Hong Kong Green Strategy Alliance
香港綠色策略聯盟
Unit G, 7/F, Century Centre, No. 33-35 Au Pui Wan Street, Fotan, Shatin, N.T., Hong Kong.

11 August 2025

The Hon John LEE
The Chief Executive
Hong Kong SAR Government

Dear C.E.,

Suggestions to prominent environmental issues for the 2025-26 Policy Address Consultation

The Hong Kong Green Strategy Alliance (HKGSA) would like to share our views and comments regarding the prominent environmental issues for the 2025-26 Policy Address. Please find enclosed our submission in Appendix A for your perusal.

HKGSA is a non-profit making organization founded in 2012 by a group of professionals and stakeholders who are visionary and wish to undertake the responsibility on the issues of environmental protection and sustainable development. Through active participation, discussions and exchange of views in green issues, projects and technologies etc., HKGSA would offer our professional opinions and solutions to tackle green issues in Hong Kong and neighbouring region.

Should you need any further information, please feel free to contact me at 9032 3816 (drwklo@gmail.com) or our Honorary Secretary Ir Kenny Wong at 9482 3227 (irkennywong@gmail.com).

Yours sincerely,

Ir Dr. Hon LO Wai Kwok, GBS, JP
Chairman, Hong Kong Green Strategy Alliance

c.c. Mr TSE Chin-wan, Secretary for the Environment and Ecology

Encl.

Appendix A

Recommendations from the Hong Kong Green Strategy Alliance to 2025-2026 Policy Address

The Hong Kong Green Strategy Alliance (HKGSA) proposes the following views for the Administration's consideration.

Land Supply and Environmental Protection & Conservation

1. Despite the continued downturn in the property market, HKGSA remains supportive of the Government's commitment to maintaining a steady and proactive land supply strategy. This includes initiatives such as the development of green belts, the resumption and clearance of brownfield sites, and the advancement of strategic projects like the Northern Metropolis, and moving forward with the Kau Yi Chau Artificial Islands in a "steady and prudent" manner.

   Given the current fiscal constraints, HKGSA understands that the timeline for some of these large-scale infrastructure projects may need to be adjusted. However, their long-term development should not be halted. As with all major infrastructure undertakings, the Administration should continue to strike a careful balance between urban development and ecological conservation. This includes conducting thorough stakeholder engagement and public consultations during the planning and engineering study phases to ensure that diverse views are considered in the design process.

   To further encourage innovation and sustainability in the industry, HKGSA has previously suggested that Gross Floor Area (GFA) concessions be extended to green features – such as waste-sorting facilities, food waste treatment systems, and application of solar panels — not only in rural areas but across all of Hong Kong. We respectfully urge the Administration to provide a formal response to this view.

Sustainable Waste Management

2. While it could be an encouraging sign that the Municipal Solid Waste (MSW) Disposal Rate per Capital had decreased from 1.51kg per day (2022) to 1.44kg per day (2023), this could equally have been contributed in part by the economic downturn which Hong Kong is currently and rightfully experiencing. In 2023, over 15,000 tonnes per day (tpd) of MSW on average were still disposed of at landfills. Compared with other regions, there are certainly room for improvement and further reduction. More importantly, we must always stay conscious and prepare ahead of time when economy strives again – which Hong Kong will – when waste generation rate will rise again.

3. While the Administration's tremendous efforts in exploring, promoting, facilitating and educating, etc. on waste reduction and recycling in the past years have undoubtedly been well recognized by HKGSA and the general public, changes to the traditional "modes" of implementation shall be considered from government-funded projects (e.g., I-Park1) and non-profit / charitable operators (e.g., Community Green Stations) to embracing certain elements of financial investment / market-driven arrangements.

The above proposal is not so much aimed at mitigating the present financial conditions of the Administration in general, but is more focused on diversifying risks utilizing fully market strengths and intelligence, thus creating a win-win situation.

4. To drive for sustainable waste management to foster circular economy, the suspended Municipal Solid Waste (MSW) Charging Scheme should be re-instated with a clear timeline. This process should include initiating additional pilot schemes, sharing successful case studies from these pilots, and incorporating feedback from relevant sectors, such as property management, cleaning, commercial and industrial, to enhance transparency and communication of difficulties. Undoubtedly at the initial implementation stage the scheme might induce some operational issues, but HKGSA remains the views that this is one of the most effective measures to achieve waste reduction at source.

