For discussion on 28 April 2008

Legislative Council Panel on Environmental Affairs

Progress of implementation of the New Nature Conservation Policy

PURPOSE

This paper briefs Members on the progress of implementation of the New Nature Conservation Policy (NNCP).

BACKGROUND

- 2. The Government is committed to nature conservation. In order to identify practicable ways to better achieve the nature conservation objectives, and in particular, to enhance conservation of ecologically important sites which are in private ownership, the Government conducted a comprehensive review of the nature conservation policy and measures and introduced the NNCP in November 2004.
- 3. The NNCP aims at regulating, protecting and managing natural resources that are important for the conservation of biological diversity of Hong Kong in a sustainable manner, taking into account economic and social considerations for the benefit and enjoyment of the present and future generations of the community. Under the Policy, 12 priority sites have been identified for enhanced conservation under a scoring system drawn up by an Expert Group with membership comprising key academics with expertise in ecology and major green/interest groups.
- 4. Two new measures were proposed for the conservation of these ecologically important sites, they are the Pilot Scheme for Management Agreements (MA) and Public-private Partnership (PPP). At the same time, the existing nature conservation measures, including designation of country parks, special areas, marine parks, marine reserves and conservation zonings, and implementation of conservation plans on important habitats and species will continue and be enhanced where appropriate.

PROGRESS

Management Agreements (MA)

5. Under the MA Scheme, non-governmental organizations (NGOs),

including green groups, educational institutions and community organizations, may apply for funding from the Government for entering into MAs with the landowners. The NGOs can provide the landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the sites concerned.

- 6. With grants of \$4.62 million from the Environment and Conservation Fund (ECF), three MA pilot projects at Fung Yuen and Long Valley were launched in end 2005. A review of MA was conducted in May 2007. The increase in the numbers and diversity of birds as well as the increase in diversity of butterfly habitats suggested that MA Scheme is effective in enhancing the conservation value of the sites. Note In addition to the direct benefit to species, the MA projects also raised the public and local villagers' awareness of conservation.
- 7. Noting the merits of the Scheme, the ECF supported the continuation of the MA Scheme. In early 2008, the ECF approved funds for these projects to be continued for another two years. Currently, more than 13 hectares of land is under active conservation in the Scheme. A brief description of the current MA projects at Fung Yuen and Long Valley is at **Annex A.**

Public-private Partnership

- 8. Under the PPP Pilot Scheme, development of an agreed scale will be allowed at the ecologically less sensitive portion of any of the 12 priority sites, provided that the project proponent undertakes to conserve and manage the rest of the site that is ecologically more sensitive on a long-term basis. In order to provide project proponents with the required flexibility, proposals involving non in-situ land exchange for development with full justifications may be considered, but they have to be examined and approved by the Executive Council on a case-by-case basis. We received a total of six applications, which involve land located at Sha Lo Tung, Tai Ho, Mui Tsz Lam & Mau Ping, Wu Kau Tang, Yung Shue O and Tin Fook Wai. Subsequently, the proponent of the Tin Fook Wai project withdrew its application.
- 9. An inter-departmental Task Force (Task Force), comprising representatives

Note For example, the mean number of birds recorded in Long Valley in the winter of 2006-2007 was 25% higher than that in the winter of 2005-06. The number of bird species recorded in Long Valley increased from 187 to 211 in about one and a half years after project implementation. In Fung Yuen, removal of invasive weeds as well as planting of native tree species, larval food plants and nectar plants greatly enhanced the habitat diversity.

from the Environmental Protection Department (EPD), Agriculture, Fisheries and Conservation Department (AFCD), Lands Department and Planning Department was set up to examine the applications in accordance with the vetting criteria set out in the Guide to Application. The criteria are:

- Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure;
- Possible adverse environmental impacts arising from the proposed development;
- Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent;
- Track record, capability and credibility of the proponent in implementing the proposal;
- Readiness of the proposal for implementation; and
- Resource implications, if any, for the Government.

