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Panel on Environmental Affairs

Meeting on 30 March 2009

Updated background brief on nature conservation (Position as at 24 March 2009)

Purpose

This paper sets out the development of the New Nature Conservation Policy, and gives a brief account of the views and concerns expressed by meetings of the Council and the Panel on Environmental Affairs (the Panel).

Background

2. To protect Hong Kong's beautiful natural environment against competing demands for land to meet economic and social needs, the Administration has put in place a nature conservation policy and adopted various measures, including –

- (a) the establishment of country parks and special areas for management by the Agriculture, Fisheries and Conservation Department under the Country Parks Ordinance;
- (b) the designation of conservation zonings, including Site of Special Scientific Interest, Conservation Area and Coastal Protection Area, on town plans made under the Town Planning Ordinance to protect the sites from development threats and incompatible land uses;
- (c) the establishment of restricted areas under the Wild Animals Protection Ordinance to control access to important wildlife habitats;
- (d) the implementation of the Environmental Impact Assessment Ordinance under which proponents of designated projects are required to avoid causing adverse environmental impact or, where avoidance is not practicable, to mitigate the impact to an acceptable level;

- (e) the implementation of conservation plans for important habitats (e.g. wetlands at Mai Po and Inner Deep Bay) and species (e.g. the Chinese White Dolphin and Black-faced Spoonbill); and
- (f) public education and publicity to enhance public awareness of our valuable natural environment and the importance of protecting it.

Review of nature conservation policy

3. Notwithstanding the measures referred to in the preceding paragraph, there have been debates from time to time on whether a particular site really deserves conservation, particularly when there are plans to develop the site. There are also criticisms about the limitations of the existing nature conservation policy and measures in conserving ecologically important sites that fall under private ownership. In this connection, the Government conducted a review of the existing policy and measures with a view to identifying areas for further improvement.

4. The review revealed that through the designation of country parks, special areas and conservation zonings on town plan, about 48 200 hectares, or 43% of the total land area of Hong Kong, are now put under protection in one form or another. While this “protected areas” system has helped to maintain the integrity of many important natural habitats and preserving the biodiversity in Hong Kong, the existing conservation measures are not without limitations. In particular, Hong Kong lacks a system for evaluating the ecological value of individual sites in an objective and systematic manner. This may lead to debates on whether and what sort of nature conservation efforts and priority for action should be accorded to individual sites. These debates may in turn affect planning of development projects. Besides, the existing conservation measures are not fully effective in protecting sites of high ecological importance that fall under private ownership from incompatible human activities such as change of agricultural practices.

5. In July 2003, the Administration issued the Consultation Document on Review of Conservation Policy to seek public views on –

- (a) the introduction of a scoring system for assessing, in a more objective and systematic manner, the relative ecological importance of sites with the objective of reaching a consensus within the community on the priority sites for enhanced conservation; and
- (b) practicable ways to better conserve ecologically important sites that are under private ownership within limited resources. Two possible options, including management agreements with landowners (MA)^{Note1} and private-public partnership (PPP)^{Note2}, were identified for further examination.

^{Note1} Under this new measure, non-governmental organizations (NGOs) may apply for funding from the Government for entering into management agreements with the landowners. NGOs will provide landowners with financial incentives in exchange for management rights over their land or their co-operation in enhancing conservation of the sites concerned. For example, NGOs may employ a landowner to implement measures to enhance the ecological value of his land or NGOs may jointly organize revenue-generating activities such as eco-tours with landowners and share the income with them on the condition

The consultation period expired on 18 October 2003.

6. The Panel held two meetings on 17 and 22 July 2003 to discuss the consultation paper. Noting that the Administration had in mind some 20 sites to be protected, members questioned the need for the scoring system. They also expressed concern that owners whose land had a diminished development potential due to its ecological importance might rush to apply for change of land use prior to the introduction of the proposed scoring system, or even destroy the ecological value of the sites in an attempt to reduce the score so that they could set aside the land to await the revival of the property market. To prevent landowners to resort to such extreme actions, legislation might need to be introduced so that approval for development would not be given to landowners even after they had destroyed the ecological value of their land. Members further queried the propriety of promoting eco-tourism as “eco” and “tourism” were incompatible with each other. Once a site of ecological importance was frequented by tourists, the habitat would be destroyed and the ecological value would diminish.

