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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 1996.

Environment and Conservation Fund (ECF)

2. In the 1993 Address to the Legislative Council, the Governor proposed to set up the ECF to help fund education and research in relation to environmental and conservation matters.

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, not more than eight non-official members appointed by the Governor for a term of two years and four ex-officio members. The membership list is on page 4.

6. The ECF Committee has established a vetting sub-committee to consider environmental research and other projects. The sub-committee comprises 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 has entrusted the vetting of educational projects to the Environmental Campaign Committee (ECC). The reason for this arrangement is that the ECC has developed the expertise and administrative framework for considering such projects. The membership list of the ECC is on page 6.

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

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

10. Applications can be submitted any time using the prescribed application forms which are available in all district offices, the EPD and the PELB. Vetting is done every two months at the Sub-committee and ECC level. The ECF Committee meets 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 will be considered for funding support. The following broad criteria are 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 application forms and the guide to application for financial support have been revised by the ECF Committee in order to provide applicants with a better understanding of the vetting criteria. In addition, to facilitate applicants in preparing budgets for their proposed projects, the ECF Committee has drawn up specific budget guidelines for distribution to potential applicants.

Approved applications

13. From 1 April 1995 to 31 March 1996, a total of 154 applications for funding support were considered and their vetting results are as follows:

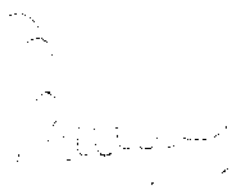
(a)	applications approved	80
(b)	applications approved in principle	2
(c)	applications being processed	19
(d)	applications rejected	44
(e)	applications withdrawn by applicants	9
Total:		154

14. Of the 80 applications approved, 3 applications were jointly funded by the ECF and Woo Wheelock Green Fund, 77 applications were funded by the ECF with a total committed grant of \$10,692,996.

15. A list of the approved projects and projects approved in principle is on pages 7 to 13.

Accounts

16. The balance sheet, the income and expenditure account and the auditor's report for the period between 1 April 1995 and 31 March 1996 are on pages 14 to 19.



(Bowen Leung)

Secretary for Planning, Environment and Lands
Trustee of the Environment and Conservation Fund
8 December 1996

Environment and Conservation Fund Committee
Membership List

(1 April 1995 - 31 March 1996)

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, JP

Mr Malcolm John Matthews

Professor Brian Sydney Morton

Mr Stephen Ng Chi-wing, JP

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 April 1995 - 31 March 1996)

Mr Paul Fan Chor-ho, JP (Convenor)

Dr Chan Wai-kwan

Dr Simon Chau Sui-cheong

Mr Stephen Ng Chi-wing, JP

Dr Nora Tam Fung-yee

Representative from Planning, Environment and Lands Branch

Representative from Agriculture & Fisheries Department

Representative from Environmental Protection Department

Representative from Education Department

Co-opted Members

Mr Ray Tse Chee-on

Professor Gary Heinke

Mr Henry Chiu

Mrs Wong Sze Lo-sai

Dr Chiu Sein-tuck

Professor Daniel Chan Kwong-on

Professor Chang Shu-ting

Environmental Campaign Committee

Membership List

(1 April 1995 - 31 March 1996)

Mrs Peggy Lam Pei Yu-dja, OBE, JP

Mrs Yolanda Chung Chiu Wai-kan (expired on 31 December 1995)

Professor Peter Hills

Mr Vincent Wong Po-sum

Mr Yung Ying-cheuk

Ms Elizabeth 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 John Li (effected on 1 January 1996)

Ms Betty Ho (effected on 1 January 1996)

Mr Ray Tse (effected on 1 January 1996)

Mr Hung Wing-tat, representing the Conservancy Association (expired on 31
December 1995)

Mr Liu Yuk-wah, representing Friends of the Earth (expired on 31 December 1995)

Mr Edwin Lau, representing Friends of the Earth (effected on 1 January 1996)

Dr Simon Chau Sui-cheong, representing Green Power

Mr Nigel Watt, OBE, JP, representing 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 his representative

Projects approved under
the Environment and Conservation Fund

(1 April 1995 to 31 March 1996)

