

**Minutes of the Third Meeting of the
Environment and Conservation Fund Committee
held on 24 June 2015 at 2:30 p.m.**

Present

Dr Joseph LEE, GBS, JP	(Chairman)
Ir Dr CHAN Fuk-cheung	
Ms CHAN Sui-kuen, Agnes	
Ir CHAN Wing-hong, Cary	
Ms FUNG Dun-mi, Amy	
Dr KaChun HUI	
Mr LAM Chiu-ying, SBS	
Ms LI Chun-chau	
Mr Douglas WOO	
Mr TSE Chin-wan, JP	DDEP(1), EPD
Dr CHUI Ho-kwong, Samuel	P(CR), EPD
Mr Sheridan SL LEE	Principal Education Officer, EDB
Dr Jackie YIP	Senior Conservation Officer, AFCD

In Attendance

Ms WONG Sean-ye, Anissa, JP	PS(Env)/DEP
Dr CHAN Ying-lung, Ellen	CRM, EPD
Ms Anita SW TSUI	CEO(CR)1, EPD (Secretary)
Mr TSOI Kwan-sang, Steve	SEO(CR)1, EPD
Miss LEUNG Ngar-yan, Phoebe	AS(CR)4, EPD
Mr KAM Ka-lung, Simon	EM(CR), EPD
Mr LEE Tai-ming, Steven	E(CR)3, EPD
(for items 3 and 4 only)	

In Attendance for Item 3

Mr KWOK Yiu-wai	Vice-Chairman, Board of Directors of Sik Sik Yuen (SSY)
Mr HO Sun-ho	Director, Board of Directors of SSY
Ms Doris SIN	Chief Executive Officer of SSY

In Attendance for Item 4

Prof David LUNG	Council Member of Hong Kong Federation of Youth Groups (HKFYG)
Ms WU Pui-wah	Supervisor (Greening and Camps) of HKFYG
Mr William WONG	Environmental Officer of HKFYG

In Attendance for Item 5

Mr LAI Yiu-kei, Samson	AD(WM), EPD
Ms Carolina LEUNG	S(WM)5, EPD



Opening Remarks

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

Agenda Item 1: Confirmation of Minutes of the Meeting held on 5.2.2015

2. The draft minutes of the previous meeting held on 5 February 2015 were circulated to Members on 2 June 2015. 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 30 April 2015, ECF's balance in bank was \$896.94 million. In addition, ECF had a seed money of \$4,700 million and investment return totalling \$271.26 million for 2013 and 2014 kept at the Hong Kong Monetary Authority. Taking into account the amount of \$899.99 million already committed, ECF had an overall uncommitted balance of \$4,968.21 million by end of April 2015.

Agenda Item 3: Sik Sik Yuen – Proposed Extension of Green Programme and Consultancy Services (ECF Paper 51/2014-15)

4. Ms Anita SW TSUI briefed Members about Sik Sik Yuen (SSY)'s proposals set out in ECF Paper 51/2014-15. She informed the meeting that SSY's green programme was originally scheduled to end in March 2015. After reviewing the progress of the green programme and its financial position, SSY would like to seek ECF Committee's approval for extending the green programme by 21 months to December 2016, and extension of the programme's consultancy agreement by 21 months with additional consultancy fee of \$375,000 to be provided through the redeployment of surplus fund from other approved projects.

5. Mr KWOK Yiu-wai, Mr LO Sun-ho and Ms Doris SIN of SSY were invited to join the meeting at this juncture to brief Members about SSY's proposal.

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10. The Chairman thanked SSY's representatives for their presentation. SSY's representatives left the meeting at this juncture.

11. Note

12. After deliberation, the Chairman concluded the meeting's views that SSY's proposed extension of the green programme and the consultancy agreement by 21 months as set out in ECF Paper 51/2014-15 should be approved, subject to SSY's provision of additional information to justify the additional consultancy fee of \$375,000.

Agenda Item 4: Hong Kong Federation of Youth Groups – Proposed Extension of Green Programme and Programme Revision (ECF Paper 52/2014-15)

13. Ms Anita SW TSUI briefed Members about Hong Kong Federation of Youth Groups's (HKFYG) proposals set out in ECF Paper 52/2014-15. She recapitulated that the ECF Committee gave approval-in-principle for funding support (\$14.2 million) for HKFYG's green programme on 3 October 2012. At its meeting on 30 January 2013, the ECF Committee approved funding of \$1,200,000 for HKFYG to engage an environmental consultant to oversee the overall implementation of the green programme. With the appointment of the Hong Kong Productivity Council as consultant, the programme was officially started in December 2013.

