

**Minutes of the Second Meeting of the
Environment and Conservation Fund Committee
held on 14 February 2017 at 9:30 a.m.**

Present

Mr Douglas WOO, JP	(Chairman)
Ir Dr CHAN Fuk-cheung	
Ir CHAN Wing-hong, Cary	
Ms FUNG Dun-mi, Amy, MH	
Dr KaChun HUI	
Mr LAM Chiu-ying, SBS	
Ms LI Chun-chau	
Ms WONG Wai-man, Rosana	
Mr TSE Chin-wan, JP	DDEP(1), EPD
Dr CHAN Ying-lung, Ellen	CRM, EPD
Ms LAM Si-hang, Yvonne	Senior Curriculum Development Officer (Moral, Civic and National Education), EDB
Dr KWOK Pik-wan, Winnie	Senior Conservation Officer / Technical Services, AFCD

In Attendance

Mr TONG Chi-keung, Donald, JP	PS(Env)/DEP
Ms Anita SW TSUI	CEO(CR)1, EPD (Secretary)
Mr TSOI Kwan-sang, Steve	SEO(CR)1, EPD
Miss WONG Po-wing, Lesley	AS(CR)4, EPD
Mr KAM Ka-lung, Simon	EM(CR), EPD

Absent with Apologies

Miss NG Yuen-ting, Yolanda, MH

In Attendance for Item 3

Ms CHAN Wai-yan, Vivian	SAO(NC), EPD
Mr CHAN Kin-fung, Simon	Assistant Director (Conservation), AFCD
Dr YIP Yin, Jackie	Senior Conservation Officer (Biodiversity), AFCD

In Attendance for Items 3(i) and (ii)

Mr LO Wai-yan	General Manager, Hong Kong Bird Watching Society (HKBWS)
Mr YU Yat-tung	Research Manager, HKBWS
Ms YEUNG Lee-ki, Vicky	Assistant Project Manager, HKBWS

In Attendance for Item 3(iii)

Mr SO Kwok-yin, Ken	Chief Executive, the Conservancy Association (CA)
Ms HUI Shui-kwan, Kami	Assistant Conservation Manager, CA
Ms YEUNG Lee-ki, Vicky	Assistant Project Manager, HKBWS

In Attendance for Item 3 (iv)

Ms Teresa LEUNG
Mr SO Kwok-yin, Ken
Dr Angie NG

Manager, Hong Kong Countryside Foundation
Chief Executive, CA
Senior Conservation Manager, CA

In Attendance for Item 4(i)

Dr Stefano CANNICCI

Associate Professor, School of Biological Sciences
and The Swire Institute of Marine Science,
The University of Hong Kong (HKU)

In Attendance for Item 4(ii)

Professor Gray A. WILLIAMS

Professor, School of Biological Sciences and
Director, The Swire Institute of Marine Science,
HKU

In Attendance for Item 4(iii)

Dr David M BAKER

Assistant Professor, School of Biological Sciences
and The Swire Institute of Marine Science, HKU

In Attendance for Item 4(iv)

Dr Put ANG, Jr

Research Associate Professor, School of Life
Science, The Chinese University of Hong Kong



Opening Remarks

The Chairman welcomed all Members to the second meeting of the Environment and Conservation Fund (ECF) Committee under the 2016 - 2018 term. The Chairman informed the meeting that Mr LAM Chiu-ying had, prior to the meeting, declared that he was the Honorary President of the Hong Kong Bird Watching Society (HKBWS) and the Chairman of the Board of Hong Kong Countryside Foundation (HKCF), and hence would refrain from the discussion on the four Management Agreement (MA) applications under Agenda Item 3. For this reason, Mr LAM would only join the meeting upon the completion of discussion on Agenda Item 3.

Agenda Item 1: Confirmation of Minutes of the Meeting held on 20.10.2016

2. The draft minutes of the previous meeting held on 20 October 2016 were circulated to Members on 29 December 2016. The meeting confirmed the draft minutes without amendment.