New Nature Conservation Policy

7. In November 2004, the Administration announced the New Conservation Policy and implementation programme. It had also revised the conservation policy statement to –

“Our nature conservation policy is to regulate, protect and manage natural resources that are important for the conservation of biological diversity of Hong Kong in a sustainable manner, taking into account social and economic considerations, for the benefit and enjoyment of the present and future generations of the community. The policy objectives are –

- (a) to identify and monitor the important components of biological diversity;
- (b) to identify, designate and manage a representative system of protected areas for the conservation of biological diversity;
- (c) to promote the protection of ecosystems and important habitats, and the maintenance of viable populations of species in natural surroundings;
- (d) to identify, monitor and assess activities that may have adverse impacts on biological diversity and to mitigate such impacts;

that the ecological value of the land will be conserved or enhanced.

Note2 Under this new measure, developments at an agreed scale will be allowed at the less ecologically sensitive portion of a site provided that the developer undertakes to conserve and manage the rest of the site that is ecologically more sensitive on a long-term basis. In order to provide potential proponents with the required flexibility, proposals involving non in-situ land exchange for development with full justifications may also be considered, but they have to be examined and approved by the Executive Council on a case-by-case basis.

- (e) to rehabilitate degraded ecosystems and promote the recovery of threatened species where practicable;
- (f) to promote the protection and sustainable use of natural resources that are important for the conservation of biological diversity;
- (g) to provide opportunities for people to appreciate the natural environment;
- (h) to promote public awareness of nature conservation;
- (i) to collaborate with the private sector, including the business community, non-governmental organizations and the academia to promote nature conservation, and to conduct research and surveys as well as to manage ecologically important sites for such purpose; and
- (j) to co-operate with participate in regional and international efforts in nature conservation.”

8. In light of the divergent views on the proposed scoring system collected during the public consultation, the Administration convened an Expert Group involving prominent ecological experts and major green groups to discuss and revise the scoring system solely based on ecological principles. The revised scoring system is in **Appendix I**. According to the Administration, the scoring system is not designed to measure the absolute ecological value of a site. It is drawn up for assessing the relative ecological importance of sites that cannot be protected effectively under the existing system so as to facilitate the allocation of the Government’s limited resources to the most deserving sites. Based on the scoring system, the Expert Group worked out the list of priority sites for enhanced conservation in **Appendix II**.

Management Agreements

9. With grants of \$4.62 million from the Environment and Conservation Fund (ECF), three pilot MA projects at Fung Yuen and Long Valley were launched in end 2005. A brief description of these projects is given in **Appendix III**. Following the review of MA in May 2007, it is suggested that the MA Scheme is effective in enhancing the conservation value of the sites in view of the increase in the numbers and diversity of birds as well as the increase in diversity of butterfly habitats. Given the merits, ECF approved funds for these projects to be continued for another two years. So far, more than 13 hectares of land is under active conservation in the Scheme.

Public-private Partnership

10. A total of six applications, involving land located at Sha Lo Tung, Tai Ho, Mui Tsz Lam & Mau Ping, Wu Kau Tang, Tung Shue O and Tin Fook Wai, have been received. However, the proponent of the Tin Fook Wai has subsequently withdrawn

its application. An inter-departmental Task Force (Task Force), comprising representatives from the Environmental Protection Department, Agriculture, Fisheries and Conservation Department, Lands Department and Planning Department, has been set up to examine the applications in accordance with the vetting criteria set out in the Guide to Application. The Task Force's assessment of the five applications is in **Appendix IV**. The applications and the Task Force's assessment were discussed by the Advisory Council on the Environment (ACE) on 14 April 2008. It was recommended that the Sha Lo Tung project should be supported from a nature conservation angle, but certain implementation issues would need to be addressed before the proposal could be taken forward. While the Tai Ho project was worthy of support, it was not ready to be taken forward in its present form in view of the many problems, such as the relatively low percentage of landholdings by the proponent and the potentially complicated land related issues. The Mui Tsz Lam & Mau Ping, Wu Kau Tang and Yung Shue O projects should not be recommended..

Enhancement of existing conservation measures

11. In addition to MA and PPP, continuous efforts have been made to pursue the existing conservation tools, including designation of country parks, special areas, marine parks, marine reserves and conservation zonings, as well as implementation of conservation plans for important habitats and species.

12. Questions on the New Nature Conservation Policy were raised at the Council meetings on 2 March 2005, 22 November 2006 and 10 January 2007. A motion was also passed at the Council meeting on 15 June 2005. The relevant information is hyperlinked below for ease of reference.