14. Prof David LUNG, Ms WU Pui-wah and Mr William Wong of HKFYG were invited to join the meeting at this juncture to brief Members about HKFYG's proposal.

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21. The Chairman thanked HKFYG's representatives for the presentation. HKFYG's representatives left the meeting at this juncture.

22. Note

23. After deliberation, the Chairman concluded the meeting's views that HKFYG's proposed extension of its green programme by 27 months to March 2019 and the proposed project variations as well as associated deployment of surplus funds derived from approved projects under the purview of different Vetting Subcommittees as set out in ECF Paper 52/2014-15 should be approved.

Proposed Arrangements for the Green NGO Programme

24. Dr Samuel CHUI said that at the previous meeting, some Members had raised the question of how to sustain ECF's partnership with the Green NGOs. The ECF Secretariat had subsequently examined the subject and would like to put up a proposal for Members' consideration. Dr Samuel CHUI said that since the Green NGO Programme was launched in 2008, a total of seven reputable charitable organizations had joined the scheme and developed their own green programmes. The seven Green NGOs had been making good progress, and individual green programmes were expected to be completed between 2016 and 2019.

25. Dr Samuel CHUI further said that the Secretariat received enquiries from individual service units of the Green NGOs from time to time on whether they could submit new applications in response to the invitations of the various ECF funding schemes. To strike a balance between individual service units' needs to seek ECF grants for projects initiated by themselves, and to sustain the engagement of the Green NGOs as ECF's strategic partners, he would like to propose the following arrangements for Members' consideration:

- (i) The Secretariat would liaise with the Green NGOs to see if they had any plans to use up the surplus fund, if any, under the green programmes (i.e. the net unspent balance of the budget approved-in-principle which had not been earmarked for any specific use). The funding proposals of utilizing surplus fund of various Green NGOs would be summarized and put up for the ECF Committee's consideration. Henceforth, the remaining unused fund should be returned to ECF's funding pool for redeployment.
- (ii) Individual service units of the Green NGOs might apply for funding support under the various funding schemes in response to open invitations announced. Their applications would be assessed on a competition basis in the usual manner. Projects approved under this mechanism would not be subsumed under the umbrella of the respective green programmes.
- (iii) Although the green programmes were expected to be completed in the coming years according to their respective schedules, in the event individual Green NGOs would like to pursue any strategic plan for promoting environmental protection and raising public awareness, or major projects to complement government policy objectives and environmental initiatives, they might still seek funding support from the ECF Committee, in their capacity as ECF's strategic partners (i.e.

Green NGOs). Subject to the ECF Committee's in-principle approval, detailed applications would be considered by the relevant Vetting Subcommittees without the need to go through the competition mechanism.

26. The Chairman and a Member supported the proposed arrangements which would allow flexibility for the Green NGOs to continue with the promotion and implementation of green initiatives. Ms Anissa WONG said that the Green NGO Programme since its launch in 2008 had leveraged the extensive networks of the Green NGOs in implementing diversified green initiatives with ECF funding support, with a view to raising public awareness and developing a green culture among the community. It would be useful for the Green NGOs, after years of efforts, to publicize their achievements in going green to the general public.

27. After deliberation, the Chairman concluded the meeting's views that the proposed arrangements for the Green NGO Programme should be endorsed.

Agenda Item 5: Community Involvement Projects for Waste Reduction Through Quantity-based Municipal Solid Waste Charging (ECF Paper 53/2014-15)

28. Mr Samson LAI briefed the meeting about the proposals as set out in ECF Paper 53/2014-15 for setting up a new funding scheme under ECF for community involvement projects in relation to "Municipal Solid Waste (MSW) charging" with an earmarked amount of \$50 million, and for delegation of the approving authority for funding proposals seeking a budget not exceeding \$2 million to the Waste Reduction Projects Vetting Subcommittee (WRPVSC). The purpose of the proposed funding scheme was to get the entire community prepared for the implementation of quantity-based MSW charging in Hong Kong and reduce waste.

