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Report by the Trustee on the Administration of the Environment and Conservation Fund

This report covers the financial year ending 31 March 1995.

Environment and Conservation Fund (ECF)

2. In the 1993 Address to the Legislative Council, the Governor proposed to set up the ECF to help finance environmental education and research.

3. The Environment and Conservation Fund Ordinance (the Ordinance), which established the ECF, was enacted in June 1994. An initial capital injection of \$50 million was subsequently approved by the Finance Committee. The ECF came into operation in August 1994.

Trustee

4. Section 5 of the Ordinance provides for the Secretary for Planning, Environment and Lands to act as the trustee of the ECF.

ECF Committee and vetting of applications

5. The ECF Committee, established in accordance with section 7 of the Ordinance, is to advise the trustee on the use of the ECF for the purposes of funding educational, research and other projects and activities in relation to environmental and conservation matters. The Committee consists of a chairman and 8 non-official members appointed by the Governor for a term of 2 years and 4 ex-officio members. The membership list is on page 4.

6. The ECF Committee had established a vetting sub-committee to consider environmental research and other projects. The sub-committee comprised ECF Committee members and co-opted members from various sectors of the community. The membership list of the ECF Vetting Sub-committee is on page 5.

7. The ECF Committee had entrusted the vetting of educational projects to the Environmental Campaign Committee (ECC). The reason for this arrangement is that the ECC had administered a funding scheme for environmental education and awareness projects undertaken by community groups for some time and it had developed the expertise and administrative framework needed for considering such projects. The membership list of the ECC is on page 6.

8. Both the ECF Vetting Sub-committee and ECC could approve grants up to \$120,000 for a project. For applications in excess of \$120,000, the recommendations of the relevant vetting bodies had to be endorsed by the ECF Committee.

9. Secretariat services to the ECF Committee and ECF Vetting Sub-committee were provided by the Planning, Environment and Lands Branch (PELB), whereas the secretariat services to the ECC were provided by the Environmental Protection Department (EPD).

10. Applications could be submitted anytime using the prescribed application forms which were available in all district offices, the EPD and the PELB. Vetting was done every two months at the Sub-committee and ECC level. The ECF Committee met half yearly to consider the recommendations of the Sub-committee and ECC.

Criteria for vetting applications.

11. Only applications from non-profit-making bodies and community groups would be considered for funding support. The following broad criteria were used in assessing the merits of individual applications:

- (1) Projects selected for funding support will be expected to contribute to the overall environment of Hong Kong, to raise environmental awareness of the local community, or to mobilise the community to take action to improve the environment.
- (2) The benefits must accrue to the local community as a whole, and not just an individual, a single private organisation or a consortium of private companies.
- (3) Projects should be non-profit making in nature. Income derived from a project should be used to further the project's aims.
- (4) In considering a project proposal, due consideration will be given to:-
 - (a) the benefits that it will bring to Hong Kong's environment, ecology, flora and fauna etc, or the extent to which it will enhance the environmental awareness of the local community;
 - (b) whether there is a demonstrable need for the proposed project;
 - (c) the technical and project management capability of the applicant;
 - (d) whether the proposed project's schedule of implementation is well-planned and the duration reasonable;
 - (e) whether the proposed budget is reasonable and realistic;
 - (f) whether the proposed project has alternative sources of funding support;
 - (g) whether the proposed project should more appropriately be funded by other sources;
 - (h) whether there is or likely to be a duplication of the work already or currently carried out by other groups; and
 - (i) if recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

12. The ECF Committee is revising the application forms and the guide to application for financial support so as to provide applicants with a better understanding of the vetting criteria. To

facilitate applicants in preparing budgets for their proposed projects, the ECF Committee is also drawing up specific budget guidelines for distribution to potential applicants.

