

立法會
Legislative Council

LC Paper No. CB(1)191/12-13(04)

Ref. : CB1/PL/EA

Panel on Environmental Affairs

Meeting on 26 November 2012

**Updated background brief on "Cleaner Production Partnership Programme"
prepared by the Legislative Council Secretariat**

Purpose

This paper sets out the development of the Cleaner Production Partnership Programme ("CPPP"), and gives a brief account of the views and concerns expressed by Members on the subject.

Cleaner Production Partnership Programme

2. Cleaner production ("CP") is an integrated approach which can be applied to the entire production cycle through adoption of suitable technologies and management practices to ensure more efficient use of energy and raw materials, and to reduce emissions and generation of waste at source. It can help factories to improve their environmental performance while at the same time increase their productivity and cut production costs.

3. To encourage and facilitate Hong Kong-owned factories in the Pearl River Delta ("PRD") Region to adjust their strategy to embrace new challenges, including Mainland's requirements on industrial upgrading and tightening of pollution control, the Government launched a five-year CPPP in April 2008. With a funding of over \$93 million as approved by the Finance Committee in January 2008, the Hong Kong Productivity Council ("HKPC") is responsible for implementing CPPP in collaboration with other environmental technology ("ET") service providers. CPPP targets at eight industrial sectors, namely textiles, printing and publishing, metals and metal products, non-metallic mineral products, chemical products, food and beverage, paper and paper product manufacturing, and furniture making. The key initiatives of CPPP include –

- (a) ***awareness promotion*** – structured briefings, study missions, training seminars and workshops, conferences and exhibitions are organized from time to time under CPPP. Factories may join these activities to enhance their awareness and knowledge on CP technologies and practices. Participation is normally free of charge;
- (b) ***on-site improvement assessment projects*** – factories may apply funding support for hiring ET service providers to identify improvement potentials with proposals for practical solutions on energy efficiency, emission reduction and minimization of material consumption. The Government will sponsor 50% of the assessment costs, subject to a ceiling of \$15,000;
- (c) ***demonstration projects*** – factories may partner with ET service providers to conduct demonstration projects to demonstrate the effectiveness, actual costs and potential financial returns of CP technologies or practices through installation of equipment and modification of production processes. Participating factories would need to share the findings and experience gained from the demonstration projects with other factories. The Government will sponsor 50% of the cost, subject to a ceiling of \$160,000 per project on average; and
- (d) ***verification of improvement projects*** – for those factories which have implemented improvement projects for reduction of air emission and improvement of energy efficiency, they may also apply for funding support for independent third-party services to verify the effectiveness of their improvement projects. The Government will fully fund the costs of the verification services, subject to a ceiling of \$15,000 per project.

4. To oversee the implementation of CPPP, a Project Management Committee comprising representatives from major trade and industry associations, the Environmental Protection Department, the Trade and Industry Department, and an independent academia has been set up to steer the operation of CPPP and scrutinize funding applications.

Deliberations by the Panel on Environmental Affairs

Launch of CPPP

5. When the proposal to launch CPPP was first discussed by the Panel on Environmental Affairs ("the Panel") at its meeting on 17 December 2007, some

members expressed concern about the efficacy of CPPP with its limited scope and duration of five years, given that there were over 56 000 Hong Kong-owned factories in the PRD Region. They considered that to ensure the success of CPPP, there should be experience sharing on the benefits associated with the adoption of CP technologies and practices. Consideration should also be given to adopting a more proactive approach to reach out to the smaller enterprises, which might not be able to afford the time to attend the promotion events organized by the Administration, and introduce them to CP technologies and practices. Other members considered that CPPP was a step in the right direction in promoting CP technologies and practices. Further assistance, possibly in the form of a matching grant, should be provided to assist industries to improve their environmental performance. To facilitate monitoring, the Administration was requested to report the progress of implementing CPPP to the Panel on an annual basis.

Extension of the coverage of CPPP

6. Taking into account the feedback collected from the trades and participating factories on the implementation of CPPP and the tightening up of the requirements on industrial effluent discharges by the Guangdong authorities in recent years, the Chief Executive announced in his 2009 Policy Address that the Government would provide support to Hong Kong enterprises in the treatment and reduction of effluent discharge. To this end, the Administration proposed to revise the coverage of CPPP to also provide professional advice and technical support in the treatment and reduction of effluent discharges to Hong Kong-owned factories in the PRD Region.

7. The Panel discussed the proposal at its special meeting on 21 January 2010. Members noted that the environmental benefits brought about by CPPP had far outweighed the cost incurred. While CPPP was targeted at Hong Kong-owned factories operating in the PRD Region, it had a positive impact on Mainland enterprises in reducing emissions and encouraging the application of a uniform CP standard recognized by both sides. The implementation of CPPP had also vitalized the business opportunities of CP technology companies as well as other green industries in the PRD Region. Members belonging to the Democratic Party supported the proposed revised coverage of CPPP to further assist factories in the PRD Region to implement CP technologies and practices to reduce pollution.

