



The Hon. Carrie Lam Cheng Yuet-ngor, GBM, GBS

Chief Executive

Hong Kong Special Administrative Region

Tamar, Hong Kong

Dear Chief Executive,

Submission on the 2020 Policy Address Public Consultation

Since 1983, Friends of the Earth (HK) ("FoE (HK)") has led the environmental dialogue by engaging government, business and community with equitable solutions to protect our local and regional environment. With the vision to promote a healthy and sustainable environment for all, we are pleased to enclose our submission on the Government's 2020 Policy Address.

Due to the COVID-19 pandemic, the world has come to standstill. Progress on environmental policies have slowed, but neither climate change, waste, nor air pollution will not wait for the city to recover. It is important for Hong Kong to pick itself back up and tackle these looming environmental crises. Our submission is as attached and makes overarching recommendations on the aspect of public spending, city planning, research and development, and green finance.

We welcome the opportunity to continue working closely with all government bureaux and departments. If there are any queries on the submission, please contact me at jeffreyhung@foe.org.hk.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Hung".

Dr Jeffrey Hung

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Contents

Introduction	3
Environmental Crises for Hong Kong	3
Climate Change Crisis	3
Waste Crisis	4
Air Pollution Crisis	5
Solutions	5
Public Spending and Taxation	5
City Planning	7
Research and Development.....	9
Green Finance	10



Introduction

Progress on environmental policies has halted in part due to COVID-19. However, neither climate change, waste problem, nor air pollution will wait for us to recover. These environmental crises will continue to impact the liveability of Hong Kong.

Hong Kong government is falling behind on many environmental policies:

- Fossil fuel divestment
- Carbon pricing
- Electronic road pricing
- Municipal solid waste charging
- Producer responsibility scheme on plastic containers and packaging waste
- Ban the use of disposable plastic tableware
- Mandatory recovery and recycling of food waste
- Phase out of internal combustion engine vehicles
- Capping private car ownership

We hope Hong Kong can reach zero carbon and zero waste by 2050. COVID-19 does not need to be just a setback; this can become the perfect opportunity to stimulate investment, create new employment, and transition towards a more sustainable Hong Kong. Green finance and green stimulus can be major drivers in achieving this vision. The Government must not plan the city's recovery to simply be returning to "business-as-usual" but should grasp the chance to change for the better.

Environmental Crises for Hong Kong

Climate Change Crisis

Global warming continues to worsen with anthropogenic climate change. Extreme heat, sea level rise, biodiversity loss, and more—the threat of runaway global warming is already well-recognised by international communities and even local authorities.^{1,2} 2019 was the hottest year recorded in Hong Kong,³ and July 2020 broke the record on having both the highest number

¹ [IPCC, Special Report – Global Warming of 1.5°C](#)

² [ENB, Hong Kong's Climate Action Plan 2030+](#)

³ [GovHK, 2019 warmest year on record](#)

of very hot days and hot nights in a month.⁴ Even though there is less than a decade to avert this impending crisis, local progress has been lethargic.

The public engagement on the Long-term Decarbonisation Strategy was carried out last year, yet there has been no updates thus far. Short of any groundbreaking changes, we expect the Government to continue mistakenly increase the ratio of natural gas for the city's fuel mix—despite studies continuously showing that the carbon offset from natural gas is much less than advertised due to leakages in the extraction process.⁵ Government-led renewable energy projects have also been small and piecemeal.

There is more to just decarbonising the energy supply. Building operations account for 90% of Hong Kong's electricity demand, and embodied carbon in building materials such as steel and concrete contribute a significant portion to carbon emissions.⁶ The city needs to have plans and measures in place to adapt to the inevitable warming climate.

Waste Crisis

Far from meeting the waste disposal target set in the *Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022*, municipal solid waste disposal rates has only continued to rise over the past decade to 1.53 kg per capita.⁷ The growing volume of waste resulting from COVID-19 and the surge in the use of non-recyclable items such as surgical masks, sanitising wipes, and clinical waste has only compounded to the issue. Recovery rate of recyclables—outside of metals and in the past, paper—has been poor, and most recovered waste is exported to the Mainland and elsewhere for recycling. With the Chinese Government set to close their borders on all solid waste imports next year, Hong Kong has to develop its own circular economy.

