

# **A CHANCE TO IMPROVE THE ENVIRONMENT—OR AN OPPORTUNITY WASTED?**

**By Christine Loh**

The declared official goal of China's Guangdong Province and adjacent Hong Kong is to transform the Hong Kong-Pearl River Delta into "a green and quality living area under the principle of promoting environmental protection and sustainable development". What remains to be done is filling out the details on how to achieve this within a reasonable timeframe. Moreover, can the region build environmental protection and climate change initiatives into effective measures that also meet the challenges of the current financial crisis? This is not wishful thinking for it reflects a goal of Chinese national policy as well as Hong Kong's own needs.

In his remarks to members of the ruling Politburo in November, 2008, president Hu Jintao suggested that China needs to revamp its economy more quickly, reducing reliance on export production to favor smarter, more sustainable growth. President Hu made clear that China is under growing pressure due to its large population, limited resources and environmental problems, and needs faster reform of its economic growth pattern to achieve sustainable development.

So the answer to the question must be yes, but it has to be understood that this also reflects demands from within both Hong Kong and Guangdong. The official rhetoric of Hong Kong's chief executive, Donald Tsang Yam-kuen, has acknowledged that the "common goal is to enhance the appeal and competitiveness" of the region through environmental upgrade, while meeting the challenge of climate change. He pledged Hong Kong would become more energy efficient and promote "a low carbon economy" based on lower energy consumption and less pollution. Unfortunately, the government remains too narrowly focused on creating jobs when it could do much more to not only increase employment but also promote other desired outcomes.

The government retort would be that much is being done on all fronts. For example, since buildings account for 89% of total power consumption in Hong Kong, the government has announced it will require mandatory compliance with building energy codes to improve energy efficiency in new and existing buildings in the years ahead. It also has set aside HK\$150 million (US\$19.3 million) to subsidize building owners who conduct comprehensive energy and carbon audits,

plus another HK\$300 million (US\$38.7 million) for energy efficiency projects. These small initiatives are well and good, but they are not part of any broad policy framework designed to meet specific goals.

### **Careful Planning as a Barrier to Action**

Current orders from the top political leaders essentially call for expediting all infrastructure projects, large and small, to create jobs—including 10 major ones. But it would be a pity if rushing into projects means that proper planning is not done, thereby losing opportunities to ensure that these projects are environmentally sustainable and climate-friendly. There is, unfortunately, a sense at the top that planning, design and environmental considerations are barriers to quick executive “action”. Yet some of these projects are scarcely off the drawing board and, by rushing ahead, longer-term benefits will be sacrificed for narrow short-term results. We already have a good example of sub-optimal planning – the huge and costly new government headquarters being built at Tamar, a waterfront site near the Central business district, uses the “design-and-build” method to save time. But by pushing for early completion in 2011, Tamar will not have some of the world’s most resource- and energy-efficient buildings, as it should. The design brief calls for minor rather than major environmental performance outcomes.

Among the 10 large infrastructure projects the Mr. Tsang wants to rush to completion are some that need much more thought; these include the Hong Kong-Zhuhai-Macao Bridge intended to link the three cities, the West Kowloon Cultural District, development of the former Kai Tak airport site and various new projects in the New Territories. For example, no detailed information about the bridge has been released to explain how many more vehicles from the mainland would arrive in Hong Kong, what emissions they would add to the already poor quality air and what pollution control measures would be in place. Officials seem able to handle traffic management only from a supply-side perspective when what is needed is greater focus on the demand-side. Officials still give priority to highway planning over the efficacy of comprehensive planning, which perpetuates the bad habit of letting the road lobby keep its pride of place in the process. Despite going through many studies since the 1980s, Hong Kong still cannot decide what to do about electronic road pricing. Officials argue they can only consider it once a major highway – the new Central-Wanchai Bypass – is built.

When there are opportunities to redesign large areas, such as with some projects of the Urban Renewal Authority, these should set good examples by becoming state-of-the-art developments in terms of the environment and public health. Indeed, the

Authority can become Hong Kong's industry leader by using its convening power to invite its supply chain of architects, planners, engineers and contractors to discuss how the planning and construction process can be reformed to achieve maximum gains on several fronts. The public sector also controls many existing properties that could be retrofitted for better performance. This could also be done in districts where the government wants many small projects to proceed.

