

Environment and Conservation Fund

Trustee Report 1997 - 98

Presented to the Legislative Council on
18 November 1998

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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 1998.

Environment and Conservation Fund (ECF)

2. In the 1993 Policy Address to the Legislative Council, the then Governor proposed to set up the ECF for funding 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 Chief Executive for a term of two years and four ex-officio members. The membership list is on page 6.

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 7.

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 8.

8. Both the ECF Vetting Sub-committee and ECC can approve grants up to \$150,000 for a project, which was increased from \$120,000 on 1 March 1998. For applications exceeding this limit, 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 Bureau (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, the PELB, Wheelock and Company, and Environmental Resource Centres. Vetting is usually done every two months at the Sub-committee and ECC level. The ECF Committee normally meets half yearly to consider the recommendations of the Sub-committee and ECC, although it will meet more frequently if necessary.

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. To improve the operational efficiency of the ECF, the application approval procedure has been streamlined and more frequent meetings or circulation of applications for endorsement could be arranged as necessary. To enhance the transparency of the ECF operation, the minutes of meetings are made available to the public. In order to further improve its efficiency, a review was conducted and the recommendations were endorsed at the ECF Committee Meeting held on 13 February 1998. The recommendations in the review were implemented from 1 March 1998. For example, an ECF Homepage has been set up on the internet to allow applicants to download forms and other information.

Approved applications

13. From 1 April 1997 to 31 March 1998, a total of 108 applications for funding support were considered and their vetting results are as follows:

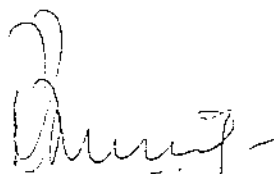
(a) applications approved	59
(b) applications being processed	27
(c) applications rejected	18
(d) applications withdrawn by applicants	4
Total	108

14. All 59 approved applications were funded by the ECF with a total committed grant of about \$15.91 million.

15. A list of the approved projects is on pages 9 to 12.

Accounts

16. The balance sheet, the income and expenditure account and the auditor's report for the period between 1 April 1997 and 31 March 1998 are on pages 13 to 16.



(Bowen Leung)

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

10 November 1998

Environment and Conservation Fund Committee
Membership List

(1 April 1997 - 31 March 1998)

Mr Peter K C Woo, GBS, JP (Chairman)

Dr Chan Wai-kwan

Mr Paul Fan Chor-ho, JP

Miss Candy Lai Lai-fong (up to June 1997)

Professor Brian Sydney Morton

Mr Stephen Ng Chi-wing, JP

Dr Nora Tam Fung-yee

Dr Eric Tsang Po-keung (since July 1997)

Dr the Hon. John Tse Wing-ling

Mr Ronnie Wong Man-chiu, JP

Secretary for Planning, Environment and Lands, or his representative

Director of Agriculture and Fisheries, or his representative

Director of Education, or his representative

Director of Environmental Protection, or his representative

Environment and Conservation Fund Committee
Vetting Sub-committee

Membership List

(1 April 1997 - 31 March 1998)

Mr Paul Fan Chor-ho, JP (Convenor)
Professor Daniel Chan Kwong-on
Dr Chiu Sein-tuck
Professor Gary Heinke
Dr Hung Wing-tat
Miss Candy Lai Lai-fong (up to June 1997)
Professor Brian Sydney Morton
Dr Nora Tam Fung-yee
Dr Eric Tsang Po-keung (since July 1997)
Dr the Hon John Tse Wing-ling
Mr Ronnie Wong Man-chiu, JP
Representative from Planning, Environment and Lands Bureau
Representative from Agriculture and Fisheries Department
Representative from Environmental Protection Department

Environmental Campaign Committee

Membership List

(1 April 1997 - 31 March 1998)

Mr Ronnie Wong Man-chiu, JP (Chairman)
Mr David Armstrong (up to December 1997)
Mrs Pamela Chan Wong Shui, JP
Dr Simon Chau Sui-cheong
Professor Peter Hills
Ms Betty Ho Siu-fong
Ms Kay Ku Yin-kay, JP
Ms Lisa Lam Lai (since January 1998)
Mrs Peggy Lam PEI Yu-dja, SBS, JP
Mr Edwin Lau Che-feng
Mr Stanley Lee Yat-on
Miss Nisa Leung Wing-yu (since January 1998)
Mr John Li Lap-kwan (up to May 1997)
Mr Thomas Pang Cheung Wai (since January 1998)
Mr Edward Stokes (since January 1998)
Mr Edwin Tsang Ching-lun
Mr Ray Tse Chee-on
Mr Nigel Watt, JP
Mr Vincent Wong Po-sum
Mr Yung Ying-cheuk
Secretary for Home Affairs, or his representative
Secretary for Planning, Environment and Lands, or his representative
Director of Education, or her representative
Director of Environmental Protection, or his representative
Director of Health, or her representative
Director of Information Services, or his representative