5. While Hong Kong people are anticipating the commissioning of Hong Kong's first modern Energy-from-Waste (EfW) facility, I·PARK1, by the end of 2025, it remains clear that such facilities are capital-intensive. It is neither economically nor environmentally sensible to incinerate non-combustible materials or those with intrinsic economic value.

   To complement the EfW strategy, Materials Recovery Facilities (MRFs)—automated systems for sorting recyclables – have proven highly effective in many jurisdictions. These facilities can be compact, integrated into multistorey developments, or co-located with operational landfills, refuse transfer stations, or EfW plants. Such integration would support the Government's broader development visions, including the Northern Metropolis and Lantau Tomorrow Vision.
   A practical and forward-looking model would encourage residents in new development areas to adopt source separation using wet and dry bags—similar to Germany's yellow bag system. In this model:
   - Dry waste/recyclables go to MRFs,
   - Food waste is directed to O·PARKs,
   - And only the residual mixed waste is sent to incinerators.

   This approach aligns with advanced circular economy models in other metropolitan regions and maximizes resource recovery while minimizing environmental impact.

   In light of these developments, HKGSA urges the Administration to seriously consider incorporating MRFs into future master plans. This would be a crucial step toward achieving carbon neutrality and building a resilient, circular economy for Hong Kong.

6. With I·PARK1 set to process 3,000 tonnes of municipal solid waste (MSW) daily, and I·PARK2 planned to handle 6,000 tonnes by 2030, there is still a shortfall compared to the latest daily MSW disposal rate of 10,884 tonnes. HKGSA is pleased to know that the Administration is actively exploring ways to accelerate I·PARK2's construction. It is noted that the Government is exploring a new waste to energy plant in Northern Metropolis. In order to achieve zero landfill as envisioned in Hong Kong's waste blueprint, instead of building a new EfW plant which will likely cost tens of billion dollars, the Government should consider stepping up efforts to achieve waste reduction at source and also enhance recycling with the following combined measures: (i) re-instate the MSW charging scheme to reduce waste disposal at source, (ii) introduce Material Recovery Facilities to maximise resources recovery, and (iii) provide subsidy to the local recycling industry to raise

incentives for enhancing recycling of comparatively lower valued recyclables into usable resources.

7. Considering the current MSW generation rates, the handling capacities of various endpoint waste management infrastructure (e.g. landfills and incinerators) and existing recycling facilities, etc., HKGSA can only envision more waste management facilities will be required in the near future to establish a sustainable society and safeguarding the carbon neutrality target. Enormous financial burden would be induced otherwise in traditional modes of implementation.

8. Combining with further land supplies for waste management / recycling operations in the near future (e.g., reclamation at Lung Kwu Tan), HKGSA can see that this presents a golden opportunity for changes and innovation. There is no better time than now. On the other hand, HKGSA is very pleased to witness the Administration's continual expansion of the producer responsibility schemes (PRS) covering ever-increasing types of recyclable commodities which would otherwise end up at endpoint facilities, especially with Green Community Stations operating on a "rewarding / encouraging" regime rather than a "penalizing" mindset – which HKGSA has been advocating and is very pleased to the Administration's alignment on the same.

9. It is encouraging to see the Government has got approval from the Legislative Council on 23 Jul 2025 on the common legislative framework for the Producer Responsibility Scheme (PRS), with the business community showing a positive attitude toward the policy. HKGSA urges the Government to submit the supplemental legislation regarding plastic beverage containers and beverage cartons to the LegCo as soon as possible for early implementation to regain the momentum of responsible recycling with incentives.

10. Finally, HKGSA also takes this opportunity to reiterate two (2) issues for the attention of the Administration:

    (a) Timely publish key recycling results (e.g., tonnes of plastic bottles turned into certain number of 100% recycled plastic beverage bottles) to the general public, recognizing the joint effort as well as maintaining the positive momentum.

    (b) Qualify and quantify the different types of tradable commodities being imported to Hong Kong, part of which will inevitably become waste which has to be managed. We simply cannot manage what we do not know, further paving the way to a sustainable, carbon-neutral, robust and forward-looking waste management strategy.

