO explained that there was time constraint in organizing more night safaris tours as in a year, such tours could only be organized from April to May in which more wildlife and insects could be observed. Due to the high temperature, bird-watching tours would not be conducted from June to September every year. They would liaise with different organizations and schools to explore the room to arrange more visits. In response to a Member's enquiry, Mr. LO Wai-yan explained that each tour would last for about two to three hours. The number of visitors of the activities would depend on the nature.

25. Regarding a Member's suggestion, Mr. Ken SO responded that the project team would actively consider forming partnership with local organizations and schools with a view to raising the number of participants of the project and exploring sources of sponsorship. The Chairman opined that such form of partnership would achieve dual purposes by deepening the project ownership through education and securing donations for maintaining sustainability of the project.

26. Mr. Ken SO, Ms Katie CHICK, Mr. LO Wai-yan and Ms Vicky YEUNG left after the discussion.

27. After deliberation, the Chairman concluded that the Committee endorsed the proposed grant of \$9,797,050.64 to CA and HKBWS for the MA project at Long Valley. In communicating the decision, the Secretariat would require the applicant to come up with concrete proposals regarding comments raised by Members and provide details in due course. Regarding handling of MA projects in future, the Chairman also concluded that the Committee agreed to set a benchmark for resource allocation for MA projects and to set a reference point of 5% of total budget to encourage applicants to seek alternative funding. Initially, \$10-15 million would be the benchmark for allocation to MA projects each year, subject to regular review on the overall funding position of the ECF being conducted.

[Post meeting note: The Secretariat wrote to the applicant on 9 February 2012 to inform them of the approval of the project and requested them to supply a detailed response regarding comments raised by Members when submitting the first progress report.]

Agenda Item 5: Funding Application Recommended by the Environmental Education and Community Action Projects Vetting Subcommittee

**(i) Tai Po Environmental Association Limited – LOHAS Cheung Chau Project
(ECF Paper 35/2011-12)**

28. Miss Eunice CHAN took Members through the paper which summarized the proposal submitted by the Tai Po Environmental Association (TPEA). The project involved setting up an education centre in Cheung Chau and organization of educational activities for residents and visitors. The project would cover aspects of environmental protection including ecology, geology, low carbon living and local culture and aim at transforming Cheung Chau into a LOHAS (Lifestyles of Health and Sustainability) island. The Environmental Education and Community Action Projects Vetting Subcommittee (EE&CAPVSC) discussed the proposal at the meetings on 9 and 15 December 2011 and considered that the proposal was comprehensive with positive impact to the district. Members of EE&CAPVSC suggested that the applicant should engage shop owners/operators in Cheung Chau to further enhance community involvement. A task force should also be set up by the applicant for monitoring the progress of the project. In view of the worthiness of the project, EE&CAPVSC recommended supporting it with a total grant of \$9,992,520 to the ECF Committee for approval.

29. The project team of TPEA was invited to join the meeting at this juncture. Dr. YAU Wing-kwong conducted a brief presentation of the project to Members.

30. A Member supported the project aiming at transforming Cheung Chau into an eco-island with diversified activities to be arranged for both

local island residents and visitors. In response to the Member's enquiry about the reason for giving out gifts to residents who brought along plastic waste to the educational centre, Dr. YAU Wing-kwong recognized that waste recycling should be the responsibility of each citizen. Nonetheless, giving out gifts such as daily commodities and supermarket coupons was an interim measure to provide financial incentives to residents to start source separation of waste so as to develop their habit in the long run.

31. Noting that Cheung Chau Fisheries Joint Association Public School (CCFJAPS) (長洲漁會公學) and Cheung Chau Public School (長洲公立學校) would be the choices of location for setting up the educational centre, Mr. KC TAM asked whether the project team had undergone necessary administrative procedures with relevant government departments to secure the premises. Ms Mealoha KWOK responded that CCFJAPS, which had been closed down recently, would be their first choice in view of its close proximity to Cheung Chau pier with only a five-minute walk. Its ideal location would facilitate accessibility of visitors, including those aged and disabled visitors. Dr. YAU Wing-kwong added that the project team had started liaising with different parties including the owners of the schools about renting the premises. Setting up of the educational centre would not change the original land use purpose of the schools.

32. A Member enquired about the expected achievements and impacts on the community after the three-year project period. Dr. YAU Wing-kwong responded that the project would leverage the unique community characteristic of Cheung Chau and devise activities that could blend into the life of the locals and be attractive to people outside. Exhibitions, seminars and workshops would be held to introduce the concept of LOHAS, energy saving, carbon reduction, traditional green living habits and culture of Cheung Chau to the participants so as to encourage them to lead an environmentally friendly and healthy life and practice for contributing to environmental protection. Guided tours would be held to introduce the ecological and geographical features of Cheung Chau. Training would also be provided to the residents to equip them with the knowledge to act as tour guides. Setting up a recycling waste collection centre on the island would help promote waste reduction and recycling. All these outreach activities emphasized on inducing behavioural change of the people living on Cheung Chau, tourists and campers using the popular camping facilities there, etc.

with the aim at developing Cheung Chau as a green and sustainable community which could serve as a showcase for other districts. On the way forward beyond the current project period, Dr. YAU remarked that while environmental protection is a long-term mission, the project would come to an end after the three-year period if all the planned objectives were fully achieved.

33. Dr. YAU Wing-kwong, Ms Grace CHEUNG and Ms Mealoha KWOK left after the discussion.

34. In view of the large project sum and the long project duration, a Member expressed concern on how to gauge the impacts of the educational components of the project on the community. He wondered if there was a possibility to implement the project by phases with focus first placed on local residents before extending to wider audience. Miss Eunice CHAN advised that the project gained support and commitment from local groups such as the rural committee and women association and had a strong network in undertaking this community level project. Miss CHAN also advised that the EE&CAPVSC had also made a similar suggestion to TPEA, but ultimately acknowledged that commitment for a longer project period would provide greater certainty for the applicant and the local organizations involved in project planning and implementation, in particular in securing premises of the education centre. To keep track of the satisfactory progress of the project, TPEA would be required to submit progress reports every six months and asked to adjust the project details in case the achievements were not up to expectation.

35. The Chairman remarked that from a broader perspective, the project would help to set up a role model for other districts to carry out similar projects leveraging the support and networking of local district organizations. Such kind of partnership with local groups would deepen community involvement and buy-in. Mr. Benny WONG added that outreach activities as proposed in the project would assist in building up local capacity in the long run. Through the project, awareness of local residents on environmental protection would be enhanced which in return could influence visitors to Cheung Chau. Participation of various campsites also provided a good opportunity to educate the youth on the importance of greening

community. A Member opined that TPEA should devise more sophisticated indicators to measure number of participants and evaluate project impact. Mr. Benny WONG remarked that many of the issues raised by members had also been raised and thoroughly considered at the Vetting Subcommittee. He added that in case of non-performance of any project applicant, the ECF rules would allow the funding subsidy to be terminated at any time. Under such circumstances, it seemed appropriate to adhere to the recommendation of the Vetting Subcommittee.

36. After deliberation, the Chairman concluded to approve the proposal with a grant of \$9,992,520. In view of the project scale and duration, the approval was subject to a satisfactory review of the project progress at end of the second year of the project period. The applicant should also work out details on the project evaluation mechanism to facilitate project assessment in due course.

Agenda Item 6: Date of Next Meeting

37. The next Meeting would be held in late February 2012 tentatively. The Secretariat would confirm with Members the meeting date in due course.

38. There being no other business, the meeting ended at 12:30 pm.

Secretariat, Environment and Conservation Fund Committee
January 2012