

Minutes of 23rd Meeting of Environment and Conservation Fund
Waste Recovery Projects Vetting Sub-Committee

Date : 11 September 2009 (Fri)
Time : 9:30 a.m.
Venue : Conference Room (Rm 502), 5/F, Southorn Centre, 130 Hennessy Road, Wanchai

Present

Prof. Jonathan WONG (Chairman)
Mr. CHAN Chi-kwong, Charles
Mr. LEUNG Wai-on
Ms NG Chui-yiu, Jennifer
Mr. LO Yan-lai
Mr. TSANG Kam-lam
Mr. Francis WONG Environmental Protection Department (EPD)
Ms Elaine CHUNG EPD (Secretary)
Mr. Brian LEE EPD (Assistant Secretary)

Absent with apologies

Mr. James LEONG
Mr. LUI Tung-ming, MH
Dr. YAU Wing-kwong

In attendance

Dr. Ellen CHAN EPD
Dr. Lawrence WONG EPD
Mr. C. F. WONG EPD
Mr. C. S. LAI EPD
Mr. Wilson TAM EPD

Welcoming Remarks

The **Chairman** welcomed all Members and representatives of the EPD to the third meeting of the Waste Recovery Projects Vetting Sub-committee (WRPVSC).

Agenda Item 1: Discussion Paper on Applications for Waste Electrical and Electronic Equipment (WEEE) Processing Centres at EcoPark Phase II in Tuen Mun

2. To avoid conflict of interest, the **Chairman** reminded Members who were directly or indirectly related to the organisations or the proposals under discussion on the need to declare interest and refrain from taking part in the discussion.

3. **Dr. Lawrence WONG** briefed Members on the WRPVSC Paper 06/2009-10. The invitation for non-Governmental organisations (NGOs) to apply for no more than \$10 million from the Environment and Conservation Fund (ECF) to manage and operate a WEEE Processing Centre at EcoPark Phase II in Tuen Mun for a period of three years was issued on the website of the ECF on 30 July 2009. During the application period, a total of 7 organisations had obtained the Information Package from the Waste Recovery Projects Vetting Sub-committee Secretariat (the Secretariat). By the application closing date on 26 August 2009, 3 applications were received. Representatives of the applicants were invited to give a presentation at the Meeting.

4. **Representatives** of (1) St. James' Settlement, (2) YMCA of Hong Kong and (3) Yan Chai Hospital Social Services Department gave presentations on their proposals respectively. **Members** discussed further on the 3 applications after the representatives left the conference room and details of the individual assessment are summarized as follow-

(1) St. James' Settlement

- The applicant was a well established organisation with extensive social networks built with different community groups, housing estates and commercial & industrial buildings that could facilitate the collection of WEEE and strengthen the social connections.
- The applicant had been working with the EPD in the WEEE recycling programmes since 2003 and engaged as the NGO operating the WEEE recycling facility at the Kowloon Bay Waste Recycling Centre since 2005. **Members** appreciated the good experience and connections of the applicant in organising sizable community-based projects, training of low-skilled workers, WEEE recycling and donation/charitable sale operations.
- The proposal submitted by St James was technically sound and demonstrated its competency in undertaking the project. It included the processing of a total 670 tonnes of WEEE, which exceeded the requirement by 70 tonnes.
- The proposed budget with the estimated expenditures and incomes for the 3 year operation were considered reasonable and **Members** expressed confidence towards St James' strong financial position in meeting the operational cash flow requirements of the project.

(2) YMCA of Hong Kong

- The applicant was considered to be a long established charitable and non profit-making organisation but its financial position could not be closely examined as it failed to provide the audited statement of accounts for the past 3 years.
- The applicant's proposal was prepared with reasonable details and considerations. It demonstrated a full understanding of the project requirement but was considered to be more on the theoretical side.
- The applicant had some experience in WEEE recycling as a collection point was set up at Cheng Sha Wan in 2009 to collect reusable WEEE items for donation. However, **Members** noted that the experience in WEEE recycling was only limited to small WEEE items, cellphones for example, and the applicant did not have experience in dismantling or repairing large WEEE items.