<u>Air Quality</u>

11. HKGSA welcomes the Administration's implementation of the updated Air Quality Objectives (AQOs), which came into force on 11 April 2025. HKGSA acknowledges the Administration's continued commitment to improving air quality and its adoption of a progressive approach aligned with the World Health Organization's (WHO) Global Air Quality Guidelines. While HKGSA appreciates the tightening of five existing AQOs and the inclusion of three new parameters introduced by the WHO, we are concerned that no revisions were made to the 24-hour and annual AQOs for nitrogen dioxide (NO_2) and ozone

(O_3), despite the availability of multiple mitigation measures. Given the persistent exceedances and health risks associated with these pollutants, HKGSA urges the Administration to set more stringent AQOs for NO_2 and O_3, with a time-bound roadmap to fully achieve the ultimate WHO targets. HKGSA also calls for transparency in the review process and stronger regional collaboration to address transboundary pollution, particularly ozone formation in the Greater Bay Area.

12. HKGSA acknowledges the Administration's sustained efforts to improve air quality through the Clean Air Plan for Hong Kong, first launched in 2013, followed by a progress report in 2017, and the release of the Clean Air Plan for Hong Kong 2035 in 2021. One success of the plan has been the provision of grid electricity to construction sites, which has led to substantial reductions in carbon emissions, air and noise pollution, and energy costs during the construction phase—demonstrating the effectiveness of targeted interventions in achieving environmental and economic benefits. In light of the four-year interval since the release of the 2035 Plan, HKGSA respectfully urges the Administration to publish a progress report in 2025/2026. Such a report would provide transparency on implementation outcomes, inform the public of ongoing and future initiatives, and reinforce community support for Hong Kong's transformation into a smart, low-carbon, and livable international city.

13. HKGSA reiterates that electric vehicle (EV) charging infrastructure remains pivotal to achieving the Administration's target of phasing out new registrations of fuel-propelled private cars, including hybrids, by 2035 or earlier.

    HKGSA notes that EV-charging at Home Subsidy Scheme (EHSS) the scheme has since expanded significantly. As of mid-2025, the EV-charging at Home Subsidy Scheme (EHSS) EHSS has approved 724 applications, covering approximately **140,000 parking spaces** across **700 car parks** in private residential buildings. HKGSA urges the Administration to inject additional funding to extend the scheme. This would ensure broader coverage across existing private residential buildings and help materialize the roadmap's vision of a zero-emission private vehicle fleet.

    In parallel, HKGSA welcomes the launch of Hong Kong's first hydrogen-powered double-decker bus and refueling station in February 2024, marking a significant milestone in the city's green transport evolution. The operational experience gained from this pilot project offers valuable insights for the long-term deployment of hydrogen-powered public and commercial vehicles, especially in high-capacity and long-range applications.

    To build on this momentum, HKGSA calls on the Administration to set clear targets and timelines for reviewing and updating the roadmap to include electric public transport and commercial vehicles, as well as strategies for hydrogen energy adoption across the transport sector. A holistic approach, beyond EVs alone, is essential to achieving Hong Kong's carbon neutrality goals before 2050 and transforming the city into a smart, low-carbon, and livable city.

14. As of May 2025, the number of EVs on the road has exceeded 110,000, accounting for approximately 12.3% of all registered vehicles in the city. This rapid growth underscores the public's increasing embrace of clean mobility. However, the expansion of EVs has increased pressure on charging infrastructure. Despite the availability of over 11,000 public EV chargers across all 18 districts, demand continues to outpace supply, particularly

for fast-charging solutions. The recent launch of the HK$300 million Fast Charger Incentive Scheme and the construction of Hong Kong's first public hydrogen charging system mark important steps forward, but further acceleration is needed to meet the HKSAR's climate goals.

Additionally, with the fast development of EV charging vehicles such as BYD, and high demand of superfast charging stations (600 to 1000 kW guns) to charge up an EV in 5 mins like todays' fueling in gas station will be available within 2 years, Hong Kong needs to pace and plan ahead of with our mainland. Today's EEB is tendering for fast charging, which is targeted at 500 guns around 100-250 kW in next 5 years. By then it will become outdated.

In parallel, the growing volume of retired EV batteries presents an urgent challenge. With over 6,000 tonnes of used batteries expected by 2026, Hong Kong must swiftly establish a robust recycling ecosystem. The development of Hong Kong's first EV battery processing plant in EcoPark, Tuen Mun, targeted to begin operations in early 2026, is a promising milestone. This facility will enable local recycling, reduce reliance on overseas disposal, and support circular economy practices.