<u>Applicant Organisation</u>	<u>Project Title</u>	<u>Amount Approved</u>
1) World Wide Fund For Nature Hong Kong	Hong Kong Environmental Profile	\$1,154,384
2) The Hong Kong University of Science and Technology, Research Centre	Asia-Pacific Conference on Science and Management of Coastal Environment	\$100,000
3) City University of Hong Kong	Development of a CD-ROM database for common bird species in Hong Kong	\$115,570
4) Hong Kong Baptist University	International Conference on Derelict Land Management	\$100,000
5) The Hong Kong University of Science and Technology	To monitor electricity generated from solar energy captured by photovoltaic panels when used as cladding and/ or sunshading to windows	\$59,999.5
6) The Hong Kong University, Centre of Urban Planning & Environmental Management	Developing initial indicators of sustainability for Hong Kong	\$1,501,028
7) The Hong Kong University of Science and Technology, Department of Mechanical Engineering	Characterisation of Traffic Noise in Open Areas	\$253,300
8) Environmental Campaign Committee	School Environmental Awards Scheme (SEAS)'95 and Student Environmental Protection Ambassador Scheme (SEPAS)	\$3,070,000
9) Environmental Campaign Committee	Environmental Protection Festival'95	
10) Environmental Campaign Committee	World Environment Day'96	
11) Environmental Campaign Committee	Publication of 'ECCO' monthly bulletin	
12) Environmental Campaign Committee	Production and Publication of ECC Biennial Report on its Activities	
13) Environmental Campaign Committee	Environmental Resource Centre	\$2,848,500

14) Green Power	Environment & Development Seminar Series	\$49,375
15) The Hong Kong Environment Centre	Environment for the Aged	\$95,000
16) The Hong Kong University of Science and Technology	Promoting Environmental Protection Awareness in Hong Kong Secondary Schools	\$43,113
17) World Wide Fund for Nature Hong Kong	Primary Environmental Education Development Programme- Part I	\$27,823.5
18) World Wide Fund for Nature Hong Kong	Primary Environmental Education Development Programme- Part II (Primary Environmental Education Teacher Training Workshop and the associated trial run of developed programmes and materials)	\$51,750
19) Friends of the Earth	Adopt a Housing Estate - Green Family Competition	\$54,360
20) The Hong Kong Environment Centre	District Environmental Hazard Identification Programme	\$40,000
21) St. Louis School Independent Clubs Association	Return to Green	\$5,475
22) Po Leung Kuk C. W. Chu Prevocational School	Experiencing Farming	\$2,300
23) SKH Lady MacLehose Centre	Alternate Environmental Protection Camp	\$4,375
24) Lai Tak Youth Centre	Be With Nature	\$4,920.6
25) The Richmond Fellowship of Hong Kong	Ping Shan Farming Plan	\$12,827.5
26) SKH Lady MacLehose Centre	"Rainbow Connection- Environment and You" Education Campaign	\$12,670
27) SKH Lady MacLehose Centre	Environmental Protection Little Farmer	\$1,974.5
28) BGCA Lai King Children Centre	The Green World Experience Scheme	\$12,925.8
29) HKYWCA Tsing Yi Social Service Centre	Funny Natural Play Room	\$5,000
30) The Boy's and Girls' Clubs Association Cho Yiu Children Centre	Community Awareness on Environmental Protection in Action	\$11,050
31) Cornerstone Education Centre	Save and Keep Safe	\$43,013.6
32) Hong Kong Jayceettes Limited	Environmental Friendly Product Competition	\$23,500

**Environment and
Conservation Fund**

33) Consumer Council	"Use Less Plastic Bags Campaign-Green Ambassadors Publicity Tapes"	\$114,000
34) Methodist Epworth Village Community Centre, Methodist Epworth Children & Youth Centre	Act for the Environment	\$19,500
35) Lei Muk Shue Caritas Children & Youth Centre	Environmental Protection Workshop Part II	\$4,030
36) Caritas Children & Youth Centre- Chai Wan	Green Pioneers' Summer Activities	\$1,618
37) Pok Oi Chan Se Sau Mui Wo Centre	Inauguration Ceremony of Environmental Protection in Mui Wo	\$8,890
38) Pok Oi Chan Se Sau Mui Wo Centre	Environment life in Mui Wo	\$22,200
39) Hong Kong Outlying Island Women's Association	Protect Natural Environment & Beautify the Beach	\$25,230
40) SKH Sheung Shui Social Service Centre	Children Build up an environmental ethics together	\$10,494.8
41) HKCYS Tin Ping Children & Youth Centre	Environmental Protection Camp for Children	\$4,527
42) Wing Fok Centre Owners' Committee	Visit to Mai Po	\$1,500
43) HKFY Chung Wah Children & Youth Centre	Green Children	\$8,200
44) Sha Tin District Summer Youth Programme Co-ordinating Committee	Environmental Protection Pioneers Scheme	\$66,041.5
45) The Salvation Army Sam Mun Tsai Community Development Project	"Knowing more about environmental protection in 60 days"	\$27,180
46) Riviera Garden Lutheran Children & Youth Centre	Green Fund Project	\$12,055.6
47) Hong Kong Children & Youth Services Sing Woo Children & Youth Centre	Enjoy a Sunny Day	\$1,196.5

