

## BEC: Summary Policy Submission to inform the October 2017 Policy Address

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.

### 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 2C.
- 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 & 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 & 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.