— The Task Force's assessment of the five applications is at **Annex B**.

- 10. At the meeting of 14 April 2008, the Advisory Council on the Environment (ACE) discussed the five applications and the assessment made by the Task Force. After discussion, the ACE recommended that -
 - (a) the Sha Lo Tung project should be supported from a nature conservation angle. However, the following implementation issues would need to be addressed as the proposal was to be taken forward
 - (i) the traffic management issue at Sha Lo Tung Road arising from the proposed development;
 - (ii) measures to ensure that the impact on the sensitive conservation area would be kept to the minimum. Though the statutory Environmental Impact Assessment Ordinance (EIAO) procedures are not applicable to Sha Lo Tung project as currently proposed, the proponent will be advised to make public its environmental impact assessment study and to submit it to the advice of ACE's Environmental Impact Assessment Subcommittee. Robust and legally binding measures should be formulated to ensure the continuing compliance of any pledged measures on environmental and nature conservation by the proponent;

- (iii) measures to ensure that the Multi-cultural Educational Retreat would not be turned into a resort-type facility;
- (iv) sustainability of the operation of the Multi-cultural Education Retreat cum Columbarium Complex in a manner that is compatible with the overall nature conservation principles; and
- (v) securing the support of the local indigenous villagers in implementing the conservation of the ecological sensitive areas;
- (b) the Tai Ho project was worthy of support from conservation perspective. However, the relatively low percentage of landholdings by the project proponent, the lack of an experienced partner to plan and manage the Ecology Park and the potentially complicated land related issues, including the non in-situ land exchange issue, were problems that need to be addressed before the project could be seriously considered. In its present form, the project was not ready to be taken forward. The project proponent should be informed of the concerns of the ACE and encouraged to refine the proposal and address the problems identified with the relevant government authorities;
- (c) the Mui Tsz Lam & Mau Ping, Wu Kau Tang and Yung Shue O projects should not be recommended.
- 11. The EPD will continue to coordinate efforts within the Government as the project proponent takes forward the project. The project proponent will need to comply with the relevant statutory requirements and take suitable measures to address the issues in paragraph 10 above. The EPD will also continue the discussion with the project proponent of the Tai Ho project if approached. To sustain the conservation at all the selected sites, we shall continue to encourage project proponents to explore possibility of introducing MA to better preserve the ecological significance of the areas.

Enhancement of Existing Conservation Measures

12. The existing conservation measures that we have been implementing over the years have helped us attain very positive results in terms of both share of areas protected for nature conservation purpose and the level of biodiversity in Hong Kong. For example, about 43% of Hong Kong's land area is designated for various nature conservation uses. This compares favourably with other cities with

a similar level of economic development. A wide variety of plants and animals can be found in Hong Kong, including some that were first found in and named after Hong Kong, and a few other species that are endemics. We will continue to pursue the existing conservation tools, including designation of country parks, special areas, marine parks, marine reserves and conservation zonings, and implementation of conservation plans for important habitats and species. The key initiatives undertaken since 2004 are set out below.

Designation of protected areas

- 13. In October 2007, the Chief Executive announced in his Policy Address that the Government would initiate the statutory procedures to designate the 24th country park on Northern Lantau. The proposed Lantau North (Extension) Country Park (Country Park) covers areas to the north, north-east and east of the existing Lantau North Country Park and its total area is about 2,360 hectares. The proposed Country Park includes areas of secondary woodlands, shrubland, grassland, and fresh water habitats with high biological diversity. The majority of the proposed extension area is mountainous with upland valleys. Some deep valleys are covered with natural woodland and unspoiled stream courses, which combine to create the distinguished landscape. These are highly scenic and may act as backdrop for the urban area.
- 14. Country parks are managed on a multiple-use basis. This involves planting, and protection of woodland and vegetation, provision of recreational facilities and keeping the country parks clean and tidy. It also covers nature education, guide walks, scientific research, outdoor recreation and tourism so as to enhance the understanding of the public about the importance of countryside conservation.
- Annex C. We have consulted the Country and Marine Parks Board and the Islands District Council on the proposed designation and obtained their support. The draft map was published in gazette for public inspection on 4 January 2008. We will table a subsidiary legislation at the Legislative Council within this year for the designation. After completion of the necessary statutory procedures, we expect that the designation process will be completed by the end of 2008. The new Country Park will increase the total country park area to about 44,000 hectares.