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48) Hong Kong Children & Youth Services Sing Woo Children & Youth Centre	Explore the Secret of Nature	\$1,500
49) Hong Kong Children & Youth Services Sing Woo Children & Youth Centre	To know more about nature	\$1,830
50) Hong Kong Children & Youth Services Sing Woo Children & Youth Centre	Learning with Fun	\$1,745.6
51) The Hong Kong Buddhist Association Children & Youth Centre	Environment Project	\$1,870
52) TWGHs of Yu Mak Yuen Children & Youth Centre	Environmental Protection Workshop	\$3,687.8
53) Baptist Oi Kwan Children & Youth Centre	Democratic Green Leader Camp	\$5,930
54) Baptist Oi Kwan Children & Youth Centre	Happy Green Day Camp	\$10,000
55) Caritas Children & Youth Centre- Wong Tai Sin	The Sunshine Bay	\$66,524
56) The Salvation Army Chuk Yuen Children's & Youth Centre	Family Visit to Mai Po	\$1,554.8
57) The Salvation Army Chuk Yuen Children's & Youth Centre	A Nature Tour	\$1,435
58) The Chinese Rhenish Church- HK Synod Choi Wan Children's Centre	Collecting Past Newspaper Campaign	\$1,700
59) Pok Oi Hospital Community Service Department, Lam Tin District	Be With Nature	\$1,790.9

60) The University of Hong Kong Social Sciences Research Centre	The relative importance of a list of environmental issues and the relative importance of a list of environmental strategies perceived by H.K. people	\$35,000
61) Joint School Geography Association, exhibition sub-committee	Natural disaster?? Man-made catastrophe??	\$20,900
62) Messengers of Green Consciousness St. Vincent's Parish Wong Tai Sin	The Earth is our home	\$10,950
63) Anonymous Theatre Company	Blue Sky Repairing	\$82,204.9
64) Kadoorie Farm & Botanic Garden Corporation	Environmental Education Resource Booklet	\$79,200
65) Cornerstone Education Centre	Be a Doctor for the Environment	\$43,500
66) Caritas Children & Youth Services- Central District	Green Living Course for Young People	\$13,902.5
67) Hoi Ping Chamber of Commerce Secondary School	"Paving the Road to a Greener Future" Award Scheme	\$3,280
68) World Wide Fund for Nature Hong Kong	Fact sheet on Environment Project	\$89,010
69) Caritas Children & Youth Services- Central District	Publication of "The Hong Kong Green Consumer"- the first guide to shopping and living green in Hong Kong	\$64,000
70) St. Simon's Lui Ming Choi Secondary Technical School	No Pollution Picnic	\$10,280
71) Geography Society of Cheng Chek Chee Secondary School	Environmental Week	\$3,100
72) Kei Heep Secondary Technical School	Schools Environmental Award Scheme (SEAS)	\$9,150
73) Concordia Lutheran School- North Point	Farming Experience	\$4,000
74) Queen's College Education Department	SEAS & SEPAS	\$6,600
75) Green Power	A Proposal for Plastic Waste Reduction Campaign	\$55,379

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76) SKH Lady MacLehose Centre	"Alternative" Environmental Protection Camp	\$3,455
77) Wai Kiu College	Let's Enjoy Farming Together	\$2,750
78) Wah Yan College Kowloon	Environmental Protection Week	\$19,930
79) The Methodist Ap Lei Chan Youth Centre	Farm Life Experience Day Camp	\$4,725
80) The Hong Kong Polytechnic University	Dinner Talk 95/96- 2nd Series	\$1,213.1
Total:		\$10,692,996

Remarks:

- a) Project 1) "Hong Kong Environmental Profile" was jointly funded by the Environment and Conservation Fund and Woo Wheelock Green Fund and the total budget is \$2,308,768.
- b) Project 5) "To monitor electricity generated from solar energy captured by photovoltaic panels when used as cladding and/ or sunshading to windows" was jointly funded by the Environment and Conservation Fund and Woo Wheelock Green Fund and the budget is \$119,999.
- c) Project 9) "Environmental Resource Centre" was jointly funded by the Environment and Conservation Fund and Woo Wheelock Green Fund and the budget is \$4,721,000.