Agenda Item 2: Matters Arising

Para. 3 Financial Position of ECF

3. Ms Anita SW TSUI reported that as at 31 December 2016, ECF's balance in bank was \$563.93 million. On the other hand, ECF had a seed money of \$4,700 million and investment return totalling \$717.7 million for 2013 to 2016 kept at the Hong Kong Monetary Authority. Taking into account the amount of \$870 million already committed, ECF had an overall uncommitted balance of \$5,111.63 million by end of December 2016.

Para. 4 Update on the Review of the Performance of ECF

4. Ms Anita SW TSUI reported that at the Chairman's invitation, HKU's project team for the ECF Performance Review met the Chairman and the Secretariat on 3 November 2016 to report on the progress of the study. The project team had been finalizing the survey questionnaires and would approach recipient organizations for the survey within February 2017. The project team submitted the first half-yearly progress report covering the period ending 5 December 2016 on 8 February 2017. The Secretariat would circulate the progress report to Task Force Members for consideration after initial processing, and would line up a meeting for the project team to present its progress to the Task Force.

Agenda Item 3: Applications under Nature Conservation Management Agreement Scheme (ECF Paper 36/2016-17)

5. The Chairman declared that he was a member of World Wide Fund (WWF) – Hong Kong's Executive Council and WWF also carried out conservation work in Mai Po Inner Bay Ramsar Site. The meeting decided that he could participate in the discussion on the present Agenda Item.

6. Mr Simon CHAN briefed Members that the invitation for MA applications for 2016 was open from 15 August to 26 September 2016. Four applications were received by the deadline, namely –

- (i) Project I: Fishpond Conservation Scheme in Ramsar Site 2017-19 submitted by HKBWS
- (ii) Project II: Hong Kong Got Fishpond – Eco-fishpond Management Agreement Scheme 2017-2019 submitted by HKBWS
- (iii) Project III: Nature and Human in Harmony – Nature Conservation Management for Long Valley 2017-2019 submitted by the Conservancy Association (CA)

- (iv) Project IV: Management Agreement Scheme at Lai Chi Wo Enclave 2017-2019 submitted by HKCF

7. Mr Simon CHAN said that the Assessment Panel which comprised members from the Agriculture, Fisheries and Conservation Department (AFCD) and Environmental Protection Department (EPD) held a meeting on 2 November 2016 to assess the four applications.

8. Note

9. Regarding Members' enquiry about the sustainability of MA projects in general, Ms Vivian CHAN said that for the long-term conservation of Long Valley, AFCD would take over the work after the establishment of a nature park under the NENT NDA project. For other existing MA projects, EPD and AFCD would closely monitor the project implementation.

10. In response to the Chairman's enquiry about the possibility of self-sufficiency of MA projects in the long term, Mr Simon CHAN said that the successful implementation of MA projects depended on the funding support and the collaboration with local stakeholders. Under the prevailing evaluation criteria, applicant organizations had to demonstrate their utmost efforts in seeking alternative sources of funding so as to achieve 5% contribution to the total budget. This benchmark would not only deepen the project ownership of the applicants, but also help contribute to the sustainability of the projects. For reason of the unique nature of MA projects under which substantial funding would be spent on rent, salaries and equipment, revenue generated from the sale of agricultural produces and guided tours would hardly be adequate to sustain the projects. Mr Donald TONG added that to further promote revitalization of remote rural areas, the Environment Bureau (ENB) would set up a conservation fund preparatory committee to study the ambit and modus operandi of such a fund, as well as the legislation and resources required. The Administration would brief Members on the coverage of the proposed conservation fund and its interface with MA projects in due course.

11. A Member enquired whether MA projects in general could generate income equivalent to 5% of the total budget. Mr Simon CHAN replied that recipient organizations had shown their efforts to achieve this benchmark. Based on the recent applications, applicants planned to generate income of around 5% of the total budgets through organizing various activities.