13. The progress of implementation of the New Conservation Policy was discussed at the Panel meetings on 24 October 2005 and 28 April 2008. While acknowledging the good progress of the three MA pilot projects, members were disappointed that the Administration had not been proactive in pursuing PPP for the 12 priority sites. Despite that the 12 priority sites only comprised about 10% of land in Hong Kong, they were rich in biodiversity. However, the Administration had not done enough to protect these sites, particularly in view of the rampant problem of land filling activities in private land in the New Territories. To resolve the conflict between nature conservation and development rights of private landowners, the Administration should consider compensating landowners for their loss of development rights through measures, such as in-situ and non in-situ land exchange for development to encourage more PPP applications.

14. As regards the Sha Lo Tung project, some members held the view that this should be proceeded with as soon as possible in an exemplary manner in order to demonstrate the viability of PPP projects. Other members however emphasized the need to ensure sustainability and compatibility of the operation of the project with the overall nature conservation policy. According to the Administration, the project proponent had agreed to make public its environmental impact assessment (EIA) study and submit it to ACE for consideration. Robust and legally binding measures would be formulated to ensure the continuing compliance of any pledged measures on environmental and nature conservation by the proponent. Any applications for

re-zoning in association with the Sha Lo Tung project would be submitted to the Town Planning Board, which would take into account ACE's recommendations on the EIA study. At members' request, the Administration undertook to report the progress of Sha Lo Tung and Tai Ho projects to the Panel in due course.

Latest progress

15. The Administration is requested to brief members on the latest progress of implementation of the New Conservation Policy at the Panel meeting on 30 March 2009.

Relevant papers

Minutes of the Environmental Affairs Panel meeting on 17 July 2003

<http://www.legco.gov.hk/yr02-03/english/panels/ea/minutes/ea030717.pdf>

Legislative Council Brief provided by the Administration for the Environmental Affairs Panel meeting on 22 July 2003

http://www.legco.gov.hk/yr02-03/english/panels/ea/papers/etwb_e__cr_9_15_2-e.pdf

Minutes of the Environmental Affairs Panel meeting on 22 July 2003

<http://www.legco.gov.hk/yr02-03/english/panels/ea/minutes/ea030722.pdf>

Question raised by Hon CHEUNG Hok-ming at the Council meeting on 2 March 2005

http://www.legco.gov.hk/yr04-05/english/counmtg/agenda/cmtg0302.htm#q_1

Administration reply to question raised by Hon CHEUNG Hok-ming at the Council meeting on 2 March 2005

<http://www.legco.gov.hk/yr04-05/english/counmtg/hansard/cm0302ti-translate-e.pdf>

Motion raised by Hon CHEUNG Hok-ming at the Council meeting on 15 June 2005

<http://www.legco.gov.hk/yr04-05/english/counmtg/hansard/cm0615ti-translate-e.pdf>

Information paper provided by the Administration for the Environmental Affairs Panel meeting on 24 October 2005

<http://www.legco.gov.hk/yr05-06/english/panels/ea/papers/ea1024cb1-64-1-e.pdf>

Minutes of the Environmental Affairs Panel meeting on 24 October 2005

<http://www.legco.gov.hk/yr05-06/english/panels/ea/minutes/ea051024.pdf>

Question raised by Hon Daniel LAM at the Council meeting on 22 November 2006

http://www.legco.gov.hk/yr06-07/english/counmtg/agenda/cmtg1122.htm#q_2

Administration reply to question raised by Hon Daniel LAM at the Council meeting on 22 November 2006

<http://www.info.gov.hk/gia/general/200611/22/P200611220130.htm>

Question raised by Hon Audrey EU at the Council meeting on 10 January 2007
http://www.legco.gov.hk/yr06-07/english/counmtg/agenda/cmtg0110.htm#q_15

Administration reply to question raised by Hon Audrey EU at the Council meeting on 10 January 2007
<http://www.info.gov.hk/gia/general/200701/10/P200701100164.htm>

Information paper provided by the Administration for the Environmental Affairs Panel meeting on 28 April 2008
<http://www.legco.gov.hk/yr07-08/english/panels/ea/papers/ea0428cb1-1331-3-e.pdf>

Minutes of the Environmental Affairs Panel meeting on 28 April 2008
<http://www.legco.gov.hk/yr07-08/english/panels/ea/minutes/ea080428.pdf>

Council Business Division 1
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Scoring System for the Assessment of the Relative Ecological Importance of Sites