Project approved in principle
under the Environment and Conservation Fund

<u>Applicant Organisation</u>	<u>Project Title</u>
77) YMCA of Hong Kong	Nature and Me - Mai Po Visit with My Creative Response
78) Lutheran Wo Che Youth Centre	Environmental Angles

Environment and Conservation Fund
Balance Sheet as at 31 March 1996

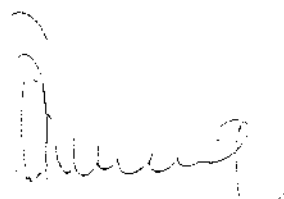
<u>Assets</u>	<u>1996</u> \$	<u>1995</u> \$
Bank Deposits	41,901,809	44,918,105
Accrued Interest on Bank Deposits	314,035	443,465
Cash at Bank	<u>36,995</u>	<u>56,761</u>
	<u>42,252,839</u>	<u>45,418,331</u>

Representing:

Accumulated Fund:

Balance at 1 April 1995	45,418,331	-
Surplus/(Deficit) for the year	<u>(3,165,492)</u>	<u>45,418,331</u>
Balance at 31 March 1996	<u>42,252,839</u>	<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
29 June 1996

Environment and Conservation Fund
Income and Expenditure Account for the year ended 31 March 1996

	<u>Note</u>	<u>1996</u> \$	<u>1995</u> \$
<u>Income</u>			
Contribution from Hong Kong Government		-	50,000,000
Interest		<u>2,659,558</u>	<u>1,752,371</u>
Total income		<u>2,659,558</u>	<u>51,752,371</u>
<u>Less: Expenditure</u>			
Grants to Environmental Campaign Committee	(3)	4,110,000	6,334,040
Grants for Environmental research and other projects		<u>1,715,050</u>	<u>-</u>
		<u>5,825,050</u>	<u>6,334,040</u>
Surplus (Deficit) for the year		<u>(3,165,492)</u>	<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

Grants to the Environmental Campaign Committee for funding its core activities and projects undertaken by other non-profit making organizations are accounted for as payments in the Environment and Conservation Fund. As at 31 March 1996, an unspent balance of \$5,070,278 was held by the Environmental Campaign Committee:

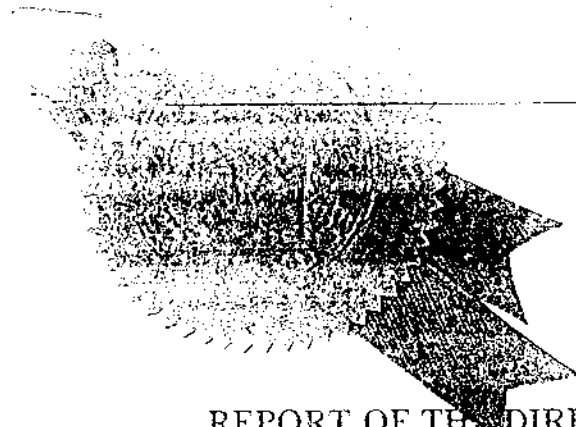
	<u>1996</u>	<u>1995</u>
	\$	\$
Balance at 1 April 1995	4,947,683	-
	-----	-----
<u>Add:</u>		
Grants made during the year	4,110,000	6,334,040
Interest received during the year	<u>208,877</u>	<u>104,283</u>
	4,318,877	6,438,323
	-----	-----
<u>Less:</u>		
Payments during the year	<u>4,196,282</u>	<u>1,490,640</u>
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Balance at 31 March 1996	<u>5,070,278</u>	<u>4,947,683</u>

4. Contingent Liabilities

There is a contingent liability of \$3,861,804 as at 31 March 1996, being the outstanding balance of approved grants payable to organizations subject to satisfactory progress or completion of the relevant projects.

5. Comparative Figures

Comparative figures for 1995 are for a period of eight months from the setting up of the Fund on 1 August 1994 to 31 March 1995.



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, Cap. 450, 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 these 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.

- 2 -

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 1996 and of its results for the year then ended and have been properly prepared in accordance with the provisions of section 8(1) of the Environment and Conservation Fund Ordinance.

Audit Department
Hong Kong
30 October 1996



(Dominic Y T Chan)
Director of Audit