12. A Member enquired about the common problems encountered in the implementation of MA projects and how these difficulties were tackled. Mr Simon CHAN said that how to solicit the support and cooperation of local stakeholders at the beginning of each new MA project was a difficult task to be dealt with. After building up trust with local stakeholders, the project implementation would become smoother. In addition, in view of the rising operation costs, recipient organizations had to, on top of the funding support received, explore ways to generate more income and reduce project expenditures.

13. Replying to a Member's enquiry, Mr Simon CHAN said that with the aging of the existing farmers, younger workforce would be engaged upon the establishment of the nature park under the NENT NDA project to sustain the conservation work.

(i) Project I: Fishpond Conservation Scheme in Ramsar Site 2017-19

(ii) Project II: Hong Kong Got Fishpond – Eco-fishpond Management Agreement Scheme 2017-2019

14. Representatives of HKBWS were invited to join the meeting to answer Members' questions at this juncture.

15. Note

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20. Representatives of HKBWS were discharged from the meeting at this juncture.

(iii) Project III: Nature and Human in Harmony – Nature Conservation Management for Long Valley 2017-2019

21. Representatives of CA were invited to join the meeting to answer Members' questions at this juncture.

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27. Representatives of CA were discharged from the meeting at this juncture.

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(iv) Project IV – Management Agreement Scheme at Lai Chi Wo Enclave 2017-2019

29. Representatives of HKCF were invited to join the meeting to answer Members' questions at this juncture.

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36. Representatives of HKCF were discharged from the meeting at this juncture.

37. Note

38. After deliberation, the Chairman concluded the meeting's views on the four applications as follows –

- (i) Project I should be approved at a budget of \$7,034,532 with the conditions / remarks imposed by the Assessment Panel and the NCSC;
- (ii) Project II should be approved at a budget of \$7,659,992 with the conditions / remarks imposed by the Assessment Panel and the NCSC;
- (iii) Project III should be approved at a budget of \$8,377,033.52 with the conditions / remarks imposed by the Assessment Panel and the NCSC;
- (iv) Project IV should be approved at a budget of \$7,426,312 with the conditions / remarks imposed by the Assessment Panel and the NCSC;

For the conditions imposed by the Assessment Panel and the NCSC under the ACE, HKBWS, CA and HKCF would also be required to take follow-up actions accordingly.

(Post-meeting note: There was a miscalculation in the approved budget for Project IV, i.e. Management Agreement Scheme at Lai Chi Wo Enclave 2017-2019. The

approved budget should be \$7,426,304 instead of \$7,426,312 as indicated in ECF Paper 36/2016-17.)

(Mr LAM Chiu-ying joined the meeting at this juncture.)

**Agenda Item 4: Funding Applications recommended by the Research Projects Vetting Subcommittee
(ECF Paper 37/2016-17)**

39. Dr KaChun HUI, the Chairman of the Research Projects Vetting Subcommittee (RPVSC), informed the meeting that the applications for four research projects each seeking a budget of exceeding \$2 million as set out in ECF Paper 37/2016-17 were well worth supporting. Three out of these four applications (i.e. ECF 79/2016, ECF 67/2016 and ECF 03/2016) were proposing a budget exceeding the funding ceiling of \$2.5 million for research and / or technology demonstration projects. Pursuant to paragraph 2.2 in the Guide to Application for Environmental Research, Technology Demonstration and Conference Projects (RTDC), RPVSC had critically examined each of these applications, and was satisfied that these applications were exceptionally meritorious with outcomes expected to be highly beneficial for improvement of the local environment. Hence, RPVSC recommended these four applications for ECF Committee's approval / exceptional approval.