Criteria	Weighting	Description	Score	Description
Naturalness	15%	Habitats that are natural or with least modification by human activities in the past history will have higher conservation value. Truly natural habitats (i.e. not modified by man) are usually highly valued. However, most areas of the territory have been modified. Generally, those habitats less modified will tend to be rated higher.	0	Build-up or highly degraded areas with little conservation value.
			1	Man-made or intensively modified by human, e.g. agricultural land.
			2	Semi-natural or moderately modified, e.g. disturbed woodland.
			3	Truly natural or relatively free from human modification, e.g. natural woodland.
Habitat diversity	15%	Generally, the greater the number of major habitats, the greater the overall importance of the site as a whole. Major habitat types include woodland, inter-tidal mudflat, mangrove stand, natural stream course, freshwater marsh, etc.	0	Containing no major natural habitats or habitats which are highly degraded.
			1	Containing only one major habitat type.
			2	Containing two to three major habitat types.
			3	Containing four or more major habitat types.
Non-recreatability	10%	Habitats which are difficult to be recreated are valued higher. This evaluates the complexity of the habitat types, the time and effort needed to recreate the ecosystem and the degree of uncertainty in recreating the habitats.	0	Easy to recreate, but recreated habitats would have little conservation value e.g. landscaped areas.
			1	Easy to recreate, e.g. fishponds, abandoned agricultural land.
			2	Possible to recreate but it takes much time and effort, e.g. secondary forests.
			3	Very difficult or impossible to recreate regardless of time and effort, e.g. inter-tidal mudflats, natural woodlands, streams.

Species diversity & richness	30%	The more diverse the species assemblages and communities of a site, the higher is its conservation value.	0	Insignificant diversity (as a reference, $\leq 5\%$ of total number of recorded species in Hong Kong of a particular taxa group) for all taxa groups.
			1	Low diversity ($5\% < \text{diversity} \leq 20\%$) of at least one taxa group.
			2	Moderate diversity ($20\% < \text{diversity} \leq 50\%$) of at least one taxa group.
			3	High diversity ($>50\%$) of a particular taxa group or moderate diversity of at least three taxa groups.
Species rarity / endemism	30%	The more rare / endemic species the site supports, the higher is its conservation value.	0	Not known to support any population of rare or endemic species.
			1	Support populations of rare species of at least one taxa group.
			2	Support a population of endemic species, or populations of rare species of two to three taxa groups.
			3	Support a population of extremely rare species or rare endemic species, or populations of rare or endemic species of more than three taxa groups.

List of Priority Sites for Enhanced Conservation

Sites	Rank	Score
Ramsar Site	1	2.85
Sha Lo Tung	2	2.70
Tai Ho	3	2.40
Fung Yuen	4	2.30
Luk Keng Marsh	4	2.30
Mui Tsz Lam and Mau Ping	6	2.25
Wu Kau Tang	7	2.15
Long Valley and Ho Sheung Heung	8	2.05
Deep Bay Wetland outside Ramsar Site	9	1.90
Cheung Sheung	10	1.75
Yung Shue O	10	1.75
Sham Chung	12	1.45

Two nature conservation management agreement projects

Project Title	Nature Conservation Management for Long Valley	Management Agreement on the Private Land with High Conservation Value at Fung Yuen Valley Site of Special Scientific Interest in Tai Po, Hong Kong
Site involved	Long Valley	Fung Yuen
Size of management area	about 11 hectares	about 2 hectares
Proponent	Conservancy Association (CA)	Tai Po Environmental Association (TPEA)
Key partner in implementation	Hong Kong Bird Watching Society (HKBWS)	N/A
Project description	This is a joint project to conserve and enhance the biodiversity particularly the avifauna and freshwater wetland dependent species in the Long Valley through management agreement with local farmers and landowners.	This is a nature conservation project for the conservation of the natural habitat of butterflies through management agreement with landowners of private land that are situated in the SSSI at Fung Yuen Valley.
Key conservation objectives	<ul style="list-style-type: none"> - To enhance nature conservation in Long Valley, particularly avifauna and other freshwater dependent species; - to conserve agricultural freshwater habitats in Long Valley; - to establish close partnership with farmers and landowners in management agreement and small projects; - to monitor habitats and biodiversity with a view to developing effective and efficient habitat management measures for long term ecological conservation; and - to promote nature conservation awareness. 	<ul style="list-style-type: none"> - To reduce and minimize environmentally incompatible behavior on private land in Fung Yuen; - to enhance and maintain the habitat quality of private land in Fung Yuen; - to provide a refuge area for butterfly's foraging, inhabiting, and breeding, so as to help increase the diversity of butterfly species; - to train volunteers in conservation programme; and - to promote nature conservation awareness.
Duration	1 Mar 2008 - 28 Feb 2010	1 Feb 2008 – 31 Jan 2010
Approved budget	\$3,974,964	\$2,849,990

