

File Ref. PLB(P)50/06/102Pt.22

LEGISLATIVE COUNCIL BRIEF
PANEL ON ENVIRONMENTAL AFFAIRS
AND
PANEL ON PLANNING, LANDS AND WORKS
SUSTAINABLE DEVELOPMENT
FOR THE 21st CENTURY

PURPOSE

This paper informs Members of the findings of the Study on Sustainable Development for the 21st Century and seeks Members' views on the way forward.

BACKGROUND

2. The Provisional Legislative Council was briefed on the Study on Sustainable Development for the 21st Century (SUSDEV 21) and consulted on the formulation of a definition of sustainability in the Hong Kong context in April 1998. In his 1999 Policy Address, the Chief Executive announced the intention to establish a Sustainable Development Unit (SDU) to monitor the impact of major new policy proposals and provide analysis and support to a proposed Council for Sustainable Development (CSD). The Government has also earmarked \$100 million to support community initiatives on sustainable development.

3. Between October 1999 and January 2000, a second stage of public consultation was carried out, designed to further increase public awareness of the issues, to seek views on a range of indicators that had been proposed to use in assessment and monitoring, to confirm the values of different groups in the community, and to obtain comments on the proposed institutional arrangements. The joint LegCo Panels on Planning, Lands & Works and Environmental Affairs were consulted again in December 1999 and January 2000.

Findings of SUSDEV 21

4. In order to provide a basis for measuring Hong Kong's current performance and assessing the effects of new policy proposals, the SUSDEV 21 study carried out two baseline studies. The **socio-economic** study has revealed that while Hong Kong is performing well in areas such as health, energy efficiency and transport infrastructure provision, it does not compare well with other developed economies in terms of educational attainment, adequacy of housing and provision of open space. It was also noted that Hong Kong ranked 25th on the United Nations Development Programme Human Development Index, comparable to other financial services centers such as Switzerland and Luxembourg, and second only to Japan in Asia.

5. The conclusions of the **environmental baseline** study are that the integrated nature of the different elements in the stock of environmental capital is not being fully addressed in government planning, and that current levels of pollution are putting significant stress on the capacity of the environment today and on the ability of society to achieve environmental improvements in future. Conservation, transport and energy policies were identified as being in greatest need of development into comprehensive programmes that fully address current pressures on natural capital stock.

6. At Annex A is the Executive Summary of the SUSDEV 21 study report.

7. The study has recommended the adoption of a **structured discipline** by all Government bureaux and departments to consider the environmental, social and economic implications of new policy proposals and programmes. The baseline data and the various sustainability indicators developed during the SUSDEV 21 study have been assembled in a sustainability assessment tool. The tool has been designed to help share information between different bureaux and departments, and to encourage a cross-sectoral, team based approach to planning. The indicators are proposed for regular reviews so that these may be revised or brought up-to-date as conditions change over time.

8. The study revealed that most people prefer to discuss concrete proposals for action rather than concepts about measurement and systems. Many groups asked for a strategy for sustainable development. It is clear that extensive discussion is still needed to establish agreed assumptions about what sustainable development is for this city, the parameters or an agenda for possible consideration of a strategy for Hong Kong, and what needs to be done to adapt the process of development into a more sustainable path. Such

discussion is only likely to take place constructively around specific policy proposals.

The Way Forward

9. The Government intends to proceed by setting up a SDU to:
 - (i) ensure the integration of sustainable development principles into the Government's major policy initiatives and programmes by instituting a system of sustainability impact assessments;
 - (ii) examine thoroughly overseas experiences in promoting sustainable development and consider carefully the relationship between the CSD and other relevant statutory and advisory bodies;
 - (iii) provide support to the CSD to be appointed by the Government and work with it to facilitate a concerted effort by the community to put sustainable development into practice; and
 - (iv) maintain the momentum of community discussions and education programmes started by the SUSDEV 21 study.

10. We propose that the SDU should be established under the Administration Wing of the Chief Secretary for Administration's Office by April 2001.

11. To ensure that sustainability issues are given early consideration in the decision-making process, bureaux and departments will be required to include in their submissions to the Chief Secretary's Committee (CSC) or the Executive Council, as the case may be, a statement on the sustainability evaluation. The SDU will help monitor bureaux's and departments' sustainability impact assessments and interpret their evaluation reports.

12. While our general objective is to encourage wide application of sustainability assessments by bureaux and departments, presentation of an evaluation report would be mandatory for the strategic initiatives or major programmes which, as a general guideline, would likely bring about noticeable or prolonged implications to our economic, social and/or environmental conditions on a territory wide scale. Possible examples include the

comprehensive transport studies, regional or sub-regional planning studies, new strategies for energy and conservation, etc.

13. The SDU will coordinate training courses and provide technical support to facilitate bureaux's and departments' application of the evaluation tool devised under the SUSDEV 21 study. Subject to the establishment of the SDU by April 2001, full implementation of the system of sustainability impact assessments is expected before the end of 2001.

14. It should be noted that the proposed sustainability evaluations will not replace the need for more detailed technical assessments, such as financial return analysis, engineering feasibility and environmental impact assessment studies. A sustainability evaluation is to make use of a strategic planning tool to help identify and manage cross-sectoral issues at an early stage. The 'due diligence' of financial, engineering and environmental studies is still essential before specific projects are carried out.

STAFFING AND FINANCIAL IMPLICATIONS

15. We will provide resources for the SDU to create 24 posts at a net staff cost of \$23.6 million. We will also provide an additional \$4.8 million each year for the SDU to meet its operating expenses. We consider the above provision generally adequate though we have yet to finalise the exact staffing requirement and operating expenses for the Unit. Should there be any additional resources requirement arising from the proposal, we will secure it in the normal way.

ENVIRONMENTAL IMPLICATIONS

16. There are no direct or adverse environmental implications arising from these proposals. Integration of the concept of sustainable development by the Government and the community should be conducive to conserving the environment in the long term.

PUBLIC CONSULTATION

17. Extensive consultation with stakeholder groups and members of the general public had been conducted throughout the entire study process. In particular, two formal consultation exercises were launched, the first

between April and June 1998 and the second from October 1999 to January 2000. A common objective for both exercises was to raise public awareness of the importance of sustainable development. In addition, the second exercise also consulted stakeholder groups on the key recommendations. The comments received during the second consultation exercise together with the consultants' responses have been consolidated in a Report on Public Consultation at Annex B.

18. We will explain our plan and consult the LegCo Establishment Sub-Committee and Finance Committee with a view to setting up the SDU by April 2001. The Unit will work out an implementation programme to ensure early and effective integration of sustainable development into the Government's policy formulation and decision-making process, administer the disbursement of some \$100 million earmarked for community initiatives and education programmes, study overseas arrangements and experiences relating to the proposed CSD, and provide analysis and support to the CSD upon its operation.

Planning and Lands Bureau
February 2001