(3) Yan Chai Hospital Social Services Department

- The applicant was a well established organisation with strong financial position, having diversified experience in community and charity work.
- Although its technical proposal submitted met all the basic requirements of the project, **Members** expressed concern about its technical knowledge on WEEE recycling and understanding of the local recycling market as the applicant displayed no experiences in either collecting or processing WEEE items.

5. After deliberation, the **Chairman** concluded and all **Members** agreed to engage St. James' Settlement, with a funding amount of \$9,999,035, as the organisation to operate the WEEE Processing Centre at EcoPark Phase II in Tuen Mun for a period of three years.

Agenda Item 2: Discussion Paper on Applications for Plastic Waste Processing Centres at EcoPark Phase II in Tuen Mun

6. **Mr. C. F. WONG** briefed Members on the WRPVSC Paper 05/2009-10. The invitation for NGOs to apply for no more than \$10 million from the ECF to manage and operate a Plastic Waste Processing Centre at EcoPark Phase II for a period of three years was issued on the website of the ECF on 30 July 2009. Unlike WEEE recycling, no local NGO had experience in plastic waste recycling and processing. To ensure better understanding by all interested NGOs, additional briefing sessions were carried out by the EPD to explain the details of the project, including in particular the role and responsibility of the operating organisation in the project.

7. During the application period for the project, a total of 12 organisations had obtained the Information Package from the Secretariat. By the application closing date on 26 August 2009, 5 applications were received. Out of these, 1 application from 覺念自然有限公司 should not be considered as the applicant failed to prove its identity as a registered non profit-making organisation. Representatives of the other 4 eligible applicants were invited to give a presentation at the Meeting.

8. **Representatives** of (1) Yan Chai Hospital Social Services Department, (2) Christian Action, (3) Ever Green Association and (4) Yan Oi Tong gave presentations on their proposals respectively. **Members** discussed further on the 4 applications after the representatives left the conference room and details of the individual assessment are summarized as follow-

(1) Yan Chai Hospital Social Services Department

- The applicant was a very established organisation with extensive experience in community projects. The organisation's financial strength, cash commitment to the project and its contribution on non-ECF-funded administrative staff were regarded as strong.
- On the other hand, the **Meeting** expressed doubts on the applicant's understanding of the local plastic recycling market. The **Meeting** also noted that, under the applicant's proposal, the applicant would directly baled many types of plastics and pass them to so-called 'licensed recyclers' for further processing, instead of making the best use of the equipment at the Plastic Waste Processing Centre to process as much post-consumer plastic waste as possible. Also, most of the resources would be used to process plastic bottle only without paying sufficient attention to other common forms of plastic waste in the local waste stream.

(2) Christian Action

- The applicant was a credible organisation which had demonstrated good experience in recyclable material collection and delivery, for example, used clothing and books. However, information on experience in managing material processing workshops was not provided in the proposal.
- **Members** noted that the proposed workforce of 30 with only 12 sorting workers was considered under-estimated for sorting 20 tonnes of post-consumer plastic waste per day into different types to add value and meet market (including export) requirements, bearing in mind the characteristics of locally recovered plastic waste..
- The **Meeting** also commented on the uncertainty of the proposed budget and the cash flow of the applicant, and pointed out that the applicant's understanding of the plastic recycling processes was relatively inadequate when compared with the proposals from Yan Oi Tong and Ever Green Association.

(3) Ever Green Association

- The proposal showed good understanding of the local recovery process for plastic waste. It also demonstrated some solid experience in the organisation of waste recovery programmes. On the other hand, the applicant failed to provide its audited statements of accounts for the past three years for the assessment of its financial strength and it did not indicate any commitment to cover potential cash flow requirements of the operation in the proposal.
- **Members** also expressed high degree of concern about the applicant's financial capability as the proposed operation cost of the Plastic Waste Processing Centre had to rely highly on the deposits or voluntary commitments provided by the partnering recyclers.