Evaluation of the Public-private Partnership (PPP) Proposals

(I) Mui Tsz Lam and Mau Ping

Assessment Criteria	Evaluation
<p>1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure</p>	<ul style="list-style-type: none"> • The proposed establishment of a Nature Reserve could benefit the long term conservation of Mui Tsz Lam and Mau Ping site. However, the proponent has yet to propose appropriate long-term conservation of enhancement measures for Mau Ping. • The proponent should demonstrate, in specific terms, that with their relatively limited landholdings (virtually owning no private land in Mau Ping), how they can effectively enhance the conservation value of the whole site, especially the ecologically more sensitive area in Mau Ping.
<p>2. Possible adverse environmental impacts arising from the proposed development</p>	<ul style="list-style-type: none"> • The proposed elderly home development will encroach upon 1.7 hectares of woodland with moderate to high ecological value; and the proposed re-provisioned trail to Mau Ping is in close proximity to a natural stream. This may have adverse ecological and environmental impacts, especially during the construction stage. • The proposed scale of development is excessive and out of proportion for a project that aims to enhance the conservation value of the site.
<p>3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent</p>	<ul style="list-style-type: none"> • Detailed funding mechanism and its financial viability assessment have not been provided. • There is no information on the commitment of the proponent to injecting the seed money for the proposed trust fund, and ensuring the financial sustainability of the conservation measures in the long-run.

Assessment Criteria	Evaluation
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> • There is no indication that the proponent has prior conservation-related experience. However, the proponent has engaged the Conservancy Association, a local green group which lends credibility to the implementation of the proposal.
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> • As the proponent owns only 70% of the private land in Mui Tsz Lam and none in Mau Ping, the whole idea of setting up the proposed Nature Reserve and effective implementation of the proposed Conservation Management Plan is uncertain. • The presence of villages in the proposed Nature Reserve may conflict with its management and conservation objectives. The potential demand for small houses and possible extension of the village areas in Mau Ping remain unresolved issues.
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> • No substantial resource implication for the Government is anticipated.

(II) Sha Lo Tung

Assessment Criteria	Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	<ul style="list-style-type: none"> • The proposed land exchange for the development of an Ecological Reserve will provide opportunities to conserve the Sha Lo Tung Valley on a long-term basis. Through site management, visitor control and education, the proposal will provide long-term protection to the valuable habitats and species in the Valley.
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> • The Environmental Study (ES) completed in 2007 shows that with full implementation of design features and mitigation measures recommended in the ES, the environmental impacts arising from the construction and operation stages of the proposed Multi-cultural Education cum Columbarium development and the improved Sha Lo Tung Road will comply with established standards and guidelines.

Assessment Criteria	Evaluation
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> • The proponent will inject substantial amount of fund into a trust to finance the long-term operation of the proposed Ecological Reserve. On the amount undertaken by the proponent, it is expected that it is sufficient to ensure the long term financial sustainability of the Reserve.
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> • The proponent started consolidating landholdings in Sha Lo Tung since 1970s. The proponent now owns about 96% of the private land in Sha Lo Tung. • The proponent has engaged Green Power, a local green group, which lends credibility to the implementation of the proposal.
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> • Issues involving removal of graves and urns can be potentially sensitive. Villagers' support to the proposal will affect implementation of the project. In this connection, the project proponent has already secured the support of the majority of the villagers and the Tai Po Rural Committee for the implementation of the project. • Implementation of the proposal will be subject to further statutory requirements, including a rezoning application under the Town Planning Ordinance.
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> • The proposed site for exchange is immediately adjacent to the land to be surrendered and is in the Green Belt which will not be released to the market for open bidding. Moreover, full market premium will be charged for the future land grant. • The proponent does not require the Government to bear the capital costs for the Ecological Reserve and road improvement and would inject sufficient funds to the Trust to support the on-going expenses of the Ecological Reserve.

