

COUNCIL FOR SUSTAINABLE DEVELOPMENT

Digest of 41st Meeting of Strategy Sub-committee

held at 5:00 p.m., 22 October 2020

**in Environmental Academy, Room 4020E, 40/F, Revenue Tower,
Wanchai, Hong Kong**

Present:

Prof Jonathan Wong *(Chairman)*

Prof John Chai

Prof Paul Chu

Prof Laurence Ho

Ms Angelina Kwan

Mr Kwok Lit-tung

Ms Samanta Pong

Mr Tam Kent-chung

Mr Alfred Chang

Mr D. C. Cheung *(Secretary)*
*Principal Assistant Secretary for
the Environment (Sustainable
Development)*

In Attendance:

Council for Sustainable Development

Prof the Hon Arthur Li

Support Group on Long-term Decarbonisation Strategy

Dr Bunny Chan

Ms Serena Cheng

Mr Cheung Chi-wah
Mr Cheung Hau-wai
Mr Eric Chong
Mr Chow Lap-man
Ms Betty Ho
Dr Luk Bing-lam
Mr Simon Ng
Ms Rosana Wong

Government Representatives

Environment Bureau

Mr Wong Kam-sing	<i>Secretary for the Environment</i>
Ms Irene Young	<i>Deputy Secretary for the Environment</i>
Mr Patrick Lee	<i>Administrative Assistant to Secretary for the Environment</i>
Ms Elaine Li	<i>Press Secretary to Secretary for the Environment</i>
Mr Alvin Tai	<i>Ag. Assistant Secretary for the Environment (Sustainable Development)2 / Economist (Sustainable Development)</i>
Mr Eric Wong	<i>Ag. Assistant Secretary for the Environment (Sustainable Development)2 / Senior Executive Officer (Sustainable Development)1</i>
Miss Joanne Kam	<i>Assistant Secretary for the Environment (Sustainable Development)1</i>
Miss Mandy Wong	<i>Executive Officer (Sustainable Development)2</i>

Miss Iris Lui *Executive Officer (Sustainable
Development)*³

Miss Iris Wong *Executive Officer (Sustainable
Development)*⁴

Environmental Protection Department

Mrs Dorothy Ma *Assistant Director (Cross-Boundary &
International)*

Mr Ray Leung *Senior Environmental Protection
Officer (Cross-Boundary &
International)*⁵

Buildings Department

Mr Eric Lee *Senior Building Surveyor/Kowloon 1*

Programme Director – Policy for Sustainability Lab, Centre for Civil
Society and Governance, The University of Hong Kong

Dr Winnie Law *Deputy Director and Principal Lecturer*

Ms Joyce Chow *Senior Project Manager*

Mr Darwin Leung *Assistant Project Manager*

Absent with apologies:

Strategy Sub-committee

Ms Chan Shin-kwan

Mrs Sandra Mak

Mr Cliff Tang

Dr Thomas Yau

Agenda Item 1 – Draft Report on the Public Engagement on Long-term Decarbonisation Strategy

Members were informed on the progress of the PE. The following were highlighted:

- (a) Members had been briefed on the report prepared by the independent analysis and reporting agency (“IRA”) on 21 May 2020. Their views were sought on the outline of recommendations, prepared by Programme Director (“PD”) with reference to IRA’s report, at the Support Group (“SG”) meeting held on 29 June 2020; and
- (b) PD drafted the Council for Sustainable Development’s (“SDC”) report (“the report”) with SG’s views and subsequent written comments incorporated.

2. Members had the following views on the draft report:

Finance

- (a) Commented that the market longed for new products. The Financial Services Development Council and the Hong Kong Exchanges and Clearing Limited (“HKEx”) should work on introducing products which would be beneficial to both the market and traders. Blockchain and digitalised exchange should be encouraged;
- (b) Emphasised the importance of Environmental, Social and Governance (“ESG”) reporting and suggested HKEx to explore the feasibility of making it a mandatory requirement for listed

companies;

- (c) Proposed adding “and investment” in Recommendation H2 to cater for the need of both the demand and supply sides; removing the phrase “climate-sensitive investment” from Recommendation H3; and replacing “in Hong Kong” in Recommendation H5 with a more general description of cleaner energy sources;
- (d) Noted that no specific recommendation was made on emissions trading scheme although it was mentioned in the draft report;
- (e) Said that insurance companies in Europe had to disclose their ESG information, and had to reduce their investment in coal-related companies. It was suggested that the ESG reporting requirement, which currently applied to listed companies only, should also apply to insurance companies; and
- (f) Raised that no clear conclusion could be drawn from the PE on carbon pricing mechanism and emissions trading mechanism, and asked why no further study was conducted.

City Planning and Management

- (a) Opined that an “integrated development strategy” might be too generic. More specific details should be added. In addition, it was mentioned that different species of trees could make different contributions to decarbonisation, so it would be useful to the industry if a database containing such information could be established; and
- (b) Commented that the Recommendation G4, which aimed at minimising traveling, was too idealistic. Since many people lived

in public housing and the turnover in private market had slowed down due to demand-side management measures, it would be difficult for the public to move homes which were close to their workplaces.

Built Environment

- (a) Suggested that consideration should be given to establishing a labelling scheme or rating system to assess the entire sustainable built environment and organising competitions at different levels to give recognition to low-carbon neighbourhoods;
- (b) Supplemented that the existing BEAM Plus Neighbourhood already adopted a holistic approach to assessing the sustainability performance of a development project. Perhaps the Hong Kong Green Building Council could consider strengthening the decarbonisation-related aspects of the assessment;
- (c) Pointed out that there were different districts going through development or renewal in Hong Kong. These districts should be provided with standards or guidelines related to sustainable development, including decarbonisation and ventilation. Recognition should be given if they could achieve certain requirements;
- (d) Asked if more incentives would be given in addition to the 10% Gross Floor Area concession in order to further encourage the construction industry to build green environment and apply Modular Integrated Construction;

- (e) Said that non-governmental organisations (“NGOs”) would require technical and funding support to retrofit / retro-commission their buildings; and
- (f) Observed that the recommendations mainly focused on new technologies and new resources. It would be more environmental-friendly and cost effective to conserve existing buildings through retrofitting and retro-commissioning building facilities as and when required.

