

**For discussion on  
9 April 2008**

**Committee Paper NCSC 01/08**

**Advisory Council on the Environment  
Nature Conservation Subcommittee**

**New Nature Conservation Policy –  
Pilot Scheme for Public-private Partnership**

**Purpose**

The purpose of this Paper is to provide Members with an overview of the applications that the Government has received under the Pilot Scheme for Public-private Partnership (PPP) of the New Nature Conservation Policy (NNCP).

**Background**

2. The Government is committed to nature conservation. In order to identifying practicable ways to better achieve the nature conservation objectives, and in particular, to enhance conservation of ecologically important sites which are in private ownership, the Government conducted a comprehensive review of the nature conservation policy and measures and introduced the NNCP in November 2004.

3. The NNCP aims at regulating, protecting and managing natural resources that are important for the conservation of biological diversity of Hong Kong in a sustainable manner, taking into account economic and social considerations. Under the Policy, 12 priority sites have been identified for enhanced conservation under a scoring system drawn up by an Expert Group with membership comprising key academics with expertise in ecology and major green/interest groups. Two new measures were proposed for the conservation of these ecologically important sites, they are the Pilot Scheme for Management Agreements (MA) and PPP.

4. Under the MA Scheme, non-governmental organizations(NGOs), including green groups, educational institutions and community

organizations, may apply for funding from the Government for entering into MAs with the landowners. The NGOs can provide the landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the sites concerned. In this respect, the Government has sought the agreement of the Environment and Conservation Fund (ECF) to allocate \$5 million for implementation of the MA pilot projects. With grants of \$4.62 million from the ECF, three MA pilot projects were launched in end 2005 at Fung Yuen and Long Valley. Results of these MA projects are very encouraging and ECF has recently approved funds for these projects to be continued for another two years.

5. Under the PPP Pilot Scheme, development of an agreed scale will be allowed at the ecologically less sensitive portion of any of the 12 priority sites, provided that the project proponent undertakes to conserve and manage the rest of the site that is ecologically more sensitive on a long-term basis. We received a total of six applications, which involve land located at Sha Lo Tung, Tai Ho, Mui Tsz Lam & Mau Ping, Wu Kau Tang, Yung Shue O and Tin Fook Wai. Subsequently, the proponent of Tin Fook Wai's project withdrew its application. The location plan of the remaining five applications is at the **Annex**.

6. An inter-departmental Task Force (Task Force), comprising representatives from the Environmental Protection Department, Agriculture, Fisheries and Conservation Department, Lands Department and Planning Department was set up to examine the applications in accordance with the vetting criteria set out in the Guide to Application. In gist, the criteria are:

- Net benefits of the proposal in enhancing conservation of the site and in evaluating the effectiveness of the PPP measure;
- Possible adverse environmental impacts arising from the proposed development;
- Sustainability of the proposal including recurrent costs involved, and the long-term commitment of the proponent;
- Track record, capability and credibility of the proponent in implementing a proposal;
- Readiness of the proposal for implementation; and

- Resource implications, if any, for the Government

### **Brief information of individual proposals**

#### Mui Tsz Lam and Mau Ping

7. Mui Tsz Lam and Mau Ping ranks sixth among the 12 priority sites. Situated in the valley surrounded by the hills of Ma On Shan area, Mui Tsz Lam and Mau Ping are sheltered from extreme weather and hydrological conditions, which contribute to the luxuriant growth of vegetation there. The site supports 241 plant species with rare Fung Shui wood species and 17 species of mammals, including Chinese Pipistrelle (灰伏翼), Masked Palm Civet (果子狸) and Leopard Cat (豹貓) which are protected under the Wild Animals Protection Ordinance.

8. The proponent intends to develop five blocks of elderly homes (a total of 550 units) in Mui Tsz Lam. For nature conservation, a Nature Reserve of about 47 hectares covering the entire priority site of Mau Ping and Mui Tsz Lam (excluding the village area in Mui Tsz Lam) will be established. Within the Nature Reserve, there will be an eco-education centre and a botanical theme garden. Moreover, the proponent undertakes to replant a piece of native woodland on abandoned agricultural land within the site. As for the establishment and operation of the Nature Reserve, it will be funded by the elderly home development.

9. Conservation work proposed by the proponent focuses primarily on Mui Tsz Lam as the proponent virtually owns no private land in Mau Ping. Apart from patrolling to reduce fire risk and vandalism as well as removal of rubbish and illegal traps, no major conservation enhancements are proposed for Mau Ping.

10. In addition, the proponent suggests establishing a trust to fund the establishment and operation of the Nature Reserve. Details of the funding mechanism are, however, not provided.

#### Sha Lo Tung

11. Sha Lo Tung ranks second among the 12 priority sites. The

ecologically important habitats of the site are stream and marsh, and woodland. The site is an important breeding and development ground for dragonflies. The number of dragonfly species recorded in Sha Lo Tung valley is more than any other sites in Hong Kong. Currently, there are 72 species of dragonflies recorded in the area, out of a total of 112 known in Hong Kong. Many of the species recorded are stream specialists including the rare Hainan Hooktail (海南環尾春蜓) and the endangered Club-tailed Cruiser (天王大偽蜻). In addition, with the rich vegetation and food sources, the relatively unpolluted freshwater streams, marshes and natural / secondary woodland, the site offers a prime habitat for a multitude of freshwater fish, mammals, amphibians, reptiles and birds. Moreover, Sha Lo Tung is a prime habitat for butterflies in Hong Kong. Of the 102 species that have been recorded in the area, Forget-me-not (咖灰蝶), Colon Swift (無班珂弄蝶) and Yellow Coster (苧麻珍蝶) are rare species.

