

**Evaluation of the Public-private Partnership (PPP) Proposals**

**(I) Mui Tsz Lam and Mau Ping**

<b>Assessment Criteria</b>	<b>Evaluation</b>
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"><li>• 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.</li><li>• 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.</li></ul>
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"><li>• 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.</li><li>• The proposed scale of development is excessive and out of proportion for a project that aims to enhance the conservation value of the site.</li></ul>
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"><li>• Detailed funding mechanism and its financial viability assessment have not been provided.</li><li>• 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.</li></ul>

<b>Assessment Criteria</b>	<b>Evaluation</b>
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> <li>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.</li> </ul>
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> <li>No substantial resource implication for the Government is anticipated.</li> </ul>

## (II) Sha Lo Tung

<b>Assessment Criteria</b>	<b>Evaluation</b>
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"> <li>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.</li> </ul>
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> <li>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.</li> </ul>

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"> <li>• 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.</li> </ul>
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The proponent has engaged Green Power, a local green group, which lends credibility to the implementation of the proposal.</li> </ul>
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Implementation of the proposal will be subject to further statutory requirements, including a rezoning application under the Town Planning Ordinance.</li> </ul>
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>

### (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"> <li>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.</li> </ul>
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> <li>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.</li> </ul>
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> <li>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.</li> </ul>
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> <li>The proponent has experience in implementing complex residential projects involving villagers.</li> <li>The project proponent has not secured the agreement of any green groups to be the management agent of the proposed Ecology Park.</li> </ul>
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> <li>Validity of the private agreements between the proponent and the villagers on the future small house development rights will affect implementation of the project.</li> <li>Currently, the proponent only holds some 66% of the private land in the proposed Ecology Park. Incomplete landholdings may affect the effective</li> </ul>

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	management of the Ecology Park in future.
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>

#### (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"> <li>• 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.</li> </ul>
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> <li>• 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>)</li> <li>• 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 prelude 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.</li> </ul>

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3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> <li>There is not much detail to demonstrate how the long-term financial sustainability can be secured to support the nature conservation work.</li> </ul>
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> <li>Not much information about the proponent is provided. The track record, capability and credibility of the proponent in implementing the proposal are not clear.</li> <li>The proponent has yet to identify green group's partnership for this project.</li> </ul>
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"> <li>The proponent suggests that Government should implement a sewerage scheme and upgrade the water supply system of the Wu Kau Tang area.</li> </ul>

**(V) Yung Shue O**

<b>Assessment Criteria</b>	<b>Assessment</b>
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"> <li>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.</li> </ul>
2. Possible adverse environmental impacts arising from the proposed development	<ul style="list-style-type: none"> <li>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.</li> <li>No information is provided on the possible ecological and environmental implications of the proposed development.</li> </ul>
3. Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent	<ul style="list-style-type: none"> <li>No information is provided regarding the financial and administrative arrangements of the proposal.</li> </ul>
4. Track record, capability and credibility of the proponent in implementing a proposal	<ul style="list-style-type: none"> <li>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.</li> </ul>
5. Readiness of the proposal for implementation	<ul style="list-style-type: none"> <li>The proposal does not contain enough information on the conceptual layout, land ownership, conservation strategy and habitat management plan, etc.</li> <li>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.</li> </ul>

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	<ul style="list-style-type: none"><li>• 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.</li></ul>
6. Resource implications, if any, for the Government	<ul style="list-style-type: none"><li>• No information is provided.</li></ul>