8. Regarding the standard for assessing the effectiveness of CPPP, members noted that project proponents applying for funding for demonstration projects would be required to demonstrate the effectiveness, actual costs and potential financial returns of CP technologies or practices through installation of equipment and modification of production processes. The Administration

would also provide funding support to factories to hire independent third-party services to verify the effectiveness of their improvement projects.

Progress of implementing CPPP in 2011-2012

9. During the period from 1 April 2011 to 31 March 2012, a total of 54 awareness promotion activities with the participation of some 4 100 factory owners and staff were organized. The Administration publicized CPPP widely through various channels, including interviews and reports by the media, and posting event notices and promotional advertisements on newspapers. A dedicated website and an enquiry hotline had also been set up to enhance information dissemination on CPPP activities and sharing of the related experience.

10. Over the same period, a total of 695 funding applications were approved. The cumulative number of funding applications approved since the launch of CPPP reached 1 802 by 31 March 2012. Detailed breakdown of the applications received since the implementation of CPPP is as follows -

	Applications as at 31 March 2012				
	Approved (2008/09)	Approved (2009/10)	Approved (2010/11)	Approved (2011/12)	Cumulative Total
On-site Assessments	113	227	319	284	943
Demonstration Projects	25	25	38	41	129
Verification Services	28	178	154	370	730

11. To further encourage participation of Hong Kong-owned factories in CPPP and give recognition to those participating factories which have adopted CP technologies and practices, the Administration launched the Hong Kong-Guangdong Cleaner Production Partners Recognition Scheme jointly with the Economic and Information Commission of Guangdong Province in August 2009. A total of 113 Hong Kong-owned manufacturing enterprises, 20 ET service providers and six sourcing enterprises were recognized as "Hong Kong – Guangdong Cleaner Production Partners" in 2011.

12. The progress report on CPPP in 2011-2012 (LC Paper No. CB(1)2327/11-12(01)) is hyperlinked in the **Appendix** for ease of reference.

Latest development

13. The Administration will brief members on the extension of CPPP at the Panel meeting on 26 November 2012.

Relevant Papers

14. A list of relevant papers is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
21 November 2012

Cleaner Production Partnership Programme

List of relevant papers

Council/ Committee	Date of meeting	Paper
Panel on Environmental Affairs	17 December 2007	<p>Information paper on "Promotion of cleaner production in the Pearl River Delta Region" provided by the Administration (LC Paper No. CB(1)418/07-08(06)) http://www.legco.gov.hk/yr07-08/english/panels/ea/papers/ea1217cb1-418-6-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)646/07-08) http://www.legco.gov.hk/yr07-08/english/panels/ea/minutes/ea071217.pdf</p>
Panel on Environmental Affairs	21 January 2010	<p>Information paper on "Cleaner Production Partnership Programme – Support of effluent reduction and control" provided by the Administration (LC Paper No. CB(1)896/09-10(03)) http://www.legco.gov.hk/yr09-10/english/panels/ea/papers/ea0121cb1-896-3-e.pdf</p> <p>Paper on Cleaner Production Partnership Programme prepared by the Legislative Council Secretariat (Background brief) (LC Paper No. CB(1)896/09-10(04)) http://www.legco.gov.hk/yr09-10/english/panels/ea/papers/ea0121cb1-896-4-e.pdf</p> <p>Minutes of meeting (LC Paper No. CB(1)1392/09-10) http://www.legco.gov.hk/yr09-10/english/panels/ea/minutes/ea20100121.pdf</p>
--	--	<p>Progress report on the Cleaner Production Partnership Programme (2008/2009) provided by the Administration (LC Paper No. CB(1)2424/08-09(01)) http://www.legco.gov.hk/yr08-09/english/panels/ea/papers/eacb1-2424-1-e.pdf</p>

Council/ Committee	Date of meeting	Paper
--	--	Progress report on the Cleaner Production Partnership Programme (2009/2010) provided by the Administration (LC Paper No. CB(1)2674/09-10(01)) http://www.legco.gov.hk/yr09-10/english/panels/ea/papers/eacb1-2674-1-e.pdf
--	--	Progress report on the Cleaner Production Partnership Programme (2010/2011) provided by the Administration (LC Paper No. CB(1)2875/10-11(01)) http://www.legco.gov.hk/yr10-11/english/panels/ea/papers/eacb1-2875-1-e.pdf
--	--	Progress report on the Cleaner Production Partnership Programme (2011/2012) provided by the Administration (LC Paper No. CB(1)2327/11-12(01)) http://www.legco.gov.hk/yr11-12/english/panels/ea/papers/eacb1-2327-1-e.pdf