40. Ms Anita SW TSUI briefed the meeting that a budget of \$30 million was allocated by the ECF Committee for RTDC funding scheme in 2016-17. With RPVSC's agreement, an invitation for applications for RTDC projects was subsequently issued on 23 February 2016. A total of 118 applications were received, including five applications for conference projects and 113 applications for research and / or technology demonstration projects. The whole assessment exercise was completed on 15 November 2016. A total of 20 funding applications involving three conference projects and 17 research and / or technology demonstration projects were approved by RPVSC. The total funding approved amount to \$16,303,015.83. In addition, RPVSC considered that four research applications (full details at Annexes 2(a) to 2(d)) to the ECF Paper 37/2016-17) each seeking a budget of exceeding \$2 million were well worth supporting -

(i) ECF 69/2016 "Hong Kong Mangroves: where are they now?"

The Principal Investigator (PI) of this proposed 24-month study was Dr Stefano CANNICI of HKU. The budget sought and recommended by RPVSC was \$2,394,740. The primary objective of the project was to carry out a study to examine the faunal diversity of local mangroves particularly the ecological patterns of change over the last two decades. RPVSC, after deliberation, opined that the proposed study was meritorious and worthy of support.

- (ii) ECF 79/2016 "Assessing the marine biodiversity and ecology of Tolo Harbour and Channel, with particular reference to coastal marine environments of Ting Kok and Shuen Wan Hoi – Phase II"

This was a second phase project of a two-part study, the PI of which was Professor Gray A. WILLIAMS of HKU. The budget sought and recommended by RRVSC for this 18-month project was \$4,233,490. Phase I of this project was approved by the ECF Committee at its meeting held in February 2015 with an approved budget of \$4,233,490 for a period of 18 months. The overarching goal of the study was to provide a holistic picture of the current ecological status as well as the economic value of marine resources in the Tolo area, and to identify important or vulnerable species and significant habitats through standardized scientific methodologies.

RRVSC recommended the project for ECF Committee's exceptional approval for reason that the proposed project was expected to have very worthy contributions for conserving the coastal ecology of Hong Kong. The project team, which involved the collaboration of various local universities, had a very strong background in marine biodiversity and ecology. Phase I of the project had already achieved fruitful outcomes with valuable findings and deliverables. The Phase I project had also provided future directions for conservation work in this respect. It was therefore only meaningful for the ECF to continue to support the project team for its work in the proposed Phase II project.

- (iii) ECF 67/2016 "MarineGEO-Hong Kong: Towards an understanding of marine biodiversity and ecosystem function"

The PI of this proposed 24-month study was Dr David M. Baker of HKU. The budget sought and recommended by RRVSC was \$3,215,636. The key objective of the proposed project was to conduct a marine ecological baseline study which would make Hong Kong a partner in the Marine Global Earth Observatories (MarineGEO) led by the Smithsonian Institution, a global scale marine monitoring effort with high potential for scientific and societal impact.

RRVSC recommended this project for exceptional approval for reason that the proposed project was expected to raise Hong Kong's profile as a partner in a global scale marine monitoring efforts. The proposed project was expected to greatly foster understanding of marine microbial diversity of Hong Kong waters, and would provide an opportunity for exchange of technical expertise and know-how between local and overseas experts.

- (iv) ECF 03/2016 "Guide to marine macrophytes and invertebrates of Hong Kong (Part 1)"

The PI of this proposed 18-month project was Dr Put ANG, Jr of The Chinese University of Hong Kong (CUHK). The budget recommended by RRVSC was \$2,802,660, slightly short of the budget sought by the PI as the contingency fee included in some budget items was not supported. This was the Part 1 of a planned two-part study. The present proposed Part 1 would focus on marine

biodiversity and would produce a series of five guidebooks on major groups of Hong Kong marine macrophytes and invertebrates.

