

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

**New Nature Conservation Policy:
Review of the Management Agreement Scheme**

PURPOSE

This paper seeks to inform members of the Administration's review of the management agreement (MA) scheme. The scheme was promulgated under the New Nature Conservation Policy (NNCP) in 2004.

BACKGROUND

- A 2. Under the NNCP, we identified 12 priority sites of high ecological importance for enhanced conservation, at Annex A. A substantial portion of these sites is in private ownership. To better protect these sites, we have launched, among other measures, the MA scheme.
- B 3. Under the MA scheme, funding support would be granted under the Environment and Conservation Fund (ECF) to enable competent non-profit making organisations to enter into agreements with landowners of the priority sites for conservation of the sites concerned. Since 2005, three MA projects were implemented at Long Valley and Fung Yuen with funding support from the ECF, which resulted not only in substantially increasing the number of butterfly, bird and wetland-dependent species found in the sites but also in promoting appreciation of nature conservation and biodiversity. A summary of the MA is at Annex B.
4. Under the MA scheme, non-profit making organizations¹ may apply for funding from the ECF for entering into MAs with the landowners of the 12 priority sites. They can provide the landowners with financial incentives (e.g. rents/fees) in exchange for management rights over their land or their cooperation in enhancing conservation of the sites concerned. Pilot projects

¹ Including green groups, educational institutions and community organizations.

under the MA scheme have been implemented at two private sites, namely Long Valley and Fung Yuen. The ECF has granted a total of \$21 million for the projects since 2005, which will last until 2012-13. The projects have protected the natural habitats, and increased the quantity as well as number of species at the two sites. Besides, the projects are successful in raising public awareness in nature conservation through engaging the local villagers in the management of the sites and various public education and volunteer programmes. We consider that such works should continue.

The need to fund the MAs on a long term basis

5. Experience in the past five years shows that it would be very unlikely for these conservation projects to be self-financing. Most of the activities being carried out under the MA scheme are for the purpose of conserving and enhancing the natural environment rather than generating income. Subsidies through the MA are the key support provided by the Government to sustain conservation of private land of ecological importance. Conservation activities are by nature almost inevitably not profitable. Funding incurred is to provide a rent/fee for the land concerned, hiring of farmers to plant crops that attract bird species, clearing invasive species for the protection of the habitats, and conducting surveys to track the effectiveness of the projects. Human resources, overheads, administrative fees etc. are also required to run these projects. Although the applicants have developed and implemented various income generating activities, such as eco-tours, selling of agricultural produces and souvenirs, the income so generated only represents a very modest percentage (less than 3%) of the fund required to operate the conservation activities. Also, in order to preserve the ecological values of the sites, while we encourage the applicants to organize eco-tours and other educational activities, these income-generating activities must be confined to within appropriate limits. It is therefore impracticable to expect the MA to become self-sufficient even in the long term.

6. The ECF guidelines have a standing requirement that the funding support to projects should be on a time-limited basis and projects involving recurrent expenditure should have the potential of becoming self-sufficient in the longer term². We note that the pilot MA projects had been renewed twice

² Paragraph 2.6 (g) of the ECF Guide to Application for Nature Conservation MA Projects states that one of the vetting criteria is, if recurrent expenditure is incurred, whether the proposed project has potential to

and such a pattern was not compatible with the supposedly time-limited nature MA projects funded by the ECF. Having regard to the nature of conservation activities and because the Government places much importance on nature conservation, we recommend amending the ECF funding guideline to expressly provide continuing support to MA under the scheme.

7. Subject to the views of this Subcommittee, we shall recommend the ECF Committee to relax the requirement of achieving self-sufficiency in the long run for the MA scheme under the ECF guideline. But all applications will be supported on a time-limited basis (generally not longer than 3 years) and each application, including applications to renew the existing applications, has to be assessed on its own merits.

Extending the MA scheme to cover private land in country parks and private land in country park enclaves

8. Following the Sai Wan case in July 2010, there have been increased public concerns over the protection of country park enclaves against incompatible land use³. The 2010-11 Policy Address has announced the Government's plan to bring these areas under statutory protection through designating them as part of country parks or by including them into Development Permission Area (DPA) plans. Apart from the statutory control measures, we consider it necessary to better engage the private land owners to support nature conservation activities on their sites. The MA scheme has proven to be a successful modus operandi to bring non-profit making organisations and landowners together to conserve private land. We propose extending the current scope of the scheme to cover private land in country park enclaves and in country parks. Conservation activities compatible with the land uses and country park objectives could be undertaken by non-profit making organisations. If these private landowners can be incentivized to undertake conservation activities, it would be conducive to enhancing the overall conservation and scenic values of the country parks. We suggest that the eligibility to apply to ECF would remain the same as that in the existing guideline, i.e. only non-profit making

become self-sufficient after a certain period of time.

³ Country park enclaves are sites that are surrounded by or are adjacent to country parks, but are not part of the country parks. Currently, there are 77 country park enclaves, with a total area of 2,076 hectares. Most of these enclaves comprise both private and government land. Most of them are presently not under statutory protection against incompatible uses and development.

organizations are eligible. These organizations may join hands with local villagers to run an MA project.

WAY FORWARD

9. Subject to the views of this Subcommittee, we shall consult the ECF Committee on the above.

ADVICE SOUGHT

10. Members are invited to offer views on the above proposal.

Environmental Protection Department

May 2011

Annex A

12 Priority Sites Identified under the New Nature Conservation Policy

Ramsar Site

Sha Lo Tung

Tai Ho

Fung Yuen

Luk Keng Marsh

Mui Tsz Lam and Mau Ping

Wu Kau Tang

Long Valley and Ho Sheung Heung

Deep Bay Wetland outside Ramsar Site

Cheung Sheung

Yung Shue O

Sham Chung

Annex B

The Management Agreement projects

| | Fung Yuen project | Long Valley project |
|-----------------------------|--|---|
| Project proponent | Tai Po Environmental Association | Conservancy Association in collaboration with the Hong Kong Bird Watching Society |
| Objective | To conserve and enhance the natural habitat of butterflies in the Fung Yuen Valley Site of Specific Scientific Interest through management agreement with local landowners | To enhance conservation of Long Valley and Ho Sheung Heung area by collaborating with landowners, tenant farmers and local villagers. |
| Start date | Nov 2005 | Nov 2005 |
| Land managed | 2 ha | 14 ha (increased from around 10 ha in 2005) |
| Funds granted by ECF | Total: \$9,630,000 <i>(Accumulative funds granted in 2005, 2007 and 2009. The funding will last till 2013)</i> | Total: \$11,440,000 <i>(Accumulative funds granted in 2005, 2007 and 2009. The funding will last till 2012)</i> |
| Achievements | Butterfly species found there increased over 20% since the launch of the project. Over 80% of the butterfly species in Hong Kong could be found. The place received over 110,000 visitors and held seminars for over 12,000 students from primary and secondary schools, as well as tertiary institutions. | Bird species found there increased over 30% since the launch of the project. Over 50% of the bird species in Hong Kong could be found. Wetland dependent species also increased since the launch. With publicity activities in place, public awareness has also been raised on the need for conservation. |