As such, it has been disappointing to learn that the Bills Committee on Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 (Amendment Bill) has discontinued scrutiny work on the bill.⁸ The planned pilot scheme to install reverse-vending machines to collect plastic beverage containers is welcomed but insufficient in tackling rampant plastic waste, which has

⁴ [GovHK, July hottest on record](#)

⁵ [Hmiel et al., Preindustrial \$^{14}\text{CH}_4\$ indicates greater anthropogenic fossil \$\text{CH}_4\$ emissions](#)

⁶ [Langston et al., Embodied Carbon and Construction Cost Differences between Hong Kong and Melbourne Buildings](#)

⁷ [EPD, Monitoring of Solid Waste in Hong Kong: Waste Statistics in 2018](#)

⁸ [Legislative Council, LC Paper No. CB\(1\)849/19-20](#)



risen due to the use of disposable plastics during the ongoing pandemic.⁹

Air Pollution Crisis

Poor air quality has severe health, societal, and economic implications. In addition to directly causing cardiorespiratory diseases,¹⁰ air pollution is linked to poorer performance,¹¹ poorer mental health,¹² and increased health expenditures.¹³ Although the concentration of some pollutants have substantially reduced over the past few years, the levels of roadside air pollutants consistently exceed the Air Quality Objectives (AQOs) adopted by the Government.¹⁴

While welcomed, the planned electric vehicle (EV) roadmap to electrify the transport network will not address poor air quality in Hong Kong by itself. Past measures to reduce vehicular emissions have been offset by the growing number of private cars. COVID-19 has demonstrably shown that when there are fewer vehicles on the road, air quality improves.¹⁵

Solutions

Public Spending and Taxation

There are several tools authorities can employ to these crises, including public spending and taxation.

Green Stimulus

The Government should consider green stimulus measures and support tools—such as mandating the adoption of low-carbon policies and prioritising green sectors—to enhance environmental quality, climate mitigation, public health protection and economical resilience.^{16 , 17} Subsidies should be provided on the basis of realising UN Sustainable

⁹ [SCMP, Hong Kong cleaners, green groups despair as pandemic trash piles up with disposable plastic, sanitiser bottles, masks everywhere](#)

¹⁰ [Zhao et al., Association between air pollution and cardiovascular mortality in China: a systematic review and meta-analysis](#)

¹¹ [Mohai et al. Air Pollution Around Schools Is Linked To Poorer Student Health And Academic Performance](#)

¹² [Peeples L., News Feature: How air pollution threatens brain health](#)

¹³ [Shen et al., Non-linear increase of respiratory diseases and their costs under severe air pollution](#)

¹⁴ [EPD, Air Quality in Hong Kong 2019 Statistical Summary](#)

¹⁵ [The Conservation, Coronavirus: lockdown's effect on air pollution provides rare glimpse of low-carbon future](#)

¹⁶ [International Institute for Sustainable Development, Green Strings: Principles and conditions for a green recovery from COVID-19 in Canada](#)

¹⁷ [UN Environment, Learning for a green recovery](#)

Development Goals.

Suggested environmental performance targets for stimulus

- ◆ Building sector: Develop a target for construction waste reuse and reduction
- ◆ Financial sector: Adopt ESG strategies into investment decisions
- ◆ Food and beverage sector: Set targets for packaging waste recovery and disposable waste reduction
- ◆ Property management sector: Develop targets for energy use reduction, renewable energy use, and waste recycling
- ◆ Retail sector: Set a reduction target for packaging waste and a recovery target for plastics (supermarkets) and e-waste (consumer electronics retail)
- ◆ Transport sector: Develop a decarbonisation target and pledge to switch to low-carbon fuels

Fossil Fuel Divestment

We recommend the Government should drop plans for expanding on natural gas; they should divest from fossil fuels and invest in viable renewable energy sources like that of the United Kingdom and Denmark.¹⁸

Carbon Pricing

Carbon pricing should be implemented to address market failures and facilitate low-carbon solutions.¹⁹ Despite the low carbon price, the European Union Emission Trading System has reduced the bloc's emission by 3.8%.²⁰ A greater budget should be allocated into strengthening flood and coastal resilience and integrating sponge city design into Hong Kong to better defend the coastal city against sea level rise and extreme weather events.²¹

¹⁸ [Drax Group, Energy Revolution: A Global Outlook](#)

¹⁹ [Fang C. C., Carbon Pricing: Correcting Climate Change's Market Failure](#)

²⁰ [Bayer P. & Aklin M., The European Union Emissions Trading System reduced CO2 emissions despite low prices](#)

²¹ [Chan et al., "Sponge City" in China—A breakthrough of planning and flood risk management in the urban](#)



Municipal Solid Waste Charging

The Government should re-introduce and implement the municipal solid waste charging (MSW) scheme as soon as possible. MSW charging is an important ingredient to the holistic waste management strategy to meet the Government's waste reduction target.