12. In the proposal, the proponent undertakes that it would surrender all its land in Sha Lo Tung valley (representing 96% of the private land in the valley) to the Government for the establishment of an Ecological Reserve. In exchange, it requests for government land in the adjacent "Green Belt" for the development of a Multi-cultural Education Centre cum Columbarium Complex.

13. In order to enhance the ecological value of the site, the proponent has agreed to implement a comprehensive management plan for the Ecological Reserve. Under the plan, there are measures to conserve the dragonfly biodiversity through protecting the important habitats. Moreover, the proponent has agreed to implement measures to remove exotic vegetation, enhance the quality of secondary woodland, restore abandoned farmland, manage the proposed Nature Interpretation Centre and to promote conservation education. In addition, it has undertaken to pay for the setting up of the Ecological Reserve and to inject a substantial amount of money into a trust to finance the long-term operation of the Ecological Reserve of which the majority of trustees would be appointed by the Government.

14. Apart from making financial commitments, the proponent has agreed to carry out traffic improvement work in Sha Lo Tung. Currently, Sha Lo Tung Road is very narrow and steep, the proponent has undertaken to upgrade this road and formulate a comprehensive traffic management plan to meet the transport, crowd control as well as fire safety standards. To exercise control of crowd arising from the

Columbarium users, the niches of the Columbarium will be divided into two categories\* and be sold in phases spanning over years, and the traffic management plan will be kept under regular monitoring and review with the relevant government departments.

### Tai Ho

15. Tai Ho is an area of high ecological value, which ranks third among the 12 priority sites identified for enhanced conservation under the New Nature Conservation policy.

16. The whole valley system includes wooded area with a stream flowing into a tidal estuary. The stream, including part of the bay area, is a Site of Special Scientific Interest which supports the highest diversity of the freshwater fish species in Hong Kong and is the only spawning ground in the territory for the locally rare fish Ayu (香魚).

17. At present, Tai Ho valley is not covered by any town plan. To better preserve the valley, the proponent proposes to establish an Ecology Park of 225 hectares in Tai Ho. To do so, it will surrender its private land (which accounts for about 66% of the private land in the Park) in Tai Ho and inject a substantial amount of money into a trust for the establishment and operation of the Park. In exchange for the land it surrendered, it requests for a residential development site in Tung Chung or elsewhere and is prepared to pay full market premium for the land exchange. Moreover, it proposes to freeze all new small house developments inside the valley. New village houses will be constructed to the west of Pak Mong, outside the main Tai Ho Valley.

### Wu Kau Tang

18. Wu Kau Tang ranks seventh among the 12 priority sites. It is a key butterfly and dragonfly habitat in Hong Kong. In particular, the marsh and stream area is a key dragonfly site in Hong Kong. There are

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\* Visitors under Category A are entitled to pay visit to the niches during the operation hours of the columbarium, including the Ching Ming and Chung Yeung Festival days whereas visitors under category B are not allowed to visit the niches on the two Festival days and the weekends near these two Festival days.

several Fung Shui woods which serve as an important habitat for mammals. Hong Kong Paradise Fish (香港鬥魚) has been recorded in a stream in Wu Kau Tang.

19. The proponent intends to develop a low density high-end spa hotel with over 100 villas. In addition, it aims to provide for a village extension area for 130 small houses and a private retirement village for the elderly with some 850 units. In order to conserve the area, the proponent outlines in its proposal that it would develop a comprehensive park of 103 hectares. Within the park, there will be a Hakka heritage village, a herbal medicine exhibition garden, an experimental farm for traditional Chinese medicine research, a butterfly garden, a conservation education centre, and an organic farm. The proponent also mentions that it would collaborate with non-governmental organizations, green groups, research and educational institutes to implement the conservation measures and would use the income generated from the proposed development to fund the conservation work and activities.

#### Yung Shue O

20. Yung Shue O ranks tenth among the 12 priority sites. It supports a relatively rich diversity of wetland vegetation. The Fung Shui wood and natural woodland bounding the village and the streams provide a good habitat for butterflies and over half of the local butterfly species are recorded at the site. The site also supports a moderate diversity of amphibians.

21. The proposal covers approximately 18 hectares of land (mostly private land). The proponent suggests developing a spa resort of no more than 100 rooms. However, the proposal does not contain much details on the development as well as the conservation part of the project.

#### **Latest Development**

22. The proponents have been invited to give a presentation at the meeting of the Nature Conservation Subcommittee in the morning of 9 April 2008. The proposals are attached for members' perusal.

**Environmental Protection Department**  
**31 March 2008**

Annex

**Location Plan of Five Submitted Proposals for  
Public-private Partnership Pilot Scheme under New Nature Conservation Policy**