By requiring the planning stage to include outcomes that are environmentally sound and low-carbon, the public sector would be pushing for a building industry change that could reap great future benefits. By requiring materials used in all construction projects to be more environmentally and climate friendly, the government would in fact promote new norms and practices. By requiring all public sector buildings to be energy and water efficient, low in resource usage and healthy for their occupants, Hong Kong could produce a new generation of high-performance buildings that would put it on the map as one of the world's innovators. The city has a depth of environmental professionals among its architects, urban planners, engineers and contractors who could deliver but who need developers to demand innovation. Why not have the public sector show the way?

It would be a pity if the only message from the top is essentially about speed – let out the contracts quickly – because that is more likely to bring to low-value design and shoddy workmanship. The reality is that demanding quality results would also create many good jobs all along the construction chain. Good infrastructure and good buildings come from careful planning. Indeed, the construction phase itself can be relatively quick, but the design and planning process would benefit by having enough time to reflect about the desired outcomes.

Mr. Tsang and his colleagues would be taking only a narrow view if their rhetoric is focused primarily on construction jobs. The government likes to take credit for creating such jobs, and justifies doing so as being good for the working class. Yet construction workers can produce either shoddy work or quality work. They do not determine whether a project is environmentally friendly, and have no role in decisions about design, materials and organization of the construction site. How they perform depends upon how the project has been conceived and planned. If the work is properly supervised, the work should produce desirable results. So let us put these skills to good use.

Hong Kong can also ensure that public projects encourage more innovation. The city has skilled designers of energy-efficient lighting, for example, whose works

should be incorporated into public projects as a priority. In addition, Hong Kong's power utilities know a great deal about energy efficiency, and could be asked to become partners on public projects. There also have been successful trials of the use of roof-top green areas to reduce temperature; these also could be integrated into public projects.

### **Green Ports as a Green Goal**

As the export-manufacturing sector on the mainland slows, the Hong Kong government should take the opportunity to reduce marine and port-related emissions. The people of Hong Kong and Shenzhen would gain if both ports adopted greener policies. The health of their millions of residents would benefit, and the reputations of both cities would improve at a time when seaports elsewhere are seeking ways to do better—just as the “green port” policies of Long Beach and Los Angeles have become world famous. Cleaning the ports is only a small step away from acknowledging that the entire transportation sector must be improved. Roadside pollution is exceptionally high, and experts believe vehicles present the highest day-in, day-out health risk to Hong Kong people. But any solutions would require dealing more firmly with the road lobby and commercial truckers, something the government has shown little appetite for despite the heavy public health price the city is paying. Officials also have been reluctant to tighten air quality standards since this would require them to present specific plans to reduce emissions.

Some may well argue that the current economic crisis is no time to spend money on environmental gains, but there is a flip side to this view. As export orders drop, the slower growth of tonnage through Hong Kong and Shenzhen gives a breathing space for making improvements. Authorities could lead this effort by convening a cross-border dialogue on a clean-up because positive results would improve public health and put both seaports on the map as leaders. Such leadership would have a practical value because transformation can lead to more activity, which in turn can be monetized.

It has already become common for some of the world's best-known brands to require their supply chain to use components with lower ecological impacts. This trend will likely continue, despite the global consumption slowdown, because more customers are demanding better value rather than merely cheaper and lower-quality products. The concept of “value” now often includes how a product is made and delivered. This means importers will be asking shipping companies to do their bit to make the supply chain greener, and, in turn, ship-owners will be asked

to make adjustments. In the end, container terminal operators and logistic companies will all have to do some adjusting as well. What better way to kick-start this than by having Hong Kong and Shenzhen take the lead by inviting all the stakeholders to join a sector-wide dialogue on how to adopt green and low-carbon policies? One example that can be immediately implemented would be to require vessels to go slower as they approach the ports, thus reducing emissions.

One sign of government competence is the ability to generate multiple, beneficial outcomes for the public good. In Hong Kong's case, this should include the use of public spending to generate jobs that would produce both high quality outcomes and also advance the levels of local development. A government that seeks mainly quick results, including low quality ones in a knowledge-driven world, suggests a willingness to accept lower competence. But with a clear vision and continuous emphasis on multiple, desirable results, the endgame could produce a population that is healthier, more productive and therefore more competitive.

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