- 16. In addition, a site on Tsing Yi Island, which harbours a population of a rare endemic shrub Hong Kong Croton was listed as a Site of Special Scientific Interest in April 2005. A feng shui woodland of about one hectare at Lai Chi Wo was designated a Special Area under the Country Parks Ordinance in March 2005. It has high ecological value and contains more than 100 species of plants, some of which are uncommon in Hong Kong. A number of old and large trees with unusual forms can also be found within the Special Area. The Hong Kong Wetland Park was also designated as a Special Area in October 2005. The Park provides an education and recreation venue with a theme on the functions and values of wetlands.
- 17. To diversify the experience of country park visitors, AFCD has been improving the facilities in country parks to provide thematic promotion of nature conservation. For example, for the promotion of geo-conservation, AFCD will establish a new nature trail at High Island Reservoir. This nature trail, being first of its kind in the territory, will highlight the volcanic histories and interesting geomorphological features. It is expected that this trail will be completed in 2008-09. To promote preservation of trees, a tree centre in Aberdeen Country Park will be opened in April this year, which will raise the public's awareness and understanding of trees.

Ecological monitoring

18. Meanwhile, the AFCD is conducting ecological surveys to maintain and update a comprehensive ecological database for Hong Kong. AFCD is regularly reviewing the ecological database in consultation with experts from tertiary institutions and local conservation organizations, in order to assess the status of rare species and to develop conservation plans for rare species. Information about the conservation value of different sites is available to government departments in connection with land use and development planning. The information is also accessible by the public. An internet version the database (www.hkbiodiversity.net) has also been made available for public browsing since 2004. Conservation plans for Chinese White Dolphin, Black-faced Spoonbill and Green Turtle have also been drawn up.

Planning controls

19. The Government has also strengthened the protection of ecologically important sites through the land use zoning system. The Town Planning Board

endorsed a set of revised Master Schedule of Notes which give a more stringent control on the use of land under conservation zoning. Opportunities have been taken to amend the Schedule of Uses in respect of the Outline Zoning Plans (OZP) of six priority sites for enhanced conservation. For example, a land use originally set out in Column 1 of the Wu Kau Tang OZP is moved to Column 2, which requires the Town Planning Board's approval for the proposed land use.

Participation in the global efforts in conservation

- 20. In addition, Hong Kong will continue to actively participate in the global efforts in conservation of biodiversity, and fulfil the obligations under conservation-related international conventions, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Wetlands of International Importance, especially as Waterfowl Habitat (i.e., the Ramsar Convention) and the Convention on the Conservation of Migratory Species of Wild Animals.
- 21. To this effect, the Government is preparing for the extension of the Convention on Biological Diversity and its Cartagena Protocol on Biosafety to Hong Kong. The Convention aims to provide for a comprehensive and holistic mechanism for conservation and sustainable use of biological diversity and the fair and equitable sharing of the benefits arising from the utilization of genetic resources. The Government is working on a new legislation for the implementation of the Cartagena Protocol in Hong Kong, which regulates trans-boundary movement of living modified organisms in Hong Kong.

