



# BEC SUBMISSION for the POLICY ADDRESS to be delivered in October 2017

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The Chief Executive is to deliver her first Policy Address in October 2017. BEC has made a submission to the Chief Executive at the end of August 2017 to express members' view on environmental and sustainability related policies for the Government's consideration.

Our policy recommendations are summarized below with reference to earlier Government commitments and manifesto ambitions.

For further detail on our full set of recommendations, please see our [Policy Submission](#) of August 2017.

# Overview of BEC's Policy Submission



Transition to a Low Carbon, Resilient and Competitive Economy

- **Enhance coordination** across government
- Support actions by businesses in line **with the 4Ts Charter**
- **Ensure Feed-in-Tariff rates are sufficient** to incentivise RE
- **Support existing building retrofits**, raise standards of new buildings, and introduce a smart grid.
- Support **low carbon construction**.



Enhance the Liveability of our City

- **Integrated approach to reduce emissions** from transport & logistics (e.g. tighten AQOs, incentivise E-buses, support walking & cycling)
- **Develop a roadmap for transitioning to a Smart City** with low emission vehicle types and practices.
- Further action to **reduce marine emissions** from local vessels and shipping



Circular Economy: Reduce Impacts of Waste and Optimize Use of Resources

- Establish a taskforce to carry out a study and prepare an **action plan for a circular economy**.
- **Implement key measures swiftly**: MSW charging, ensuring sorting and transportation systems.
- **Create demand for products** made from recycled materials and for reused goods



Secure Hong Kong's Longer Term Position as a Smart Sustainable City

- Embed **natural capital and carbon footprinting** approaches within decision-making.
- **Foster a culture of innovation** and trial new technologies
- **Review public procurement processes** to support innovation
- **Prioritise brownfield development**.
- Establish a fully funded **Harbourfront Authority**.



Strengthen Hong Kong's Position as a Regional Green Economic Hub

- **Enhance transparency by building TCFD guidance** into HKEx Code
- **Support investments in sustainable companies and bonds** through incentives and green MPF funds.
- **End the domestic trade in ivory** with no compensation
- Govt to **report back against UN SDGs** on a regular basis

## A. Transition to a Low Carbon, Resilient and Competitive Economy



### Manifesto and Other Commitments

- Focus on reducing global warming as well as adaptation and response
- Aim to reduce carbon intensity by 65-70% by 2030, and reduce coal fired generation
- Overall objective of Paris Agreement: to keep temperature rise below 2°C
- Enhanced co-ordination across bureau and departments
- HK Climate Action Plan: supply, demand-side, embodied carbon plus adaptation

1. Enhance co-ordination across bureaux/departments by assigning specific goals to all relevant bureau/departments, require annual reporting of action, and establish a dialogue platform for regular stakeholder involvement.
2. Support actions by businesses, including target-setting, in line with the 4Ts Charter and enhance this Charter so it is aligned with the overall objective of the Paris Agreement.
3. Reduce supply-side carbon emissions: require a feed-in tariff that incentivises RE installation on public and private sector facilities, ensure procedures straightforward and clear, keep implementation detail of renewable energy certificates under review, and optimize energy generated from waste to energy facilities.
4. Enhance energy demand-side management – the short term and the longer term transition:
  - Existing Buildings: introduce a package of measures to support existing building retrofits which includes a lower threshold for applicability of the Building Energy Code, mandatory implementation plans, finance & incentive schemes, and an energy performance rating scheme.
  - New Buildings: modification to the GFA concession; roadmap for enhanced OTTV/RTTV, removal of barriers to solar shading and other design features.
  - Smart metering systems: for commercial customers and easy to use data.
5. Adopt measures to support low carbon construction including increasing the longevity of buildings & infrastructure.

## B. Enhance the Liveability of our City



### Manifesto and Other Commitments

- Reducing air pollutants, control emissions and promote use of more environmentally friendly and energy efficient fuel technologies
- Multi-stakeholder platform for the transport sector
- Improve institutional arrangements to put more emphasis on transport - split THB

6. Take forward an integrated approach to sustainable land transport & logistics, focused on reducing air pollutants as well as carbon. To include:
  - ambitious air quality objectives,
  - work with business to develop commitments through a dialogue platform, and to address key policy issues.
  - improve public transport, including a programme for systematic expansion of bus lanes & priority junctions,
  - speed up the transition to electric single decker buses through financial incentives, a simpler permitting system for charging infrastructure, and install EV charging for buses at all transport hubs. Identify areas for e-buses and mandate their use e.g. Hong Kong – Zhuhai – Macau Bridge.
  - support biodiesel from waste cooking oil through procurement, pricing, and ease of availability.
  - encourage walking: safe, sheltered, appealing, with choices as to ground level or otherwise.
  - support commuter cycling and explore reduced regulation of electric bicycles.
  - review FRT to ensure closer relation between emissions and taxes paid, and consider introduction of a scrappage scheme.
  - take forward the ERP pilot, seeking to address the issues that may arise for businesses.
7. Develop a Roadmap for a Smart City with low emission vehicle types and practices, with short term measures as well as a longer term plan.
8. Develop a plan to reduce further emissions from shipping and local vessels for both air quality and climate purposes:
  - explore next steps to reduce shipping emissions e.g. NOx and particulates, as well as low Sulphur fuel.
  - take action to reduce emissions from local vessels such as ferries and river boats, considering amongst other options an ex gratia payment scheme for cleaner engines.

