

**LEGISLATIVE COUNCIL
PANEL ON ENVIRONMENTAL AFFAIRS**

**2008/09 Progress Report on
the Cleaner Production Partnership Programme**

PURPOSE

This paper informs Members of the progress of the five-year Cleaner Production Partnership Programme. This is the first report covering the period from 11 January 2008 to 31 March 2009.

BACKGROUND

2. On 17 December 2007, the Administration consulted the Legislative Council Panel on Environmental Affairs vide CB(1) 418/07-08(06) on a proposal for rolling out a five-year Cleaner Production Partnership Programme (the Programme) to promote cleaner production technologies and practices¹ amongst Hong Kong-owned factories in the Pearl River Delta (PRD) region. On 11 January 2008, the Finance Committee approved vide FCR(2007-08)47 a funding commitment of HK\$93.06 million for implementation of the Programme.

3. The Programme, which is implemented by the Hong Kong Productivity Council (HKPC), aims to encourage and facilitate Hong Kong-owned factories in the PRD region to adopt cleaner production (CP) technologies and practices. The Programme comprises four key initiatives, namely –

- (a) awareness promotion activities;
- (b) on-site improvement assessment for participating factories;
- (c) demonstration projects on CP technologies and practices; and

¹ Cleaner production approach is a preventive, integrated strategy that applies to the entire production cycle to increase productivity by promoting a more efficient use of raw materials, energy and water, and to enhance environmental performance through reduction of waste and emissions at source.

- (d) third party verification service on improvement projects implemented by participating factories.

Annex

- 4. Details of the key initiatives are at Annex.
- 5. The Administration undertook to report annually to the LegCo Panel on Environmental Affairs on the progress of the Programme.

INSTITUTIONAL ARRANGEMENTS FOR MANAGING THE PROGRAMME

6. To oversee the implementation of the Programme, we have set up a Project Management Committee (PMC) comprising representatives from the four major trade and industry associations, namely, the Hong Kong General Chamber of Commerce (HKGCC), the Federation of Hong Kong Industries (FHKI), the Chinese Manufacturers' Association of Hong Kong (CMA) and the Chinese General Chamber of Commerce (CGCC), the Environmental Protection Department, the Trade and Industry Department, as well as an independent academia. During the report period, the PMC held five meetings to provide steer to the operation of the Programme and scrutinise funding applications.

7. The HKPC has established a programme management team and a programme quality assurance team to coordinate and ensure effective implementation of the Programme. In addition, two support teams based in PRD (one in Shenzhen and the other in Dongguan) have been set up for local liaison work and co-ordination of programme activities.

PROGRESS OF THE PROGRAMME FOR 2008/09

8. To arouse interests of Hong Kong-owned factories on the benefits of cleaner production, extensive awareness promotion and publicity activities were carried out in the past year. We proactively worked with trade and industry associations to promote the Programme and the funding support available to Hong Kong-owned factories through seminars, workshops, briefings, factory visits jointly organised with municipal authorities in the PRD cities.

9. As at 31 March 2009, a total of 61 such activities were organised with the participation of some 3950 factory owners and personnel. In addition, we took part in three trade exhibitions on the environmental technology sector to introduce the Programme to some 4000 visitors. We also publicise the Programme widely through various channels including interviews and reports by the press media, posting event notices and promotional advertisements on newspapers and in East Rail, West Rail, Tung Chung and Light Rail lines. A dedicated CP website and an enquiry hotline have also been set up to enhance information dissemination on Programme activities and sharing of CP related experience.

10. The feedback collected from participants indicates that the awareness promotion activities were effective in publicising the Programme. They helped to introduce the CP concept to factory management and personnel. They also provided useful platforms to share successful experiences on available CP technologies and practices to enhance energy efficiency and mitigate emissions from production processes. The outreaching activities held in the PRD cities were particularly welcome by the factories due to their convenience.

11. As at 31 March 2009, a total of 283 funding applications were received. Out of this total, 166 funding applications were approved while another 88 funding applications were under processing. Details of the applications for funding support under the Programme are as follows -

	Applications as at 31 March 2009			
	Approved	Rejected	Under Process	Total
On-site Assessments	113	0	27	140
Demonstration Projects	25	29 ^{(Note)2}	40	94
Verification Services	28	0	21	49

² Note: The PMC rejected applications where the technologies involved were either commonly adopted by industry or already adopted by other approved demonstration projects.