29. Mr Samson LAI said that in 2012, the Government conducted an extensive public consultation to collect views from the public on whether MSW charging should be introduced in Hong Kong. On the basis of majority support obtained, the Government affirmed the introduction of quantity-based MSW charging in Hong Kong, which was also featured as one of the major waste reduction initiatives under "Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022" (the Blueprint) published in May 2013. The Council for Sustainable Development (SDC) was subsequently invited to conduct a second-stage public engagement on the subject covering four key issues including (i) charging mechanism; (ii) coverage of charging scheme; (iii) charging level; and (iv) recycling, and accordingly launched the public engagement. The SDC published a report on 16 December 2014 setting out its recommendations on how to implement quantity-based MSW charging in Hong Kong. The SDC recommended that for equity and in line with the principle of "polluter pays", MSW charging should be implemented across the board for all sectors in one go. Regarding the charging mechanism, the SDC considered that it should be built upon the existing MSW collection and disposal system (as summarized in Annex A to ECF Paper 53/2014-15) so as to minimize adverse impacts on environmental hygiene. The

SDC also recommended that the level of charges should be directly related to the quantity of waste disposed of by MSW producers. The SDC had also put up suggestions on how to enhance recycling support so as to facilitate waste reduction in line with the objective of “Waste Less, Pay Less”.

30. Mr Samson LAI further said that the SDC’s recommendations for MSW charging in one go would directly impact over 2.2 million domestic households in all kinds of residential settings, a wide range of different commercial and industrial (C&I) establishments and other institutions or community service units. Therefore, among the four key areas of preparatory work for the MSW charging, stepping up of public education and community involvement programmes was attached with great importance as it would allow the Government to inform various stakeholders of the new initiatives and at the same time prepare them for the expected behavioural change in response to waste charging and reduce waste. Organizing pilot trial was one possible way to achieve enhanced public education. While ECF had been supporting a number of programmes relevant to waste reduction and recycling, to support the implementation of MSW charging, a new ECF funding scheme was proposed to be set up and monitored under WRPVSC.

31. Mr Samson LAI said that under the proposed MSW charging funding scheme, an extensive pilot programme for the domestic sector targeting at residential housing estates managed by private property management companies (PMCs) that were using Food and Environmental Hygiene Department (FEHD)’s direct collection services should be rolled out. The programme should be designed in a way that might stimulate the actual scenario where MSW charging was progressively implemented. Non-profit-making organizations (NPOs) would be encouraged to formulate proposed programmes to cover other MSW producers (e.g. occupants in single-block buildings and rural villages or C&I establishments) who might be disposing of MSW through FEHD’s refuse collection points or private waste collectors. Under these proposed programmes, NPOs should help review the current performance of the target participants in waste generation and recycling so as to identify options to reduce waste in future when MSW charging was in place. When consulted on 11 June 2015, WRPVSC Members generally supported that there was a need to develop a new funding scheme to mobilize the entire community and get prepared for the implementation of quantity-based MSW charging.

32. Replying to a Member’s enquiry, Dr Samuel CHUI advised that an amount of \$50 million was proposed to be earmarked from ECF for setting up a new funding scheme to provide funding for community involvement projects related to MSW charging. The aim of the funding scheme was not merely to enhance community awareness, but also to mobilize collective actions within different sectors so as to maximize the benefits of charging in terms of waste reduction and recycling.

33. In response to a Member’s enquiry, Mr Samson LAI advised that the mentioned charging level at \$30 to \$44 per household per month for domestic waste was just a general reference. The objective of the proposed funding scheme was to provide funding support for estates to carry out pilot trial to try out the ultimate mechanism of “charging by household using designated garbage bags” and as an

optional item, the interim mechanism of “charging by volume of waste disposed by the building”.

34. A Member enquired about the coverage of the pilot trial under the proposed new MSW charging funding scheme. Mr Samson LAI advised that the NPOs would be encouraged to propose programmes that could help different sectors to try out how to implement quantity-based MSW charging in their own settings such that the relevant waste producers could better understand the composition and quantity of waste they generated / disposed, to develop best practices to get waste producers prepared for complying with MSW charging and to develop measures to reduce waste in order to pay less. Ms Anissa WONG supplemented that community involvement was very crucial for the preparation of implementing MSW charging. The proposed earmarked funding of \$50 million would help occupants of private PMC-managed residential housing estates and other types of domestic buildings (e.g. single-block buildings and rural villages) as well as non-domestic sectors to get prepared for the actual operation of the MSW charging upon the enactment of the relevant ordinance in future. Various Green NGOs, being ECF’s strategic partners in environmental protection, had been invited to act as pioneers in preparing for MSW charging through trying out the pilot programmes in their service units.