(4) Yan Oi Tong

- The applicant was considered to be a long established socially-oriented NGO with extensive experience in running sizeable social service units and organising community projects especially in the Northwest New Territories (NWNT), and the related community-based education and promotion campaigns.
- The **Meeting** felt confident towards its' strong financial position as the applicant had committed to make available over \$1 million to cover daily cash flow requirements of the project throughout the project period.
- The **Meeting** credited the applicant in demonstrating a sound understanding of the requirement to process different types of post-consumer plastics and in proposing fine sorting of the plastics to add value and meet existing market (including export) requirements.
- Its proposal to create 69 jobs (the highest number among the 5 applications) and collect plastics by outreach promotion, which would tap on its existing employment and community networks in the NWNT, was well accepted by **Members**.

9. After deliberation, the **Chairman** concluded and all **Members** agreed to engage Yan Oi Tong, with a funding amount of \$10,000,000, as the organisation to operate the Plastic Waste Processing Centre at EcoPark Phase II in Tuen Mun for a period of three years.

Agenda Item 3: Discussion Paper on “Revision to the List of Items to be Funded to Schools for Central Portioning and Allocation of Fund for Central Portioning”

10. Mr. Francis WONG briefed Members on the WRPVSC Paper 07/2009-10. In the 22nd WRPVSC Meeting on 20 May 2009, Members approved-in-principle that funding of the ECF would be provided to support schools to implement central portioning (WRPVSC Paper 03/2009-10). Following the mentioned Meeting, the EPD had sought advice from the Electrical and Mechanical Services Trading Fund (EMSTF) regarding the technical aspects of carrying out works relating to central portioning. Discussions with the EMSTF and field visits to schools revealed that additional items, mainly related to utilities modifications and builder’s works for a proper and hygienic catering corner, which were essential for the implementation should be included in the list of facilities/works approved in the previous paper mentioned.

11. Approval from the Members was therefore sought for revision of the list of items to be funded to schools and for the allocation of \$50 million from the ECF for applications from schools for implementing central portioning.

12. The Chairman asked and Mr. Francis WONG clarified that the number of schools applying for the ECF was expected to be about 40 in the first phase. The updated overall estimation for switching to central portioning was about \$1 million per school.

13. Dr. Ellen CHAN supplemented that it would not be necessary for all schools to apply for the whole package of items listed in the paper. Schools could apply for funding for facilities/works based on their actual need.

14. Mr. TSANG Kam-lam indicated support to the proposal in view of helping to minimize food waste. On the other hand, he advised that monitoring measures could be imposed on the participating schools and caterers so as to ensure they would reduce food waste and use fewer disposable dining wares.

15. After a short discussion, the Meeting approved-in-principle the Paper and agreed to recommend the proposal to the Environment and Conservation Fund Committee (ECFC) for endorsement.

Agenda Item 4: Discussion Paper on “Proposal for Entrusting Electrical and Mechanical Services Trading Fund to Conduct Works for Implementing Central Portioning at Schools and Provide Support to the Operation of the Community Waste Recovery Projects on Central Portioning”

16. Mr. Francis WONG briefed Members on the WRPVSC Paper 08/2009-10. To ease concerns of schools on possible technical problems to be encountered in conducting works for implementing central portioning, the EPD proposed to offer the option of services of the EMSTF to

schools which applied for the ECF to conduct relevant works. The services by the EMSTF would not be compulsory and schools were free to choose to engage other external works contractors through a tendering arrangement.

17. For those schools which chose to engage their own contractors for the works, it was proposed to entrust the EMSTF for providing professional support to the WRPVSC for the vetting and monitoring of the relevant ECF applications/projects.

18. The EMSTF had proposed to charge 16% on cost of the total construction costs for full project management services and to charge 4% on cost of the total construction costs for consultant monitoring services as described in the Paper.

19. In response to **Mr. Tsang Kam-lam**'s query on whether the applying schools would have choices other than engaging the EMSTF for conducting the related works, **Dr. Ellen CHAN** replied that it was not a mandatory requirement for the schools to engage the EMSTF as the sole service provider. The schools could still choose to engage their own contractors for the works depending on their needs. The suggestion of engaging the EMSTF aimed to provide a convenient alternative for the schools.