(III) Tai Ho

Assessment Criteria	Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	<ul style="list-style-type: none"> The proposed land exchange will provide opportunities to conserve the ecologically important Tai Ho Valley on a long-term basis, especially the catchment area of the Tai Ho Stream which is a Site of Special Scientific Interest. The proposed Ecology Park will enhance conservation of Tai Ho valley through habitat protection, management of visitor activities and control of development inside the valley.
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> The proponent proposes to freeze all new small house development in Tai Ho. New village houses will be constructed to the west of Pak Mong, outside the main Tai Ho Valley. The proposed new village houses development to the west of Pak Mong needs careful planning to prevent possible impacts on the Tai Ho ecosystem.
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> The proponent will establish a trust fund to cover the recurrent operation cost of the proposed Ecology Park. On the amount undertaken by the proponent, it is expected that it is sufficient to ensure the long term financial sustainability of the Ecology Park.
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> The proponent has experience in implementing complex residential projects involving villagers. The project proponent has not secured the agreement of any green groups to be the management agent of the proposed Ecology Park.
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> Validity of the private agreements between the proponent and the villagers on the future small house development rights will affect implementation of the project. Currently, the proponent only holds some 66% of the private land in the proposed Ecology Park. Incomplete landholdings may affect the effective

Assessment Criteria	Evaluation
	management of the Ecology Park in future.
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> • The proponent does not require the Government to take into account the capital costs of the Ecology Park as well as injection to the trust when calculating the land premium of the development site. • Although the proponent has agreed to pay full market premium for the proposed land exchange, the land requested for exchange is not in proximity of the surrendered land and is capable of disposal through an open bidding process. This has added complication to land exchange and made the project difficult to be implemented in the near future.

(IV) Wu Kau Tang

Assessment Criteria	Evaluation
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	<ul style="list-style-type: none"> • It is uncertain how the proposal would enhance conservation of the site. Some of the proposed conservation measures, e.g. creation of wetland habitats, are measures to mitigate the impacts caused by the development rather than for enhancing conservation of the site.
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> • Ecologically sensitive portion of the site will be affected, including woodland, marshes, a habitat of the Hong Kong Paradise Fish, and a stream which is the first known habitat of a rare dragonfly species new to science (<i>Fukienogomphus choifongae</i>) • Given the widespread footprint of the proposed development, it is questionable whether the ecological and environmental impacts caused will be acceptable. The proponent said that they would not preclude the option to adjust the scale of the proposed development. Hence, no firm commitment has been made to the scale and scope of the project.

Assessment Criteria	Evaluation
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> • There is not much detail to demonstrate how the long-term financial sustainability can be secured to support the nature conservation work.
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> • Not much information about the proponent is provided. The track record, capability and credibility of the proponent in implementing the proposal are not clear. • The proponent has yet to identify green group's partnership for this project.
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> • The proponent claims to own about 40% of the private land and that land acquisition is still underway. As landholding is rather fragmented and complicated in the project site, whether the proposal can be readily implemented is doubtful. • There is no existing government sewerage system nearby. It is uncertain whether the preferred option for sewage disposal is compatible with the government's plan/schedule to provide sewerage to Wu Kau Tang.
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> • The proponent suggests that Government should implement a sewerage scheme and upgrade the water supply system of the Wu Kau Tang area.

(V) Yung Shue O

Assessment Criteria	Assessment
1. Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure	The proposal does not contain much details on the development as well as the conservation part of the project. There is no indication that the proposal will enhance the conservation of Yung Shue O.
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> • The proposal highlights that there will be water quality impact on the Kei Ling Ha Mangal Site of Special Scientific Interest during both the construction and operation phases of the project. • No information is provided on the possible ecological and environmental implications of the proposed development.
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> • No information is provided regarding the financial and administrative arrangements of the proposal.
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> • The proponent is a private entity, and is part of the Eton Group. The Eton Group has been involved in retail complex and property developments. The information provided does not indicate that the Group has prior conservation-related experience.
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> • The proposal does not contain enough information on the conceptual layout, land ownership, conservation strategy and habitat management plan, etc. • The proposal highlights a number of development constraints, such as the water quality impact on the Kei Ling Ha Mangal Site of Special Scientific Interest, existing utilities capacity (power, water and sewerage), vehicular access via a sub-standard single lane track, flooding risk, etc. However, no information is provided on how these constraints will be addressed.

Assessment Criteria	Assessment
	<ul style="list-style-type: none">• The proposal does not address the relationship of the existing village in Yung Shue O and the proposed development. There is also no information on how to deal with the future development rights of the indigenous villagers.
6. Resource implications, if any, for the Government	<ul style="list-style-type: none">• No information is provided.