Conservation education and publicity

- 22. Public support and participation are essential to the success of our conservation efforts. The Government has been organizing a wide range of nature appreciation activities for different sectors of the community, such as public lectures, seminars, exhibitions, schools and public guided visits and cleanup exercises. Field guides, newsletters, leaflets, booklets, VCDs, and posters and codes of conduct in nature appreciation are also published as part of the public education and publicity programme.
- 23. A major initiative for 2006 is the opening of the Hong Kong Wetland Park as mentioned in paragraph 16. It comprises a 10,000 m² visitor centre and a 60-hectare Wetland Reserve demonstrating the diversity of Hong Kong's wetland

ecosystem and highlights the need to conserve it. The Park presents an opportunity to provide an education and recreation venue with a theme on the functions and values of wetlands for use by local residents and overseas visitors. It also serves as a world-class tourism facility. Since its opening, the Park has attracted about 1.7 million visitors up to March 2008.

24. In March 2008, the Ngong Ping Nature Centre was established in the Ngong Ping Village of Lantau to provide visitors with countryside and hiking information, and has further promoted eco-tourism in Hong Kong.

WAY FORWARD

25. Hong Kong's natural environment belongs to every member of the community. All of us have the responsibility to protect it. Partnership among the Government, the private sector, NGOs and the community at large is paramount to the success of the nature conservation initiatives. For the benefits of our community and our future generations, we will continue our efforts to promote nature conservation and preserve the natural heritage through the measures described above.

Environmental Protection Department Agriculture, Fisheries and Conservation Department April 2008

Two nature conservation management agreement projects

Project Title	Nature Conservation Management for Long Valley	Management Agreement on the Private Land with High Conservation Value at Fung Yuen Valley Site of Special Scientific Interest in Tai Po, Hong Kong		
Site involved	Long Valley	Fung Yuen		
Size of management area	about 11 hectares	about 2 hectares		
Proponent	Conservancy Association (CA)	Tai Po Environmental Association (TPEA)		
Key partner in implementation	Hong Kong Bird Watching Society (HKBWS)	N/A		
Project description	This is a joint project to conserve and enhance the biodiversity particularly the avifauna and freshwater wetland dependent species in the Long Valley through management agreement with local farmers and landowners.	This is a nature conservation project for the conservation of the natural habitat of butterflies through management agreement with landowners of private land that are situated in the SSSI at Fung Yuen Valley.		
Key conservation objectives	 To enhance nature conservation in Long Valley, particularly avifauna and other freshwater dependent species; to conserve agricultural freshwater habitats in Long Valley; 	 To reduce and minimize environmentally incompatible behavior on private land in Fung Yuen; to enhance and maintain the habitat quality of private land in Fung Yuen; 		
	 to establish close partnership with farmers and landowners in management agreement and small projects; to monitor habitats and biodiversity with a view to developing effective and efficient habitat management measures for long term ecological conservation; and 	 to provide a refuge area for butterfly's foraging, inhabiting, and breeding, so as to help increase the diversity of butterfly species; to train volunteers in conservation programme; and to promote nature conservation awareness. 		
	- to promote nature conservation awareness.			
Duration	1 Mar 2008 - 28 Feb 2010	1 Feb 2008 – 31 Jan 2010		
Approved budget	\$3,974,964	\$2,849,990		

Evaluation of the Public-private Partnership (PPP) Proposals

(I) Mui Tsz Lam and Mau Ping

Assessment Criteria	Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	• The proposed establishment of a Nature Reserve could benefit the long term conservation of Mui Tsz Lam and Mau Ping site. However, the proponent has yet to propose appropriate long-term conservation of enhancement measures for Mau Ping.
	• The proponent should demonstrate, in specific terms, that with their relatively limited landholdings (virtually owning no private land in Mau Ping), how they can effectively enhance the conservation value of the whole site, especially the ecologically more sensitive area in Mau Ping.
2. Possible adverse environmental impacts arising from the proposed development	• The proposed elderly home development will encroach upon 1.7 hectares of woodland with moderate to high ecological value; and the proposed re-provisioned trail to Mau Ping is in close proximity to a natural stream. This may have adverse ecological and environmental impacts, especially during the construction stage.
	• The proposed scale of development is excessive and out of proportion for a project that aims to enhance the conservation value of the site.
3. Sustainability of the proposal including recurrent costs involved, and the	• Detailed funding mechanism and its financial viability assessment have not been provided.
long-term commitment of the proponent	• There is no information on the commitment of the proponent to injecting the seed money for the proposed trust fund, and ensuring the financial sustainability of the conservation measures in the long-run.