Producer Responsibility Scheme

Work should be hastened to implement producer responsibilities schemes on disposable plastic items and all packaging materials to encourage better designs and recyclability. Since 2018, almost 30 countries have banned the use or production of plastic products and materials.²²

Electronic Road Pricing

The EV roadmap is recommended to be paired with financial disincentives to reduce the contribution of private cars to traffic congestion. For example, the electronic road pricing, which has been explored as far back as 1985 in Hong Kong and has since been carried out successfully in many cities like Singapore and London,²³ should be implemented on busy roads to encourage motorists to adopt more sustainable modes of transport.

Green Workforce

Further to technological and infrastructure spending, the Government should allocate budget into nurturing green talents and retraining the workforce in preparation of the green transition. In the European Union, Spain and Estonia for instance have created new diplomas and updated curriculums to include skills required for 'green' jobs.²⁴

City Planning

We encourage the Government adopt the following recommendations into their urban planning policies and strategies. Policy objectives—not just for environmental policies but others as well—need to be set with environmental protection and climate mitigation as the overarching goal; economic development should not override environmental considerations.

context

²² [UN Environment, Legal Limits on Single-Use Plastics and Microplastics](#)

²³ [Anas A. & Lindsey R., Reducing Urban Road Transportation Externalities: Road Pricing in Theory and in Practice](#)

²⁴ [CEDEFOP, Skills for green jobs: 2018 update](#)



Long-term Decarbonisation Target

The Government needs to set the development of Hong Kong's Long-term Decarbonisation Strategy as a priority; ambitious decarbonisation targets should be set that is in line with recommendations from the Intergovernmental Panel on Climate Change (IPCC)—which calls for a 45% carbon reduction by 2030 and carbon neutrality by 2050 to meet 1.5°C target.²⁵

Urban Planning Design

New town planning and urban renewal should integrate the decarbonisation strategy and climate adaptation into their design. For example, reinforce the coastal infrastructure to prevent flooding. Metrics such as Berlin's Biotope Area Factor and Singapore's green plot ratio should be integrated into urban planning design to enhance urban forestry in the city.^{26,27}

Buildings Lifecycle Assessment

Lifecycle assessments should be developed and mandated for new builds and renovations to reduce the use of carbon-intense building materials and embodied carbon²⁸.

Climate Emergency Response Office

We further recommend the Government to set up an office dedicated to climate adaptation and create action plans for climate emergencies; Los Angeles became the first city to establish a climate emergency mobilisation office in 2019.²⁹

Phase Out Fossil Fuel Vehicles:

On tackling Hong Kong's air quality, we urge the Government to tighten the AQOs to meet the World Health Organisation's air quality guidelines.³⁰ Hong Kong should join the growing number of countries and cities in targeting to phase out fossil fuel vehicles by 2050, if not earlier.^{31,32}

Walkability and Cyclability

We recommend more effort should be devoted to enabling and promoting sustainable modes of

²⁵ [IPCC, Special Report – Global Warming of 1.5°C](#)

²⁶ [Peroni et al., Biotope Area Factor: An Ecological Urban Index to Geovisualize Soil Sealing in Padua, Italy](#)

²⁷ [Ong B. L., Green plot ratio: An ecological measure for architecture and urban planning](#)

²⁸ [European Commission: Model for Life Cycle Assessment \(LCA\) of buildings](#)

²⁹ [Al Jazeera, LA forms first-ever climate emergency mobilisation office](#)

³⁰ [WHO, Air quality guidelines – global update 2005](#)

³¹ [IEA, Global EV Outlook 2020: Entering the decade of electric drive?](#)

³² [ICCT, The end of the road? An overview of combustionengine car phase-out announcements across Europe](#)



transportation; in Montreal, more and more streets have undergone pedestrianisation and are integrated into the city's network of car-free streets;³³ and in Copenhagen, authorities have installed cycling infrastructures, such as highways dedicated for cyclists, making the city the most bicycle-friendly city in the world.³⁴ Beyond local measures, the Government should enhance collaboration to improve air quality within the Pearl River Delta region.