Approved applications

13. As at 31 March 1995, a total of 85 applications for funding support were received and their vetting results are as follows:

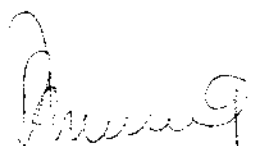
(a)	applications approved	29
(b)	applications approved in principle	2
(c)	applications being processed	26
(d)	applications rejected	26
(e)	applications withdrawn by applicants	<u>2</u>
Total:		85

14. Of the 29 applications approved, 28 applications were funded by the ECF with a total committed grant of \$8,350,373. One project was nominated to the Woo Wheelock Green Fund (WWGF) for support and another project was jointly funded by the ECF and WWGF.

15. A list of the approved projects and projects approved in principle is on pages 7-9.

Accounts

16. The balance sheet, the income and expenditure account and the auditor's report for the period between 1 August 1994 and 31 March 1995 are on pages 10 to 15.



(Bowen Leung)

Secretary for Planning, Environment and Lands
Trustee of the Environment and Conservation Fund
13 November 1995

Environment and Conservation Fund Committee

Membership List

(1 Augst 1994 - 31 March 1995)

Mr Peter K C Woo, JP (Chairman)

Dr Chan Wai-kwan

Dr Chau Sui-cheong

Mr Vincent Cheng Hoi-chuen, OBE, JP

Mr Paul Fan Chor-ho

Mr Malcolm John Matthews

Professor Brian Sydney Morton

Mr Stephen Ng Chi-wing

Dr Nora Tam Fung-yee

Secretary for Planning, Environment and Lands, or his representative

Director of Environmental Protection, or his representative

Director of Agriculture and Fisheries, or his representative

Director of Education, or his representative

Environment and Conservation Fund Committee

Vetting Sub-committee

Membership List

(1 August 1994 - 31 March 1995)

Mr Paul Fan Chor-ho (Convenor)

Dr Chan Wai-kwan

Dr Simon Chau Sui-cheong

Mr Stephen Ng Chi-wing

Dr Nora Tam Fung-yee

Representative from Planning Environment and Lands Branch

Representative from Agriculture & Fisheries Department

Representative from Environmental Protection Department

Co-opted Members

Mr Ray Tse Chee-on

Professor Gary Heinke

Mr Henry Chiu

Mrs Wong Sze Lo-sai

Ms LAM Wai-ling

Dr Chiu Sein-tuck

Professor Daniel Chan Kwong-on

Professor Chang Shu-ting

Environmental Campaign Committee

Membership List

(1 August 1994 - 31 March 1995)

Mrs Peggy Lam Pei Yu-dja, OBE, JP (Chairman)

Mrs Yolanda Chung Chiu Wai-kan

Professor Peter Hills

Mr Vincent Wong Po-sum

Mr Yung Ying-cheuk

Mr David F L Turner (resigned on 14.1.95)

Ms Libby Ancrum

Mr Edwin Tsang Ching-lun

Ms Kay Ku Yin-kay

Mrs Pamela Chan Wong Shui, JP

Mr David Armstrong

Mr Ronnie Wong Man-chiu

Mr Hung Wing-tat, as a Member to represent the Conservancy Association

Mr Liu Yuk-wah, as a Member to represent Friends of the Earth

Dr Simon Chau Sui-cheong, as a Member to represent Green Power

Mr Nigel Watt, OBE, JP, as a Member to represent World Wide Fund for

Nature Hong Kong

Secretary for Home Affairs, or his representative

Secretary for Planning, Environment and Lands, or his representative

Director of Education, or his representative

Director of Environmental Protection, or his representative

Director of Health, or his representative

Director of Information Services, or her representative

**Projects approved under
the Environment and Conservation Fund**

(As at 31 March 1995)