Assessment Criteria	Evaluation
4. Track record, capability and credibility of the proponent in implementing a proposal	• There is no indication that the proponent has prior conservation-related experience. However, the proponent has engaged the Conservancy Association, a local green group which lends credibility to the implementation of the proposal.
5. Readiness of the proposal for implementation	• As the proponent owns only 70% of the private land in Mui Tsz Lam and none in Mau Ping, the whole idea of setting up the proposed Nature Reserve and effective implementation of the proposed Conservation Management Plan is uncertain.
	• The presence of villages in the proposed Nature Reserve may conflict with its management and conservation objectives. The potential demand for small houses and possible extension of the village areas in Mau Ping remain unresolved issues.
6. Resource implications, if any, for the Government	• No substantial resource implication for the Government is anticipated.

(II) Sha Lo Tung

Assessment Criteria		Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	•	The proposed land exchange for the development of an Ecological Reserve will provide opportunities to conserve the Sha Lo Tung Valley on a long-term basis. Through site management, visitor control and education, the proposal will provide long-term protection to the valuable habitats and species in the Valley.
2. Possible adverse environmental impacts arising from the proposed development	•	The Environmental Study (ES) completed in 2007 shows that with full implementation of design features and mitigation measures recommended in the ES, the environmental impacts arising from the construction and operation stages of the proposed Multi-cultural Education cum Columbarium development and the improved Sha Lo Tung Road will comply with established standards and guidelines.

Assessment Criteria	Evaluation
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	• The proponent will inject substantial amount of fund into a trust to finance the long-term operation of the proposed Ecological Reserve. On the amount undertaken by the proponent, it is expected that it is sufficient to ensure the long term financial sustainability of the Reserve.
4. Track record, capability and credibility of the proponent in implementing a proposal	 The proponent started consolidating landholdings in Sha Lo Tung since 1970s. The proponent now owns about 96% of the private land in Sha Lo Tung. The proponent has angued Green Power a local.
	• The proponent has engaged Green Power, a local green group, which lends credibility to the implementation of the proposal.
5. Readiness of the proposal for implementation	• Issues involving removal of graves and urns can be potentially sensitive. Villagers' support to the proposal will affect implementation of the project. In this connection, the project proponent has already secured the support of the majority of the villagers and the Tai Po Rural Committee for the implementation of the project.
	• Implementation of the proposal will be subject to further statutory requirements, including a rezoning application under the Town Planning Ordinance.
6. Resource implications, if any, for the Government	• The proposed site for exchange is immediately adjacent to the land to be surrendered and is in the Green Belt which will not be released to the market for open bidding. Moreover, full market premium will be charged for the future land grant.
	• The proponent does not require the Government to bear the capital costs for the Ecological Reserve and road improvement and would inject sufficient funds to the Trust to support the on-going expenses of the Ecological Reserve.

(III) Tai Ho

Assessment Criteria	Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	
2. Possible adverse environmental impacts arising from the proposed development	• The proponent proposes to freeze all new small house development in Tai Ho. New village houses will be constructed to the west of Pak Mong, outside the main Tai Ho Valley. The proposed new village houses development to the west of Pak Mong needs careful planning to prevent possible impacts on the Tai Ho ecosystem.
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	• The proponent will establish a trust fund to cover the recurrent operation cost of the proposed Ecology Park. On the amount undertaken by the proponent, it is expected that it is sufficient to ensure the long term financial sustainability of the Ecology Park.
4. Track record, capability and credibility of the proponent in implementing a proposal	 The proponent has experience in implementing complex residential projects involving villagers. The project proponent has not secured the agreement of any green groups to be the management agent of the proposed Ecology Park.
5. Readiness of the proposal for implementation	proponent and the villagers on the future small house development rights will affect implementation of the project.
	• Currently, the proponent only holds some 66% of the private land in the proposed Ecology Park. Incomplete landholdings may affect the effective