To ensure timely and sustainable progress, the Producer Responsibility Scheme (PRS) for EV battery recycling should be implemented without delay. HKGSA urges the Administration to introduce more favorable measures for industry stakeholders – particularly in areas of land allocation, regulatory support, and financial incentives in order to address infrastructure gaps and battery lifecycle management.

15. HKGSA acknowledges the Administration's progress in successfully implementing time-varying tolls at all three Road Harbour Crossings using the HKeToll free-flow tolling system, which has shown signs of reducing tunnel congestion and improving traffic flow. In light of these achievements, HKGSA urges the Administration to:
    - Integrate insights from the previous Electronic Road Pricing (ERP) Pilot Scheme Study with the real-world data and operational experience from HKeToll to formulate a comprehensive congestion management strategy.
    - Accelerate the deployment of smart mobility technologies, including automated traffic enforcement systems and dynamic tolling mechanisms, to support equitable and efficient road usage.
    - Engage stakeholders in shaping the roadmap for ERP implementation, ensuring that privacy, accessibility, and public transport prioritisation remain central to the scheme's design.

    All of these can be included in the Traffic and Transport Strategy Study, expected to conclude by the end of 2025

16. As outlined in the 2023 Chief Executive Policy Address and further advanced through the Action Plan on Green Maritime Fuel Bunkering released in November 2024. HKGSA notes the Administration's progress in conducting feasibility studies for green methanol bunkering for both local and ocean-going vessels and advancing technical studies and installations for liquefied natural gas (LNG) bunkering, including the drafting of the Code of Practice for LNG bunkering, completed in early 2025.

Following the commissioning of the Floating Storage and Regasification Unit (FSRU) at the offshore LNG terminal in July 2023, HKGSA supports the Administration's proposal to utilize this facility for LNG bunkering operations, provided that its primary role of supplying gas to power companies remains uncompromised.

HKGSA congratulated the successful completion of Hong Kong's first ship-to-ship LNG bunkering operation in June 2025, which was conducted simultaneously with cargo handling at Kwai Tsing Container Terminals.

To ensure the strategic development of LNG bunkering in Hong Kong, HKGSA is looking forward to the public release of preparatory work and technical findings and actively contribute views to support the planning and implementation process. HKGSA encourages the Administration to establish clear safety protocols, operational standards, and incentive schemes to attract LNG-fueled vessels to berth and bunker in Hong Kong. This policy initiative will help position Hong Kong SAR as a regional hub port for green marine fuels, accelerate the decarbonisation of the shipping sector, and reinforce the city's role in supporting low-carbon maritime trade.

17. The recent trial of New Pearl 39, which sailed between North Point, Hung Hom, and Kowloon City, demonstrated that electric ferries are technically viable and socially acceptable in Hong Kong's busy harbor. For this trial, the Hong Kong SAR Government has shown strong support by allocating HK$350 million to fully fund the construction of four electric ferries under a pilot program. With proven performance, strong government support, and clear environmental and economic benefits, HKSGA considers that electric ferries should be rapidly adopted to modernize Hong Kong's maritime transport and lead the region in sustainable innovation. The Hong Kong SAR Government should closely work with the operators to meet the target.

Climate Change and Energy Efficiency

18. June 2024 marked the hottest June on record globally, and the trend has only intensified since July 2025. According to the European Union's Copernicus Climate Change Service, the planet has now experienced over 18 consecutive months of record-breaking temperatures, with the 1.5°C threshold being temporarily breached more frequently than ever before. The World Meteorological Organization warns that such exceedances are becoming the new norm.

    In response to the escalating climate crisis, the Hong Kong SAR Government has reaffirmed its commitment to achieving carbon neutrality before 2050, with an interim target of reducing carbon emissions by 50% by 2035, compared to 2005 levels. While Hong Kong's total greenhouse gas emissions have declined by approximately 20% since 2005, the pace of decarbonisation must accelerate to meet these ambitious goals.

    To strengthen coordination and drive deep decarbonisation, the Office of Climate Change and Carbon Neutrality was established in 2023, alongside the Council for Carbon Neutrality and Sustainable Development, tasked with advising on strategic climate actions. However, as of July 2025, there remains limited transparency regarding the Council's deliberations, and no publicly available action plans have been released.