<u>Applicant Organisation</u>	<u>Project Title</u>	<u>Amount Approved</u>
1) Friends of the Country Parks	Keep Clean BBQ Outing	\$20,000.00
2) The Hong Kong Federation of Youth Groups Shan King Children & Youth Centre	Month of Green Living	\$6,570.00
3) Hoi Ping Chamber of Commerce Secondary School	Paper Recycling Project	\$2,198.00
4) Caritas Children & Youth Centre - Central District	Green Living Course for Young People	\$22,232.50
5) Association of H.K. Hospital Christian Chaplaincy Ministry Ltd.	Green Outing & Environmental Seminar for Church Ministers & Volunteers	\$86,537.50
6) Sheng Kung Hui Lady Macle hose Centre	"Alternative" Environmental Protection Camp	\$2,710.00
7) Hong Kong Baptist University	Survey on Environmental Knowledge, Attitude and Media Usage	\$118,325.00
8) University of Hong Kong	A Biodiversity Survey of Hong Kong	\$3,683,900.00
9) University of Hong Kong	Environmental Toxicology : Screening for Natural Toxins in Seafood	\$120,000.00
10)The Chinese University of Hong Kong	The Effects of Air Pollution on Health of School Children in Hong Kong - Respiratory Symptoms, Lung Functions, Cardio-pulmonary Fitness and Immune Response	\$120,000.00
11)The Hong Kong University of Science and Technology	Conversion of Municipal Sludge to Biodegradable Plastics	\$103,000.00
12)Green Power	Green Consumerism	\$51,750.00
13)Green Power	The Green Community Development Training Programme	\$19,805.00
14)Green Power	Green Consumption Consciousness Survey	51,975.00

**Environment and
Conservation Fund**

15)Green Power	Women Community Participation Project	\$80,040.00
16)Green Power	Diet and Environmental Protection Education Leaflet	\$19,500.00
17)Green Power	Course on Green Thinking & Green Living	\$31,900.00
18)Green Power	Wong Yee Chau Camp Development Scheme	\$24,040.00
19)Green Power	Green Attitude and Environmental Education Survey	\$237,050.00
20)Friends of the Earth	No Foam Box Campaign	\$73,025.00
21)Friends of the Earth	Monitoring Heavy Metals in Selected Commercial Species of Fish	\$120,000.00
22)Friends of the Earth	Adopt a Housing Estate	\$250,815.00
23)Conservancy Association	Attitudinal Survey of Polluter Pays Principle	\$105,000.00
24)Environmental Campaign Committee	Environmental Protection Festival 94	\$3,000,000.00
25)Environmental Campaign Committee	World Environment Day 95	
26)Environmental Campaign Committee	School Environmental Award and Student Environmental Protection Ambassador Scheme	
27)Environmental Campaign Committee	Publication of ECCO Bulletin	
28)Environmental Campaign Committee	Community Environmental Attitude Survey	
Total:		\$8,350,373.00

Remarks:

- a) Project 22) "Adopt a Housing Estate" was jointly funded by the Environment and Conservation Fund and Woo Wheelock Green Fund and the total budget is \$501,630.00.
- b) A project "Resources and Recycling in the Hong Kong Construction Industry" proposed by the HK Polytechnic University was approved by the ECF Committee and funded by the Woo Wheelock Green Fund with a grant of \$81,800.00.

**Projects approved in principle
under the Environment and Conservation Fund**

<u>Applicant Organisation</u>	<u>Project Title</u>
29) Green Power	Environment and Development Seminar Series
30) A community organisation to be selected by the ECF Committee	Environmental Resource Centre at Tak Wah Park, Tsuen Wan

Environment and Conservation Fund
Balance Sheet as at 31 March 1995

<u>Assets</u>	<u>1994/95</u>
	\$
Bank Deposits	44,918,105
Accrued Interest on Bank Deposits	443,465
Cash at Bank	56,761
	<u>45,418,331</u>
 <u>Representing :</u>	
Accumulated Fund :	
Balance at 1.8.1994	-
Surplus for the period	45,418,331
Balance at 31.3.1995	<u>45,418,331</u>

The annexed Notes 1 to 5 form part of these accounts.