35. Replying to a Member’s enquiry, Mr Samson LAI responded that as the settings of both domestic and non-domestic sectors had their uniqueness, the pilot programmes to be implemented would simulate the scenario planning and enable relevant sectors to find out the best practices to get prepared for MSW charging.

36. A Member enquired about the application eligibility criteria of the proposed new funding scheme. Mr Samson LAI advised that following the general rule of ECF, all NPOs including chambers of commerce and professional bodies would be eligible to apply for funding support. Ms Anissa WONG said that as a reference, for the Buildings Energy Efficiency Funding Schemes which were already closed in October 2012, owners’ corporations registered under the Building Management Ordinance (Cap. 344), owners’ organizations or residents’ organizations of residential, commercial and industrial buildings were eligible to apply. Their property management companies only served as executive arm to implement the approved energy efficiency projects for the estates / buildings.

37. A Member said that Members of WRPVSC had a detailed discussion on the setting up of the proposed new funding scheme at its meeting held on 11 June 2015. The proposed pilot trials would assist various stakeholders to identify the best ways to get prepared for the implementation of MSW charging. The experiences gained in the pilot programmes would enable the development of best practices for reference of the whole community. Another Member opined that education elements of these pilot programmes should be enhanced to deepen mindset changes of the participants.

38. Two Members expressed their support for the proposed funding scheme. A Member suggested that in drawing up the details of the funding scheme,

it might be useful to require recipient organizations to share the experiences gained with other stakeholders.

39. The Chairman considered that the setting up of the proposed funding scheme with earmarked amount at \$50 million would help generate social impacts and arouse public awareness on the importance of MSW charging, and sought WRPVSC's assistance in helping to draw up details of the new funding scheme. Ms Anissa WONG said that while MSW charging was a good measure to reduce the amount of MSW, its implementation was expected to be very complicated due to the very diversified settings of different sectors. Therefore, the pilot trials with stakeholders' engagement would certainly be useful in mobilizing the community to get prepared for the implementation of quantity-based MSW charging.

40. After deliberation, the Chairman concluded the meeting's views that the setting up a new funding scheme under ECF for community involvement projects under the banner of MSW charging with an earmarked amount of \$50 million should be endorsed and the authority for approving funding proposals seeking a budget of not exceeding \$2 million should be delegated to WRPVSC.

**Agenda Item 6: Financial Circular No. 2/2015 – Guidelines for Controlling Officers In Management of Funding Schemes: Proposed Follow-up Actions for the Environment and Conservation Fund
(ECF Paper 54/2014-15)**

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Agenda Item 7: Any Other Business

Redesigning the Logos of ECC and ECF

44. Dr Samuel CHUI said that the logos of ECC and ECF had been in use for some 20 years. There were comments that the logos did not stand out distinctly and should be enhanced, and the Secretary for the Environment opined that the logos of ECC and ECF might be redesigned. The opportunity could also be taken to design a logo for the Community Green Stations being implemented by the EPD. This might be conducted by means of a design competition through which the efforts made by ECC, ECF and the Government on environmental protection and conservation could be promoted. To take forth the proposal, an amount of \$800,000 was proposed to be allocated to ECC for carrying out this specific task through engaging a publicity contractor.

45. Ms Anissa WONG considered that taking the opportunity, the ECC should work out a package of campaign activities to help promote the image of ECC and ECF and publicize the achievements of ECF-funded projects. A logo redesigning competition could be one of the components of the promotion campaign.

46. After deliberation, the Chairman concluded the meeting's views that an amount of \$800,000 would be allocated to ECC to take forth a campaign, which should include a logo redesigning competition, to promote the image of ECC and ECF as well as the achievements of ECF-funded projects.

47. Members had no other business to raise.

Agenda Item 8: Date of Next Meeting

48. The next Meeting would be held in early September 2015. The Secretariat would inform Members about the details in due course.

49. The meeting ended at 5:00 p.m.

**Secretariat, Environment and Conservation Fund Committee
July 2015**

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."