Assessment Criteria	Evaluation
	management of the Ecology Park in future.
6. Resource implications, if any, for the Government	• The proponent does not require the Government to take into account the capital costs of the Ecology Park as well as injection to the trust when calculating the land premium of the development site.
	 Although the proponent has agreed to pay full market premium for the proposed land exchange, the land requested for exchange is not in proximity of the surrendered land and is capable of disposal through an open bidding process. This has added complication to land exchange and made the project difficult to be implemented in the near future.

(IV) Wu Kau Tang

Assessment Criteria	Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	• It is uncertain how the proposal would enhance conservation of the site. Some of the proposed conservation measures, e.g. creation of wetland habitats, are measures to mitigate the impacts caused by the development rather than for enhancing conservation of the site.
2. Possible adverse environmental impacts arising from the proposed development	 Ecologically sensitive portion of the site will be affected, including woodland, marshes, a habitat of the Hong Kong Paradise Fish, and a stream which is the first known habitat of a rare dragonfly species new to science (Fukienogomphus choifongae) Given the widespread footprint of the proposed development, it is questionable whether the ecological and environmental impacts caused will be acceptable. The proponent said that they would not prelude the option to adjust the scale of the proposed development. Hence, no firm commitment has been made to the scale and scope of the project.

Assessment Criteria	Evaluation
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	There is not much detail to demonstrate how the long-term financial sustainability can be secured to support the nature conservation work.
4. Track record, capability and credibility of the proponent in implementing a proposal	 Not much information about the proponent is provided. The track record, capability and credibility of the proponent in implementing the proposal are not clear. The proponent has yet to identify green group's partnership for this project.
5. Readiness of the proposal for implementation	• The proponent claims to own about 40% of the private land and that land acquisition is still underway. As landholding is rather fragmented and complicated in the project site, whether the proposal can be readily implemented is doubtful.
	• There is no existing government sewerage system nearby. It is uncertain whether the preferred option for sewage disposal is compatible with the government's plan/schedule to provide sewerage to Wu Kau Tang.
6. Resource implications, if any, for the Government	• The proponent suggests that Government should implement a sewerage scheme and upgrade the water supply system of the Wu Kau Tang area.

(V) Yung Shue O

	Assessment Criteria		Assessment
1.	Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	pr	The proposal does not contain much details on the evelopment as well as the conservation part of the oject. There is no indication that the proposal ill enhance the conservation of Yung Shue O.
2.	Possible adverse environmental impacts arising from the proposed development	•	The proposal highlights that there will be water quality impact on the Kei Ling Ha Mangal Site of Special Scientific Interest during both the construction and operation phases of the project. No information is provided on the possible ecological and environmental implications of the proposed development.
3.	Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	•	No information is provided regarding the financial and administrative arrangements of the proposal.
4.	Track record, capability and credibility of the proponent in implementing a proposal	•	The proponent is a private entity, and is part of the Eton Group. The Eton Group has been involved in retail complex and property developments. The information provided does not indicate that the Group has prior conservation-related experience.
5.	Readiness of the proposal for implementation	•	The proposal does not contain enough information on the conceptual layout, land ownership, conservation strategy and habitat management plan, etc.
		•	The proposal highlights a number of development constraints, such as the water quality impact on the Kei Ling Ha Mangal Site of Special Scientific Interest, existing utilities capacity (power, water and sewerage), vehicular access via a sub-standard single lane track, flooding risk, etc. However, no information is provided on how these constraints will be addressed.

Assessment Criteria	Assessment	
	• The proposal does not address the relationship of the existing village in Yung Shue O and the proposed development. There is also no information on how to deal with the future development rights of the indigenous villagers.	
6. Resource implications, if any, for the Government	No information is provided.	