HKGSA urges the Council to promptly disclose their strategic roadmap, including timelines, stakeholder engagement mechanisms, and measurable targets. Greater clarity and collaboration are essential to mobilise industry, civil society, and the public in Hong Kong's journey toward climate resilience.

19. To achieve carbon neutrality by 2050, Hong Kong's two power companies continue to play a pivotal role in shaping the city's energy future. In the pursuit of suitable zero-carbon energy sources, four keys: safety, reliability, affordability, and environmental performance are required to be considered.

    The Hong Kong SAR Government should actively explore opportunities to import reliable and affordable zero-carbon energy through regional collaboration, particularly from the GBA. This includes leveraging nuclear energy imports, which already contribute significantly to Hong Kong's decarbonisation efforts, and accelerating the development of emerging clean energy technologies such as hydrogen and ammonia, which are gaining traction globally but remain in early-stage deployment locally.

    In July 2025, construction began on Hong Kong's first public hydrogen charging system for electric vehicles at Science Park, powered by hydrogen extracted from gas network. This milestone demonstrates the feasibility of hydrogen as a clean energy source and sets the stage for broader applications in power generation and transport.

    To support regional energy integration, the transmission infrastructure must be designed to ensure high reliability, with local generation capacity serving as a strategic backup. HKGSA urges the Administration to incorporate fuel-flexible power generation plants capable of transitioning to zero-emission fuels such as hydrogen and ammonia in the upcoming 2029-2033 development plan.

    In parallel, energy storage systems are essential to balance supply and demand, especially to absorb off-peak nuclear generation from the GBA. HKGSA recommends the Administration consider establishing grid-scale energy storage facilities either in Hong Kong or across the border, integrated with nuclear power plants to optimise carbon reduction. HKGSA is of the view that such systems are to be built locally and the feasibility of repurposing existing reservoirs for pumped hydro storage should be reviewed as part of a comprehensive energy strategy.

20. HKGSA has consistently urged the Administration to reform outdated legislation that hinders the development of innovation and technology. While the Hong Kong SAR Government has made progress in establishing the Digital Policy Office in July 2024 to lead data-driven, people-centric digital governance, launching over 100 digital government initiatives to improve public services and smart city infrastructure, advancing AI development through the Hong Kong Artificial Intelligence Research and Development Institute and the AI Supercomputing Centre at Cyberport.

    To fully realise the potential of digital innovation in combating climate change, HKGSA calls on the Administration to accelerate the review and amendment of ordinances that impede digital transformation and green innovation, clarify the status of key legislative reforms related to the digital economy, including data governance, AI development, and smart mobility, engage stakeholders in co-creating a regulatory environment that supports emerging technologies and sustainable business models. HKGSA looks forward to timely

updates on the progress of relevant ordinances and hopes to see concrete steps toward a more agile, innovation-friendly legal framework.

21. Hydrogen, with its zero-carbon emissions, is increasingly recognised as one of the important components in Hong Kong's future energy mix. It can be stored and converted into electricity via fuel cells, with heat as a valuable byproduct for heating and industrial applications. HKGSA welcomes the launch of the Strategy of Hydrogen Development in Hong Kong in June 2024, which sets out four major strategies: improving legislation, establishing standards, aligning with the market, and advancing with prudence. Key developments including The Gas Safety (Amendment) Ordinance 2025, gazetted in July 2025, plans to introduce subsidiary legislation in 2026 to regulate the entire hydrogen fuel supply chain, approval of over 27 hydrogen trial projects, including hydrogen-powered vehicles, refuelling stations, and EV charging systems

    Given the new hydrogen applications in Hong Kong, HKGSA urges the Administration to strengthen public education; collaborate with industry stakeholders to develop specialised training and certification programmes for hydrogen system operators, mechanics, and technicians, establish a dedicated taskforce and among others.

    With the recent launch of Hong Kong's first public hydrogen EV charging system at Science Park and the successful hosting of the World Fuel Cell Conference 2025, Hong Kong is to become a regional showcase for hydrogen innovation. HKGSA looks forward to continued collaboration with the Administration to ensure the safe integration of hydrogen energy into Hong Kong's sustainable future.