Energy

- (a) It would be useful to know Hong Kong’s progress in developing renewable energy. Besides regional co-operation in electricity generation, hydrogen energy might also be an option; and
- (b) It was necessary to provide a clearer presentation regarding the cap on energy use.

Target

- (a) Asked if short-term targets could be set and what could be achieved in 2050; and
- (b) Cautioned that we had to prepare for resilience measures as well, in case the global decarbonisation target was not met by 2050.

Research and Technology

- (a) Suggested including “research” in Recommendation C3. A

research talent pool was necessary for developing cutting-edge technologies and providing expert advice to the Government. Conducting local research was important as this would best suit Hong Kong's need;

- (b) Suggested including “technologies” in Recommendation D3, as standards and technologies were closely related;
- (c) Pointed out that the Greater Bay Area was the research and development centre of nuclear energy in southern China, and there were already a number of operational / underplanning nuclear power plants close to Hong Kong. As nuclear energy would play a key role in decarbonisation, it would be useful for Hong Kong to actively participate in nuclear safety-related research and technology;
- (d) Opined that the government bureaux such as Development Bureau, Environment Bureau, Innovation and Technology Bureau and Transport and Housing Bureau should work together to incentivise the industry to advance their technologies. If more support such as financial incentives and land could be provided by the Government, more start-ups might emerge, and this might bring useful by-products; and
- (e) Made reference to the Canadian Government which had a clear policy on hydrogen economy. Matching fund and incentives were provided to the industries concerned. Similarly, a clear Government policy would facilitate Hong Kong industries in making appropriate planning at an early stage.

Education and Publicity

- (a) NGOs should be given support in organising activities that aimed at encouraging the general public to adopt a low-carbon lifestyle. Collaboration amongst NGOs with different expertise was desirable.

Others

- (a) The report would provide a roadmap for decarbonisation. This would facilitate the businesses in making investment decisions, and give direction to the whole society.
3. The meeting noted the following responses:
- (a) Advised that buses were also included in the recommendation to promote new energy commercial vehicles;
 - (b) Responded that the suggestion was similar to rating low-carbon zones for integrated planning and giving recognition to their achievements. Some Mainland cities already had a sustainability rating system;
 - (c) Responded that the Paris Agreement (“the Agreement”) required the signatories to evaluate their decarbonisation progress every five years, and to look for room for improvement in the light of new technologies, etc. In Hong Kong, carbon emissions mainly came from electricity generation. By 2020, natural gas would generate about half of our electricity while the share of coal in the fuel mix would drop to about 25%. Hong Kong’s decarbonisation target for 2030 could be reviewed, while the target for 2050 would have to

make reference to the SDC report;

- (d) Concurred that a clear policy direction was far more important than financial incentives. It would be good to spell out in the report the direction of environmental technology;
- (e) Shared experience on sectoral collaboration that the Environmental Campaign Committee organised matching sessions for schools, NGOs, green groups, etc. to build up their network and knowledge, and indeed some of them subsequently jointly pursued environmental projects;
- (f) Responded that different views regarding emissions trading scheme were expressed at the PE events but no clear direction or conclusion could be drawn;
- (g) Clarified that more details regarding Recommendation A1 were spelt out in the report and that the vision of advancing to net zero carbon emissions by 2050 was stated in the section “Vision and Objectives”;
- (h) Pointed out that Recommendation D1 outlined the support to decarbonise existing buildings and supplemented that existing buildings undergoing major renovation works and new buildings had to comply with the Building Energy Code under the Building Energy Efficiency Ordinance, which would be reviewed and revised by the Electrical and Mechanical Services Department regularly. As there was scope to enhance the passive design of large-scale developments, more emphasis was placed on this aspect in the report; and
- (i) Shared that the Australian Government formulated a clear policy on hydrogen instead of funding research directly. As a result, there

was an increase in investment in relevant research and development (“R&D”). Setting a clear policy direction would facilitate the businesses in making investment decisions.

4. The meeting noted that PD would incorporate Members’ comments and their proposed textual amendments into a revised draft, and submit it to the SDC.

5. The meeting recapped that China, one of the signatories of the Agreement, had pledged that it would strive to achieve carbon neutrality before 2060. As part of the country, Hong Kong should also take prompt action to reduce carbon emissions. The recommendations put forward by the SDC were good not only for the future of Hong Kong, but also for the sustainable development of China and the whole world. Based on views collected and SDC Members’ comments, PD drafted a report with 55 recommendations across eight key areas. The draft report was considered balanced, and that the recommendations were fair and constructive. PD would be invited to take Members’ views expressed at the meeting into consideration and revise the draft report for the SDC’s consideration. The finalised report could be submitted to the Government soon.

Agenda Item 2 – Any other business

6. While the SDC report focused on mitigation measures, relevant bureaux and departments had been conducting studies on adaption and resilience. All these would be taken into account in the review of Hong Kong’s Climate Action Plan.

7. To promote R&D on decarbonisation and green technologies, the Government had set up a new Green Tech Fund (“GTF”). A sum of \$200

million was allocated to set up GTF which would provide better and more focused funding support for local R&D institutes, universities, etc. to conduct research on green technologies and their applications. The first round of funding application would be launched by end of 2020.

Secretariat

Council for Sustainable Development