Partnership with Environmental Technology Service Providers

12. Environmental technology (ET) service providers play an important role in providing the much needed professional advice and technical services to the participating factories for conducting on-site assessments and demonstration projects under the Programme. As at 31 March 2009, a total of 97 ET service providers were registered under the Programme. Amongst these, 52 were Hong Kong-based, 42 were based in PRD cities and three others from overseas. HKPC has organised briefings and experience sharing workshops to facilitate capacity building amongst the ET service providers. It has also conducted quality checks on the work of the ET service providers to ensure quality services are provided to the participating factories.

Collaboration with Mainland Authorities

13. With the strong support of the Economic and Trade Commission of Guangdong Province (GDETC)³, we have established working links with the local authorities in PRD cities. They were very supportive of the Programme. Together with these local PRD cities, we have jointly conducted promotion activities to publicise the Programme and reach out to the Hong Kong-owned factories there. We have also developed joint action plans for taking forward the Programme taking account of the CP measures being spearheaded by the PRD cities.

WAY FORWARD

14. The global financial turmoil is impacting on the businesses of many Hong Kong factories. The prevailing economic and business climate may not be conducive to enticing factory operators to pursue CP technologies and practices. To sustain their interest in the Programme, we will therefore continue to mount extensive awareness promotion and publicity activities to broaden our reach to Hong Kong-owned factories in PRD region. The positive results and experiences gained in the on-site assessments and demonstration projects will be publicised through

³ GDETC is the lead department of the Guangdong Provincial Government for promoting voluntary cleaner production to enterprises in Guangdong. The Environment Bureau signed a Co-operation Agreement to Promote Energy Efficiency, Cleaner Production and Comprehensive Utilisation of Resources to Enterprises in Hong Kong and Guangdong with GDETC in August 2007.

collaboration activities with the trade and industry associations, the PRD municipal cities and the ET service providers.

15. Members are invited to note the progress in the implementation of the Programme.

Environmental Protection Department
August 2009

Key Initiatives under the Cleaner Production Partnership Programme

The overall objective of the Programme is to encourage and facilitate Hong Kong-owned factories in the Pearl River Delta (PRD) region to adopt cleaner production technologies and practices, thereby making a positive contribution to a cleaner environment by reducing emissions and energy consumption. The Programme targets at eight industry sectors^{Note} of Hong Kong-owned factories which contribute to air pollutant emissions in the PRD region and are most likely to yield positive improvements.

2. The key initiatives of the Programme include –
- (a) *awareness promotion* – this comprises structured briefings, study missions, training seminars and workshops, conferences and exhibitions, in Hong Kong and cities in PRD region. Participation in the awareness promotion activities is normally free of charge;
 - (b) *on-site improvement assessment for about 800 to 1 000 factories (subject to response)* – the Hong Kong Productivity Council (HKPC), in conjunction with other environmental technology (ET) service providers, provide guidance and conduct on-site assessment for participating factories to identify and analyse the problems they face and propose practical improvement solutions. The Government will sponsor 50% of the assessment cost, subject to a ceiling of \$15,000. Any cost exceeding the ceiling has to be met by the participating factories;
 - (c) *demonstration projects* – HKPC will work closely with ET service providers to conduct some 90 demonstration projects through installation of equipment and/or modification of production processes. The cost is shared between participating factories and Government on a fifty-fifty basis. The average contribution of Government funding is estimated to be around \$160,000 per project; and

^{Note} The eight industry sectors include textiles, non-metallic mineral products, metal and metal products, food and beverage, chemical products, printing and publishing, furniture and paper/paper product manufacturing.

- (d) *verification of the effectiveness of 500 to 1000 improvement projects (subject to response)* – for those factories which have implemented improvement measures, HKPC will provide an independent third-party service to verify the effectiveness of the improvement projects. This service is provided free of charge to participants, capped to a ceiling of \$15,000 per project.