22. The Feed-in Tariff (FiT) Scheme, introduced under the Scheme of Control Agreements (SCAs) with Hong Kong's two power companies, has played a pivotal role in incentivising the adoption of solar and wind energy systems. Since its launch, the scheme has attracted over 18,000 applications, significantly boosting distributed renewable energy generation across the territory. However, the FiT Scheme remains limited to solar and wind power, despite the growing potential of other renewable energy (RE) sources such as biogas, waste-to-energy, and hydrothermal technologies. To foster innovation and diversification, HKGSA previously suggested that the Administration expand the FiT Scheme to include other forms of RE generation with comparable financial incentives. To date, no formal response has been received from the Administration regarding this proposal.

    Moreover, the current FiT Agreement stipulates that the scheme will remain effective until the end of 2033, or the project life of the RE system, whichever is earlier. As we approach the latter half of the scheme's timeline, the shortened duration reduces its attractiveness to new participants, especially those considering long-term investments in RE infrastructure. To ensure the continued success and sustainability of the FiT Scheme, HKGSA urges the Administration to extend the expiry date of the FiT Scheme beyond 2033, review the financial framework with power companies to accommodate new RE technologies and provide clarity and transparency on the future of FiT incentives post-2033,

23. HKGSA notes that under the enhanced climate-related disclosure requirements effective from January 2025, many major corporations are now required to report Scope 3 greenhouse gas (GHG) emissions, including those arising from their supply chains, in alignment with IFRS S2 Climate-related Disclosures.

However, the existing "Guidelines To Account For And Report On Greenhouse Gas (GHG) Emissions And Removals For Buildings In Hong Kong", published over a decade ago, have not been updated to reflect the latest GHG emission factors or methodologies. This gap creates inconsistencies in emissions estimation and reporting, particularly for companies seeking to align with international standards and meet regulatory expectations.

HKGSA repeatedly urges the Administration to update the Guidelines using the most recent IPCC methodologies, including the AR5 Global Warming Potential values now adopted in Hong Kong's official GHG inventory, incorporate local emission factors and sector-specific data to improve accuracy and relevance for Hong Kong-based companies and ensure alignment with the Hong Kong Climate Action Plan 2050 and Hong Kong's broader decarbonisation strategies.

24. HKGSA notes the limited availability of biodiesel across Hong Kong, with only a few petrol stations – located in Ma On Shan, Tsing Yi, and one franchised outlet on the Kowloon side – offering B5 biodiesel. This restricted distribution poses a significant barrier to wider adoption, particularly for consumers on Hong Kong Island – a practice that undermines the environmental benefits of using cleaner fuels.

    Despite repeated calls from HKGSA for the Administration to engage oil companies in expanding biodiesel sales territory-wide, including Hong Kong Island, no formal response or action plan has been reported to date. This lack of progress is concerning, especially in light of recent research by an NGO, which highlights growing corporate interest in renewable diesel and biodiesel as viable low-carbon alternatives. HKGSA urges the Administration to review and update fuel distribution policies in collaboration with oil suppliers, incentivize the installation of biodiesel pumps at more petrol stations across all districts, enhance public awareness of biodiesel's environmental benefits and compatibility with existing diesel engines. Expanding access to biodiesel is essential for supporting Hong Kong's decarbonisation goals and reducing transport-related emissions

<u>Biodiversity Strategy</u>

25. HKGSA is pleased to note that the Hong Kong SAR Government has initiated the process to update the Biodiversity Strategy and Action Plan (BSAP), with a public consultation period held from 12 May to 11 July 2025.

    HKGSA welcomes the formation of a diverse Expert Biodiversity Steering Committee, comprising academics, NGOs, and industry representatives, to review the progress of the previous BSAP and provide recommendations for the next phase. The updated BSAP will align with the Kunming-Montreal Global Biodiversity Framework, the China National Biodiversity Conservation Strategy and Action Plan (2023–2030), and Hong Kong's own ecological priorities.

    HKGSA urges the Administration to expedite the finalisation and implementation of the updated BSAP, ensuring that clear timelines, measurable targets, and stakeholder engagement mechanisms are in place.

26. As given in the Chief Executive's 2023 Policy Address, the Blueprint for the Sustainable Development of Agriculture and Fisheries was officially launched in December 2024, marking a strategic shift toward modernisation and sustainability in Hong Kong's primary

industries. The Blueprint introduces a public-private partnership model, promotes the "harvest-to-sale" concept, and supports the development of modern hydroponic farms and retail stalls on suitable rooftops of public markets. It also encourages leisure farming activities as ancillary businesses to diversify income streams and enhance public engagement.

