

## ***ENVIRONMENT AND RESOURCE MANAGEMENT: INSTITUTIONAL REFORM NOW AN URGENT TASK***

When the Conservancy Association was established thirty-five years ago, one of its early missions was to remove the serious trade waste from tanneries polluting River Indus in the northern New Territories. After years of campaigning the government simply moved the tanneries to an industrial zone designated for polluting factories in Kwai Chung. Today the tanneries are long gone as a result of changing economics, many of them relocated across the border, and even the designated industrial zone has become part of the world's busiest container terminal.

At the World Summit for Sustainable Development held in Johannesburg last autumn, world leaders and civic organisations alike affirmed that environmental problems should not be dealt with in isolation, but instead advocated an integrated approach taking into account of broader socio-economic needs and the well-being of future generations.

To put it simply, the remedial, problem-fixing approach of the past needs to be replaced by a forward-looking, resource management approach.

Using River Indus as an example, where the tanneries still exist it should no longer be seen as a wastewater treatment problem, but rather as an issue of water resource management. How can factories use water wisely? Can wastewater be reused or recycled in a cost-effective manner? If the issue was put in the context of land resource management, the questions would be whether the economic gains of the tanneries compensate for the diminution in ecological value of the land and river and how the local communities could benefit from better land use.

Despite the fact that the framing and discussion of environmental issues is so different now from three decades ago, Hong Kong's institutional framework for dealing with ecology remains largely unchanged. By and large, the problems have changed and the philosophies used in tackling the problems have changed, but the problem-solvers have not.

The new perspective can be usefully applied to all environmental resources including water, air, solid waste, energy, land, biodiversity as well as other natural and cultural heritage. The number of government departments performing significant functions in this area are mind-boggling: Environmental Protection Department, Water Supplies Department, Drainage Services Department, Electrical and Mechanical Services Department, Agriculture, Fisheries and Conservation Department, Planning Department, Lands Department and more.

For those familiar with the operation of the many government departments involved, there are other more urgent reasons to argue for major institutional reform.

The separation of functions among numerous departments often leads to confused lines of responsibility. For major projects such as the Harbour Area Treatment Scheme (previously termed Strategic Sewage Disposal Scheme), so many departments were involved during the decade-long process of feasibility study, planning, design, engineering, tendering, construction, operation and monitoring that, in the end, no single government unit took responsibility for the entire scheme. Responsible officials can often seek refuge in the bureaucratic maze when criticised. Consultants and contractors may easily take advantage of the confusion when substandard work is delivered.

A direct consequence of over-departmentalisation is inefficiency. Due to the separation of planning, implementation and execution functions, investment decisions and operational controls are often not optimised for the highest possible efficiency. This problem is evident in the management of the water cycle – artificially segregated into potable water supply, sewage treatment and drainage. Integrated water resource management, an internationally accepted approach, is simply not practicable under the current structure. This explains why wastewater reuse remained an alien concept until very recently. Given the many billions of dollars spent by these departments collectively every year, cost savings that may arise from potential efficiency gains can be substantial.

The third problem concerns role conflict. The different roles of an executing agency that plans and implements a project and a regulator that specifies performance requirements and monitors project outcomes are often merged in one department. In particular the traditional function of Environmental Protection Department as a regulator is eroded because, after many years of expansion, it now plays multiple roles in planning and execution. This happens in the areas of waste control and oversight of waste disposal contractors. The department will need exceptional courage to prosecute contractors under its own guidance and supervision when such contractors breach statutory requirements. No doubt the current arrangement is an inducement to lax control and poor execution.

Resource conservation is another victim under the existing institutional framework. Except for a partial portfolio under Agriculture, Fisheries and Conservation Department, no department is given a clear mandate for conservation of resources such as water, waste and energy. Conservation efforts are often an after-thought in policy formulation. Lack of coordination among departments, which share fragmented responsibilities, makes matters worse. Since the Planning Department and Lands Department come under another bureau separate from the Environment, Transport and Works Bureau, which has the responsibility for nature conservation policy, any sensible conservation effort that involves changes in planning and lands policy faces an insurmountable obstacle.

One of the basic principles of sustainable development concerns public access to information and participation in policy making. The current institutional design has not allowed for the level of transparency, public accountability and consensus building necessary for sustainable development. One notable project suffering from such institutional weakness is the Strategic Sewage Disposal Scheme. Public distrust of the government's decision-making process led to a loss of confidence and ultimately the collapse of the scheme two years ago. A high level of scepticism towards environmental

policy making is also doing a disservice to the government: it finds hard to persuade the public of the merits of some worthy causes, such as the removal of perverse subsidies, the application of polluters-pay-principle or the adoption of desirable trade-offs for nature conservation.

There is one obvious answer to all these problems: a major institutional reform in the environment and resource management portfolio.

The reform should be structured on the basis of three pillars: eco-efficiency in resource management, operational efficiency in delivery and access to participation for the public. In future articles the Conservancy Association will argue for the establishment of three separate authorities: a Water Authority, a Waste Authority and a Conservation Authority, in addition to a reformed Environmental Protection Department that can act as an independent regulator.

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