Research and Development

In line with the Government's desire to transform Hong Kong into an international innovation and technology hub, there are various avenues we feel worth pursuing.

Regional Collaboration

The Government should consider cooperating with regional authorities to develop cross-border power transmission like that of the ASEAN region and strive for a higher renewable energy target.³⁵

Technology Development

Studying the enabling technologies, such as hydrogen fuels, to support renewable energy should be considered.³⁶ Further to decarbonising the energy supply, we recommend research into carbon removal technologies as well—whether it is carbon capture and storage, carbon mineralisation or others.

Climate Change Adaptation

Some extent of climate change is expected even if the world adopts the most progressive actions. The Government should allocate budget in promoting technological development and building capacity to climate change adaptation. For example, exploring and expanding alternative water supply options (rainwater harvesting, wastewater reclamation, etc.) to enhance Hong Kong's water security and reduce the vulnerability of Dongjiang water.³⁷

Environmental and Public Health Research

The Government should devote more resources into public health research to identify the linkage

³³ [City of Montreal, COVID-19: The City of Montreal will offer the Safe Active Paths circuit this summer \(French\)](#)

³⁴ [Eltis, Copenhagen's cycling strategy](#)

³⁵ [National Renewable Energy Laboratory, Cross-Border Power Trade to Support Resilience](#)

³⁶ [IRENA, Enabling Technologies: Innovation Landscape](#)

³⁷ [OECD, Alternative Ways of Providing Water](#)



of the aggregated impact of environmental hazards such as air pollution, waste pollution and climate change on public health risk. For example, the long term environmental and public health impact arising from the wider use of cleaning agents and disposable items during the pandemic outbreak.

Certification and Quality Control

The Consumer Council should upgrade its environmental testing standard on green product, green packaging and health product accreditation. Consumer awareness is the foundation of sustainable consumption. Consumer Council should help to develop carbon and water footprint certification and labelling for products to facilitate low carbon lifestyle.

Green Finance

Given the interruption from COVID-19, there has been very little progress on green finance. The Government should take reference to our recommendations from the previous submission.³⁸ To summarise a few, we recommend the Government to follow the over 1,200 institutions representing more than US\$14 trillion of asset globally in committing to divest from fossil fuels.³⁹

Training and Education

In July 2020, Friends of the Earth (HK) joined hands with the European Federation of Finance Analyst Societies (EFFAS) to launch Hong Kong's "first" Certified ESG Analyst (CESGA) programme to provide necessary training for the efficient valuation, measurement and integration of ESG issues into investment analysis.⁴⁰ The Government should budget for green finance training and education to develop human capital in the green finance ecosystem.

Regional Green Finance Hub

While the city has dropped from the third to the sixth leading financial centres globally,⁴¹ Hong Kong should take advantage of the Greater Bay Area development and the Belt and Road initiative to facilitate green bond issuance and ultimately transform itself into the regional leader on green finance. The Government should task the Financial Secretary Office to fully adopt the *Hong Kong – Developing into the Global ESG Investment Hub of Asia* paper by the Financial Services

³⁸ [FoE \(HK\), Green Finance Policy Address: Catching up with the World](#)

³⁹ [Fossil Free, Divestment – Divestment Commitments](#)

⁴⁰ [FoE \(HK\), Friends of the Earth \(HK\) to Launch the First ESG Professional Accreditation in Hong Kong](#)

⁴¹ [Long Finance, The Global Financial Centres Index 27](#)



Development Council.⁴²

ESG Strategy

Given the wide support and numerous benefits identified in their consultation,⁴³ the Securities and Futures Commission should strengthen investor engagement by upgrading the *Principles of Responsible Ownership* from purely voluntary to “comply or explain”. The Investor and Financial Education Council (IFEC) could scale up the education on ESG and socially responsible investing. Finally, the Hong Kong Monetary Authority should improve the disclosures of the ESG requirements for external investment managers.

⁴² [FSDC, Hong Kong – Developing into the Global ESG Investment Hub of Asia](#)

⁴³ [SFC, Consultation Conclusions on the Principles of Responsible Ownership](#)