HKGSA welcomes this forward-looking approach, which has the potential to improve livelihoods, attract younger talent, and strengthen food resilience. Despite these promising developments, HKGSA notes that the Blueprint has been presented with limited public visibility. Given the importance of agriculture and fisheries to Hong Kong's sustainability goals and cultural heritage, HKGSA urges the Administration to enhance public communication through regular updates, media briefings, and community outreach, publish a clear implementation timeline and performance indicators for key initiatives, engage stakeholders and the public in co-creating future phases of the Blueprint Transparent reporting.

Fresh Water Supply

27. In the face of intensifying climate change, freshwater scarcity remains a growing concern for Hong Kong. With 59% of the city's water supply still reliant on imports from the Dongjiang River, HKGSA welcomes the Water Supplies Department's (WSD) continued efforts to diversify water sources that are less vulnerable to climate variability, including seawater desalination at Tseung Kwan O, reclaimed water, treated grey water, and harvested rainwater.

    HKGSA also notes that the Total Water Management Strategy, last reviewed in 2019, has helped contain Hong Kong's total freshwater consumption at around 1,000 million cubic metres annually over the past decade. However, with shifts in consumer behaviour, population growth, and the operational impact of new infrastructure like the desalination plant, HKGSA urges WSD to conduct a timely review of the Strategy in 2026.

    This review should reassess both water demand and supply management initiatives, update projections through 2045, and incorporate climate risk scenarios, including extreme weather events and regional water competition. HKGSA further recommends that the revised Strategy include expanded use of lower-grade water, enhanced leakage control, and smart metering technologies to promote conservation and efficiency.

    To address a consistently broken water supply line, HKGSA considers that a strategic approach is needed, focusing on identifying the root cause, implementing preventative measures, and potentially upgrading the system.

Marine Water Quality

28. Marine odour nuisance continues to be a concern, often caused by misconnected wastewater discharges entering the sea via the stormwater drainage system instead of the public sewer network. HKGSA is pleased to note that as of July 2025, the Environmental Protection Department (EPD) has made good progress, including the installation of scientific buoys to monitor water quality and the deployment of silt curtains at Tsuen Wan Bay to contain pollutants. HKGSA welcomes the Administration's multi-pronged approach, as outlined in the LegCo paper of February 2024, which includes source control,

infrastructure upgrades, and enhanced enforcement to address odour and water quality issues in Victoria Harbour and surrounding districts.

To ensure transparency and sustained improvement, HKGSA urges the Administration to regularly publish progress updates. They include status of sewer misconnection rectification, odour level trends at key outfalls, effectiveness of mitigation measures such as silt curtains and aeration systems, community engagement and public education efforts

29. The Water Quality Objectives (WQOs) were progressively applied to Hong Kong's designated water control zones between 1987 and 1996. The Review and Development of Marine Water Quality Objectives – Feasibility Study, published on 4 February 2014, outlined both existing and proposed WQOs offering a good opportunity for enhancements. However, there remains no clear timeline for implementing the proposed WQO recommendations aimed at protecting Hong Kong's marine waters, which are among Hong Kong's most valuable natural assets.

    HKGSA respectfully requests the Administration to clarify the current status of the WQO review process, including:
    - Whether the second stage of public engagement will be launched
    - A projected timeline for implementing updated WQOs
    - How the recommendations from the 2014 feasibility study are being considered
    - Integration of WQO updates with broader marine conservation and climate resilience strategies

Smart City

30. Given the overlapping objectives and complementary nature of these two blueprints Smart City Blueprint for Hong Kong 2.0 and Smart City Blueprint 3.0 Advisory Report – both aiming to enhance digital infrastructure and improve quality of life. HKGSA considers it timely to consolidate the two into a unified strategic document.

    HKGSA welcomes the Legislative Council paper issued by the Innovation, Technology and Industry Bureau (ITIB) in July 2024, which outlines updates on smart city development and reaffirms the Administration's commitment to advancing smart city initiatives in accordance with the strategies and recommendations set out in the I&T Blueprint. Developments include the launch of the Digital Policy Office (DPO) in July 2024 to coordinate digital government and smart city initiatives, the rollout of over 100 digital government projects by end-2025, including AI-powered public services, blockchain platforms, and big data analytics and enhanced cross-boundary data flow mechanisms within the Greater Bay Area, supporting regional integration and innovation

    HKGSA supports the approach and respectfully urges the Government to establish a clear and publicly accessible timeline for the implementation of smart city and low-carbon initiatives, including milestones for infrastructure upgrades and digital service rollouts, KPI for sustainability and carbon reduction.