RPVSC recommended this project for exceptional approval for reason that the proposed project was expected to contribute to assessing the biodiversity of Hong Kong by producing a series of guidebooks. The proposed guidebooks would help spread knowledge on Hong Kong's marine biodiversity and increase public awareness on the subject, and provide a standard reference for identification of Hong Kong's marine species. Since the publishing of a series of similar guidebooks by the Government in the 1980's, there had been many changes in the taxonomic status of marine organisms whereas new species were identified. There was a genuine need to provide a series of updated guidebooks to fill the information gap.

41. For project (iv), Ms Anita SW TSUI added that approval for the present proposed Part 1 project, if given, would not oblige the ECF in approving the Part 2 project. Any future application for the Part 2 project would be considered together with other applications received on a competition basis. Subject to Members' approval for the four applications set out in ECF Paper 37/2016-17, altogether a total of 24 applications were supported under the 2016-17 invitation exercise of the RTDC projects funding scheme, with total grants amounting to \$28,949,541.83, which was within the budget of \$30 million allocated by the ECF Committee for the funding scheme in 2016-17. The Woo Wheelock Green Fund had considered the applications approved or supported by RPVSC, and agreed to jointly fund three projects with the ECF on an equal share basis, with grants amounting to \$2,494,930.

(i) ECF 69/2016 "Hong Kong Mangroves: where are they now?"

42. Dr Stefano CANNICI of HKU was invited to join the meeting to answer Members' questions at this juncture.

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47. Dr Stefano CANNICI was discharged from the meeting at this juncture.

(ii) ECF 79/2016 "Assessing the marine biodiversity and ecology of Tolo Harbour and Channel, with particular reference to costal marine environments of Ting Kok and Shuen Wan Hoi – Phase II"

48. Professor Gray A. WILLIAMS of HKU was invited to join the

meeting to answer Members' questions at this juncture.

49. Note

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51. Professor Gray A. WILLIAMS was discharged from the meeting at this juncture. Dr Kachun HUI also left this meeting at this juncture.

(iii) ECF 67/2016 "MarineGEO-Hong Kong: Towards an understanding of marine biodiversity and ecosystem function"

52. Dr David M BAKER of HKU was invited to join the meeting to answer Members' questions at this juncture.

53. Note

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55. Dr David M. BAKER was discharged from the meeting at this juncture.

(iv) ECF 03/2016 "Guide to marine macrophytes and invertebrates of Hong Kong (Part 1)"

56. Dr Put ANG, Jr of CUHK was invited to join the meeting to answer Members' questions at this juncture.

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62. Dr Put ANG, Jr was discharged from the meeting at this juncture.

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65. After deliberations, the Chairman concluded the meeting's views on the four applications as follows –

- (i) ECF 69/2016 should be approved at the budget at \$2,394,740 as recommended by RPVSC;

- (ii) ECF 79/2016 should be exceptionally approved at the budget at \$4,233,490 as recommended by RPVSC;
- (iii) ECF 67/2016 should be exceptionally approved at the budget at \$3,215,636 as recommended by RPVSC; and
- (iv) clarifications from the PI of ECF 03/2016 should be sought for the following issues –
 - (a) the PI should elaborate on the research elements and field work of the proposed study and the expertise required;
 - (b) the PI should clarify and provide further information on the scope and extent of underwater photographic work required for the proposed study; and
 - (c) the PI should justify the proposed budget and manpower plan to demonstrate the efficient use of public fund.

(Post-meeting note: A Member wrote to the ECF Committee Secretariat on 16 February 2017 to put forth further queries on the research application ECF 03/2016. The RPVSC Secretariat followed up with Members' questions to seek clarifications and additional information from the PI on 16 February 2017. The PI's response was circulated on 24 February 2017 to Members for consideration of whether RPVSC's recommendation for giving exceptional approval to this project at a recommended budget of \$2,802,660 for a period of 18 months should be approved. After considering the PI's response, the Chairman decided that the application should be further discussed at the next ECF Committee meeting.)