20. **Mr. Francis WONG** remarked that if the schools chose to engage their own contractors, the EMSTF could provide comments and advices on referred cases to the WRPVSC/ECFC for consideration of the applications. The EMSTF could act as an independent advisory body providing technical support and helping the WRPVSC/ECFC to vet the applications, while, the authority of approval still remained with the WRPVSC/ECFC.

21. **Mr. Charles CHAN** opined that the roles to be played by the EMSTF, carrying out works under the full project management services on one hand and providing advices in the vetting processes under the consultancy monitoring services on the other, would be conflicting. **Mr. C. F. WONG** further clarified that the EMSTF would act as a full project management agent rather than as a contractor itself. The EMSTF would follow their internal tendering procedures to appoint appropriate contractors for carrying out the works concerned. The works to be conducted by the EMSTF would be of assured quality and also comply with all standards and requirements of the Government, which was particularly important for electrical and drainage installations.

22. **The Chairman** noted the possible conflict arising from the roles of the EMSTF as they would act as the full project management body helping the schools to carry out the works in relation to central portioning and at the same time act as the advisory body involving in the vetting of applications. He suggested that the EPD might consider engaging a separate consultant for providing recommendations in the vetting process.

23. **Dr. Ellen CHAN** added to the Chairman's suggestion that it was also possible for the EPD and the Secretariat to process the applications without obtaining advices from an outside body and consultancy services could be sought on the basis of hire of services when outside professional advices and support were needed.

24. As a concluding remark, the **Chairman** stated that the proposal of entrusting the EMSTF as the full project management body to conduct works for implementing central portioning at those schools which would apply for the ECF and opt to deploy EMSTF's services was approved-in-principle by the **Meeting**. The **Meeting** also agreed to recommend to the ECFC to set

aside funding allocation for the consultant monitoring services. However, the EPD and the Secretariat would need to further consider which organisation would be most suitable to take up the task.

[PMN: The list of tasks to be taken up under the consultancy monitoring services by the EMSTF was revised so that EMSTF would no longer provide support to the WRPVSC for the vetting of applications. Instead, they would provide professional advices to schools in the technical aspects of central portioning during the preparation of ECF applications. The draft paper (ECF Paper 24/2009-10) with the revised list of tasks for submitting to the ECFC meeting was circulated to Members on 17 September 09 and was approved by the majority.]

Agenda Item 7: Vetting of Revised Waste Recovery Projects (WRP) Applications

Revised Project 145 - "Green PLA Stop Urban Collection Centre" by St. James' Settlement

25. Ms Elaine CHUNG briefed Members on the revised WRP application of project 145. After discussion, the Meeting rejected the proposal taking into account its cost-effectiveness and in light of the recent proposals as discussed under Agenda items 1 and 2. Moreover, the Meeting pointed out that open invitation should be carried out for the running of such project to allow all interested NGOs to submit their proposals for the sake of fairness.

26. Taking into account the time limitation, the Chairman proposed and Members agreed that vetting of the other revised WRP application (project 140) which was straight forward could be sought by circulation.

Agenda Item 8: Vetting of New WRP Applications

27. The Chairman also proposed and Members agreed that vetting of the new WRP applications which were straight forward could be sought by circulation.

[PMN: The revised application (project 140) and the new WRP applications were circulated to the Chairman and Members by post on 6 October 2009.]

Agenda Item 5: Confirmation of Minutes of the last meeting held on 20 May 2009

28. The draft minutes of the last meeting held on 20 May 2009 were confirmed without any amendment.

Agenda Item 9: Any Other Business

29. No other businesses were raised by Members.

Agenda Item 10: Date of Next Meeting

30. The Chairman announced that the next meeting was proposed to be held around November and the Secretariat would inform the exact date and venue in due course. The meeting was adjourned at 1:20 p.m.

**Waste Recovery Projects Vetting Sub-committee Secretariat
September 2009**