Green Finance

31. Since the launch of the Environmental, Social and Governance (ESG) Guide in 2013 as a voluntary framework, HKGSA welcomes the continued efforts by Hong Kong Exchanges and Clearing Limited (HKEX) to strengthen ESG reporting standards. Over the past decade, HKEX has progressively transitioned from voluntary guidance to mandatory ESG disclosures, culminating in the implementation of the New Climate Requirements in January 2025, which align closely with the IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB).

    Under the revised framework, listed companies are now required to disclose Scope 1 and Scope 2 greenhouse gas emissions, with Scope 3 disclosures phased in for large-cap issuers by 2026. These requirements also mandate reporting on governance, strategy, risk management, and climate-related metrics and targets. HKGSA supports this alignment with international standards, as it enhances transparency, comparability, and investor confidence in Hong Kong's capital markets.

    However, the current ESG regulatory framework does not extend to non-listed companies and SMEs, which represent a significant portion of Hong Kong's business ecosystem. HKGSA reiterates its earlier request for the Administration to study the feasibility of introducing ESG legislation that would encourage broader adoption of sustainability practices across all sectors. This includes exploring mandatory ESG reporting for non-listed entities, particularly those seeking access to green finance or participating in public procurement.

    HKGSA also encourages the Administration to provide technical support, capacity-building programs, and financial incentives to help smaller businesses overcome resource and knowledge barriers. Initiatives such as the SME ESG Charter 2025 and the Green Fintech Map are promising steps, but further integration into the regulatory framework is needed to drive systemic change.

    With the enhanced climate disclosure regime now in effect, HKGSA urges all companies—listed or otherwise—to commit to continuous improvement in ESG transparency, regularly update their performance against climate targets, and actively engage stakeholders in their sustainability journey.

32. HKGSA is glad to see the determination of the Government on developing green finance in its policy agenda. To position Hong Kong as an international green finance centre in a more efficient and effective manner, the Administration should strengthen the role of the Green and Sustainable Finance Cross-Agency Steering Group. Its members should work in a more coherent manner in shaping cross-sector policies for green and sustainable finance. Being the biggest public fund spenders in terms of infrastructure provision, the Development Bureau is proposed to join this Steering Group to offer advice in formulating integrated policy for public work and sustainable finance. With the continuing increase in the adoption of ESG Reporting as a means to promote the sustainability effort of corporates, there is a pressing need for the Administration to push for a common ESG reporting framework to facilitate the preparation of reports and assessment/comparison of their sustainability performance for making informed decision on investment. With the setting of targets and roadmaps for carbon neutrality, climate transition financing is vital to corporates of various sectors. The Administration is suggested to collaborate with financial institutions and investment sectors to develop locally applicable transition financing framework. Moreover, a healthy green economy would not happen without the support of

green finance talents with recognizable professional qualifications. The Administration should provide impetus and financial support to the tertiary educational institutions and universities for setting up more accredited degree programmes at both under-graduate and post-graduate levels to nurture professonals equipped with knowledge bridging green technologies with finance and investment. With the imminent of the ISSB Scope 3 emission disclosure requirement in 2026, the Administration is urged to develop clear guidelines for reporting carbon emissions by SMEs who are the key players in value chains. More training jointly organized with various SME associations and wider promotion on the use of the Carbon Emission Calculation and Estimation Tool jointly developed by SFC and HKUST would be helpful. On regional front, integrated green finance system in the GBA should be developed jointly with the relevant government authorities and research institutes without delay in order to enhance the competitiveness of our economy in international arena.

33. In the rapidly evolving business landscape in Hong Kong being the third global leading financial hub striving to escalate its position, the continuous leverage on the financial strength of Hong Kong by the local companies for going big and going strong is one of the key success factors of the Hong Kong Community. Hong Kong SMEs being the leading entrepreneurs in Hong Kong play a crucial role in driving innovation and economic growth. However, many SMEs face challenges in securing financial investment and preparing for an Initial Public Offering (IPO). HKGSA suggests a comprehensive training program on Green Financial Investment and IPO Readiness aimed at equipping the SMEs with the necessary skills and knowledge to attract financial investment and navigate the IPO process, with sponsorship from the Hong Kong SAR Government.

~END~

8 August 2025