## C. Circular Economy: Reduce Impacts of Waste and Optimise Use of Resources



### Manifesto and Other Commitments

- Reduce waste by 40% in 10 years. Plus Blueprint: 40% reduction 2013-2022
- Reduce food waste – as it is 30% of solid waste. Introduce Food Wise
- Introduce MSW charging

Note:

- Currently substantial landfilling of material that carries a value if separated and collected eg construction waste and tyres, at a huge cost in terms of HK's landscape
- Mainland China restricting imported waste materials e.g. plastics unless in raw material form

9. Establish a Circular Economy Taskforce with representatives from businesses, business organisations, academia and Government, to carry out a circular economy Study and formulate an Action Plan to create and close the loop for key waste streams, as well as advise on how existing Government funds could be applied for these purposes.

10. Swiftly put in place the foundations for a circular economy:
  - introduce MSW charging without delay and at an effective level;
  - ensure sufficient sorting facilities and efficient waste collection and transportation systems (in particular for organic waste); and
  - remove unnecessary regulatory barriers.
  - address packaging waste, begin with developing a best practice guideline, and then to consider the range of policy options.
  - ensure sufficient funding to support businesses performing different functions in the circular economy
11. Create demand for products made from recycled materials and for re-use of goods, by defining green products, using and promoting green procurement standards and labels, accrediting green products, and introducing price incentives e.g. for biodiesel.

## **D. Secure Hong Kong's Longer Term Position as a Smart and Sustainable City**



### **Manifesto and Other Commitments**

- Examine implementation of Smart City Development Blueprint, and development of HK into a liveable smart city
- Note public expectations of a liveable city which includes space for housing as well as green countryside, a sustainable environment, and a beautiful harbour
- Take a macro view of our land supply options, with the help of a dedicated taskforce

12. Refine processes for evaluation of projects and consideration of options with regard to the social, economic and environmental implications, using natural capital, ecosystem services and carbon footprinting approaches.
13. Foster a culture of innovation and seek to cultivate human capital and business expertise in line with an outward looking business-related vision of a "green, resilient and sustainable city", by piloting and trialing new approaches.
14. Review public procurement procedures to support innovation and choice of the best option: ensure sufficient time for detailed bids, make specifications more outcome-based, and hold more pre-procurement discussions to explore alternatives.
15. Prioritize brownfield land for development, ensure clear criteria for zoning and designation of protected land, as well as develop policies, for example on the use of land swaps to protect land of high ecological, leisure or landscape value.
16. Make the most of Hong Kong's urban spaces including the harbourfront – put in place a fully funded Harbourfront Authority without delay and encourage actions to enhance Hong Kong's urban green spaces and potential spaces, for instance along our waterways.

## E. Strengthen Hong Kong's Position as a Regional Green Economic Hub: responsible investment practices and robust corporate ESG reporting and practice



### Manifesto and Other Commitments

- To encourage the financial sector to participate in green finance
- Promote sustainable economic development, identify opportunities for green finance, and promote HK's advantages as a capital market strengthened to develop HK into a pioneer of green finance

17. Enhance Environmental, Social and Governance reporting by building on HKEx "comply or explain" guidelines having regard to:
  - recommendations of the Taskforce on Climate-related Financial Disclosures,
  - the importance of good governance to ensure accurate reporting,
  - benefits of standardizing carbon emission metrics within sectors,
  - to make good reporting less administratively burdensome, review the Carbon Repository, and retire if cannot be satisfactorily enhanced.
18. Support investment in sustainable companies and investment products such as green bonds through capacity building, high standards as to green investment products, incentives, as well as requiring green MPF funds.
19. Take forward the Ivory Bill to ban the domestic trade in ivory, without providing compensation.
20. Government to report back, on a regular basis, having regard to the United Nations' Sustainable Development Goals ("UN SDGs"), supporting momentum on the part of businesses on this front.

Read the Full Policy Submission [Here](#)

### About Business Environment Council Limited 商界環保協會有限公司

Business Environment Council Limited ("BEC") is an independent, charitable membership organisation, established by the business sector in Hong Kong. Since its establishment in 1992, BEC has been at the forefront of promoting environmental excellence by advocating the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution and improve corporate environmental and social responsibility. BEC offers sustainable solutions and professional services covering advisory, research, assessment, training and award programs for government, business and the community, thus enabling environmental protection and contributing to the transition to a low carbon economy.

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