

Energy Conservation Projects for Non-government Organizations
Energy Conservation Education Programme

Project Variations

Project No.:	ECP 0316
Name of Recipient Organization:	Hong Kong Productivity Council (HKPC) 香港生產力促進局
Project Title:	CarbonSmart 200 – A Proposal to Rally the Business Sector of Hong Kong to Capture the Opportunities in Carbon Reduction through Enhancing Energy Efficiency
Objective / Target Outcome:	<p>This project initiated by the HKPC in collaboration with the Federation of Hong Kong Industries, Hong Kong General Chamber of Commerce and Business Environment Council aims at encouraging and sustaining industry efforts on carbon audit and reduction to shape Hong Kong's low carbon future. Major objectives of the project include –</p> <ul style="list-style-type: none"> (i) Awareness-raising: to create a platform to enhance the awareness of companies to the benefits of carbon reduction and energy efficiency; (ii) Action-driving: to help secure resources to jump-start actions to enhance carbon reduction and energy efficiency, to pull together visible efforts by encouraging companies to carry out carbon-cum-energy audits, and to conduct efficiency enhancement works for demonstration and experience sharing; (iii) Repository-building: to establish an initial repository of carbon footprint and to link it up with the IT tool kit for long-term development of benchmarking tools; (iv) Empowering: to facilitate companies' access to related services, technologies, financing means and experiences; and (v) Environmental Industries Capability Enhancement: to facilitate the growth of carbon-cum-energy auditing, energy efficiency enhancement, equipment supplies and provision of service by providing an online platform to bridge information gap.
Approved Project Duration:	15 March 2012 – 14 September 2014 (30 months)
Approved Funding:	\$ 9,997,250
HKPC's proposed project variations:	<p>This project was approved by the ECF Committee at its meeting held on 23 February 2012 on the recommendation of the ECPVSC. The project is scheduled for completion on 14 September 2014.</p> <p>At the ECPVSC meeting held on 27 May 2014, Members examined HKPC's requests for (a). redeploying an amount of \$2.904 million of the project's anticipated surplus fund for use of extended project activities (viz. to increase the targeted number of beneficial companies under Carbon Audit Pilot Fund (CAPF) from the original 200 to 360, to be accompanied</p>

	by the continued provision of supporting services such as operating the hotline for the project, website hosting, publicity form CAPF, extended auditing, etc.) , and extension of the project period by 12 months up to 14 September 2015; and (b). redeploying a further \$301,750 of the project's anticipated surplus fund for organizing 5 capability enhancement workshops and 3 match-making sessions during the extended project period. The relevant discussion paper is at <u>Annex 1</u> for Members' reference. After deliberations, Members decided to recommend the requests to the ECF Committee for consideration.
ECF Committee's views:	The ECF Committee examined HKPC's requests at its meeting held on 26 June 2014, and agreed that the proposed extension of the project period and redeployment of surplus fund for extended project activities should be approved in-principle. However, the ECF Committee considered that instead of using the surplus fund to enable more companies to conduct their initial carbon audits as proposed by HKPC, it would be more effective to consider using the surplus fund to enable those existing 210 beneficiary companies to achieve further enhancements and sustain their efforts in carbon reduction. The ECF Committee considered that HKPC should take into account their views above, and submit a revised variation proposal for ECPVSC's consideration and endorsement. In response to the ECF Committee's suggestions, HKPC proposed at <u>Annex 2</u> to make use of the surplus fund to enable both existing beneficiary companies and new applicants to carry out carbon audits during the one-year extension period. According to HKPC, only 100 out of the 210 existing beneficial companies have the potential to undertake repeated audit during the extension period. HKPC explained that the remaining 110 companies have just finished or are finishing their first carbon audit cycle recently, and they would need more time to implement their carbon reduction measures before conducting another meaningful carbon audit. Hence, under HKPC's proposal, HKPC will invite applications for funding to conduct second carbon audits from these 100 companies and to process 80 to 100 new CAPF applications already received / to be received. If HKPC's proposed requests are supported by Members, the total budget of the project will be adjusted from \$9,997,250 to \$9,984,069.05.
Advice Sought:	Members' views are sought on whether HKPC's revised proposal should be approved.