Agenda Item 5: Environment and Conservation Fund Proposed Strategic Plan, Budget and Arrangement for 2017-18 (ECF 38/2016-17)

66. Dr Ellen CHAN briefed the meeting about the activities of the ECF Committee and the various Vetting Subcommittees in 2016, and the proposed strategic plan, budget allocation and related arrangements of ECF for 2017-18 as set out in ECF Paper 38/2016-17.

67. Dr Ellen CHAN said that after consulting various programme managers of ENB and EPD and having taken into consideration the Government's new initiatives related to the environment, it was proposed that waste reduction, climate change, biodiversity and nature conservation would be designated as the priority areas for funding support. The proposed allocation of ECF funding for various funding schemes and programmes in 2017-18 was presented in Table 1 to ECF Paper 38/2016-17, with a total budget of \$249 million. Dr CHAN further said that for Community Involvement Projects on Municipal Solid Waste Charging, \$33 million out of the \$50 million earmarked for this programme in 2015 had been utilized. The anticipated funding requirement in 2017-18 was \$23 million. For Environmental Education and Community Action projects, out of the \$45 million

proposed, \$25 million was reserved for themes of “Biodiversity”, “Clean Shorelines Education and Community Involvement Projects” and “Climate Change”. As for energy conservation projects, a further \$2 million was proposed to cover the cost of the Service Level Agreement with the Electrical and Mechanical Services Trading Fund. The proposal allocation for RTDC projects in 2017-18 remained as \$30 million. For initiatives on nature conservation, an amount of \$30 million was proposed for potential conservation pilot projects in South Lantau in support of the Government’s related new initiative in the 2017 Policy Address. The proposed allocation for programmes of the Environmental Campaign Committee was increased to \$41 million in 2017-18, after taking into account the Clean Recycling and other new Government initiatives.

68. Dr Ellen CHAN said that the proposed budget of \$249 million for 2017-18 was higher than the budget of \$216 million for 2016-17. The increase had mainly arisen from the need to support new initiatives on various aspects including climate change, clean shorelines and nature conservation in South Lantau. The investment return from HKMA for 2016 was 3.3% which was equivalent to \$173 million, already received by the ECF in January 2017. The investment return for 2017 would be made known after the Budget Speech scheduled for 22 February 2017. As at end March 2017, the estimated uncommitted ECF balance less the principal deposited with HKMA was estimated to be about \$294 million, which would be sufficient to cover the proposed budget for 2017-18. Mr CW TSE added that the proposed allocation of \$30 million for nature conservation pilot projects in South Lantau was one-off in nature. Setting this aside, the budget proposed for 2017-18 was more or less comparable to that for 2016-17. Members considered that the proposed \$30 million for conservation projects in South Lantau should be set aside to make it clear as a one-off allocation, i.e. without any recurrent funding support. Hence the agreed budget was \$219 million plus \$30 million for South Lantau conservation projects.

69. Replying to a Member’s enquiry on whether the ECF would fund capacity building in the industrial sector, Dr Ellen CHAN said that relevant organizations such as the Hong Kong Productivity Council, etc. could submit applications to various ECF funding schemes with a view to enhancing environmental knowledge and establishing best practices for the industrial sector.

70. After deliberation, the Chairman concluded the meeting’s views that the proposed ECF strategic plan, budget and arrangement for 2017-18 as set out in ECF Paper 38/2016-17 should be endorsed.

Agenda Item 6: Any Other Business

71. Members had no other business to raise.

Agenda Item 7: Date of Next Meeting

72. The next Meeting would be held in June 2017. The Secretariat would inform Members about the details in due course.

73. The meeting ended at 12:15 p.m.

Secretariat, Environment and Conservation Fund Committee March 2017

Note: The paragraph will not be included in the version of notes to be uploaded to the webpage of ECF according to the standing practice of not disclosing the detailed reasons for supporting or rejecting an application. The ECF webpage contains a general disclaimer that “Reasons for supporting/rejecting an application had been made known to the project proponents concerned, and the public could ask the project proponents direct for such information.”