(Bowen LEUNG)

Secretary for Planning, Environment and Lands
Trustee of the Environment and Conservation Fund

Planning, Environment and Lands Branch
Government Secretariat
HONG KONG
30 June 1995

Environment and Conservation Fund

Income and Expenditure Account for the period 1 August 1994 to 31 March 1995

	<u>Note</u>	<u>1994/95</u> \$
<u>Income</u>		
Contribution from Hong Kong Government		50,000,000
Interest		1,752,371
Total income		51,752,371
<u>Less: Expenditure</u>		
Grants	(3)	6,334,040
Surplus for the period		<u>45,418,331</u>

The annexed Notes 1 to 5 form part of these accounts.

Environment and Conservation Fund
Notes on the Accounts

1. General

The Environment and Conservation Fund accounts are prepared in accordance with Section 8(1) of the Environment and Conservation Fund Ordinance, Cap. 450. The Fund was established for the purposes of funding educational, research and other projects and activities in relation to environmental and conservation matters in accordance with Section 4 of the Environment and Conservation Fund Ordinance, Cap. 450.

2. Accounting Policy

The accounts are kept on an accrual basis.

3. Grants

Allocation to the Environmental Campaign Committee for funding its core activities and projects undertaken by other non-profit making organizations is accounted for as payment in the Environment and Conservation Fund. As at 31 March 1995, an unspent balance of \$4,947,683 was held by the Environmental Campaign Committee :

	<u>1994/95</u>
	\$
Balance at 1.8.1994	-
<u>Add: Allocation received during the period</u>	6,334,040
Interest received for the period	104,283
	6,438,323
<u>Less: Payments during the period</u>	1,490,640
Balance at 31.3.1995	<u>4,947,683</u>

4. Contingent Liabilities

There is a contingent liability of \$4,146,900 as at 31 March 1995, being the outstanding balance of approved grants payable to organizations subject to satisfactory progress or completion of the relevant projects.

5. Comparative Figures

No corresponding figures for the preceding period are available as this is the first set of financial statements prepared by the Trustee under Section 8(1) of the Environment and Conservation Fund Ordinance, Cap. 450.

**REPORT OF THE DIRECTOR OF AUDIT
TO THE LEGISLATIVE COUNCIL**

I have audited the attached financial statements which have been prepared under the accounting policy set out in note 2 to the accounts.

Respective responsibilities of the Secretary for Planning, Environment and Lands and the Director of Audit

Under the provisions of section 8(1) of the Environment and Conservation Fund Ordinance, the Secretary for Planning, Environment and Lands is responsible for the preparation of financial statements. In preparing the financial statements, the Secretary for Planning, Environment and Lands has to select appropriate accounting policies and to apply them consistently.

It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

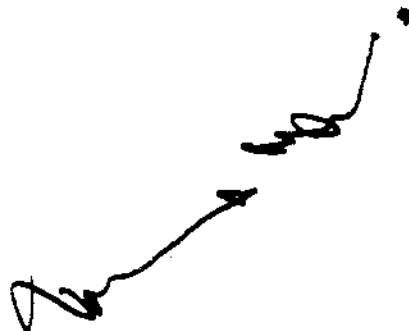
Basis of opinion

I certify that I have audited the financial statements referred to above in accordance with the provisions of section 8(2) of the Environment and Conservation Fund Ordinance and the Audit Department auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Secretary for Planning, Environment and Lands in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Environment and Conservation Fund, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion the financial statements give a true and fair view, in all material respects, of the state of affairs of the Environment and Conservation Fund as at 31 March 1995 and of its surplus for the period from 1 August 1994 to 31 March 1995 and have been properly prepared in accordance with the provisions of section 8(1) of the Environment and Conservation Fund Ordinance.



(Dominic Y T Chan)
Director of Audit

Audit Department
Hong Kong
6 November 1995