**Projects approved under
the Environment and Conservation Fund
(1 April 1997 to 31 March 1998)**

	Applicant	Project Title	Approved Amount
1	The Hong Kong Marine Conservation Society	Investigation of Status of the Green Turtle in Hong Kong and Action Plan for its Survival	\$119,500
2	Friends of The Earth	Hong Kong Agenda 2047(Phase Two)	\$296,856
3	University of Hong Kong	Better Environment for Better Urban Trees in Hong Kong	\$1,450,000
4	University of Hong Kong	A Scientific Study of Photovoltaic Panels- Additional Specialist Monitoring Equipment	\$210,000
5	The Hong Kong University of Science and Technology	The Environmental Health Impact of Respirable Atmospheric Particles (PM2.5) in Hong Kong	\$1,170,600
6	The Hong Kong University of Science and Technology	Non-polluting Restaurants in Hong Kong	\$120,000
7	University of Hong Kong	Environmental Management of Mariculture in Hong Kong	\$1,388,000
8	Friends of the Earth	Feasibility Study of Waste Minimization for Hotel Industry	\$92,048
9	The Hong Kong University of Science and Technology	An Investigation of using Recycled-Glass as Raw Material for Cement Production	\$120,000
10	The City University of Hong Kong	The Second International Conference on Marine Pollution and Ecotoxicology	\$117,000
11	University of Hong Kong	A Computer Generated Visual Design & Planning Tool for Solar Energy Access - Phase I	\$750,000
12	The Swire Institute of Marine Science	The Impacts of an Outbreak of Coral-Feeding Gastropods on Hong Kong's Corals	\$499,277
13	World Wide Fund for Nature	An Acoustic Survey for Finless Porpoise (Neophocaena Phocasenodes) in HK SAR Coastal Waters	\$119,550

	Applicant	Project Title	Approved Amount
14	Lions Club International District 303/Lions Nature Education Foundation	Lions ECC Shell House	\$2,000,000
15	The Hong Kong Chinese Women's Club - Fung Yiu King Memorial Secondary School	Keep Our Campus Green	\$11,700
16	Bishop Hall Prevocational School	Help the Earth	\$700
17	Choi Ha Estate Kit Sam Kindergarten	Environmental Fun Camp	\$7,428
18	Friends of the Earth	Environmental Training for Hotels	\$100,000
19	Produce Green Foundation	'The Brave Green New World Citizen - Green Tins for the Green Era' booklet	\$86,940
20	The Hong Kong Marine Conservation Society	HKMCS Turtle Awareness Programme	\$78,600
21	Hong Kong Y.W.C.A. Shatin Social Service Centre	Environmental Protection Programme	\$20,455
22	The Salvation Army Chuk Yuen Children's and Youth Centre	Visit the School of Coast Ecology	\$2,935
23	Tuen Mun Catholic Secondary School	Greening School Campaign, 1997	\$31,890
24	Hong Kong Y.W.C.A. Lok Wah Intergated Social Service Centre	Smarteens 97	\$23,070
25	Friends of the Earth	"Your Child's health & the Hong Kong Environment" booklet	\$118,800
26	Chinese Y.M.C.A. Lam Tin Centre	Green Youth Ambassador Training Reward Scheme	\$37,000
27	Baptist Lui Ming Choi Primary School	Special Publication on Environmental Education	\$36,000
28	Hong Kong Baptist University	Benchmark study on green consumerism in Hong Kong	\$109,796
29	PLK Tang Yuk Tien College	Environmental Protection Scheme: In Touch With the Nature	\$41,550
30	Methodist Epworth Village Community Centre	New Generation Environmental Family	\$10,610

	Applicant	Project Title	Approved Amount
31	Ming Kei College	Island House Secondary Educational Study Visit	\$1,280
32	Pok Oi Hospital Chan Kai Memorial College	Be a one-day farmer at Tai Tong Lychee Valley	\$2,350
33	Hans Andersen Club Ltd	Green Angel's Action	\$27,975
34	Wong Shiu Chi Secondary School	A Close Encounter with White Dolphin	\$6,200
35	The Conservancy Association	Cooking Green, Eating Green	\$113,500
36	The Conservancy Association	Facilitation of Waste Recycling Programme in Public Housing Estates	\$118,350
37	The Conservancy Association	Facilitation of Waste Recycling Programme in Private Housing Estates	\$118,350
38	Friends of the Earth	Waste Recycling in Housing Estates	\$120,000
39	Green Power	Promotional Activities of Waste Recycling for Housing Estates	\$73,104
40	Green Power	Waste Recycling and Classification Guide	\$114,960
41	Organizing Committee, Hong Kong Tree Planting Day	Hong Kong Tree Planting Day	\$120,000
42	Ecology Club of St. Paul's Secondary School	Green Life	\$5,500
43	Council of YMCAs of Hong Kong	'Smarty Green Generation' - Environmental Children Training Camp	\$28,000
44	Hong Kong Young Women's Christian Association Tsing Yi Social Service Centre	Explore the Earth	\$7,499
45	Evangelize China Fellowship Shatin Canaan Church Limited	Green Life Journey	\$13,490
46	Community Youth Club of Tseung Kwan O Government Secondary School	CYC Joint- School Camp	\$12,628
47	Marymount Secondary School	Joint School Conservancy Exhibition '97	\$63,078
48	Lai Tak Evangelical Church Lai Tak Youth Centre	Look Look Green Green	\$23,186
49	Sha Tin District Summer Youth Programme Co-ordinating Committee	Eco-visits and photo Exhibition for Environmental Protection	\$19,966
50	Mental Health Association of Hong Kong	Natural Scene Tour	\$4,455

	Applicant	Project Title	Approved Amount
51	Environmental Campaign Committee	Workshop for Teachers	\$60,000
52	Environmental Campaign Committee	Waste Recycling in Housing Estates	\$1,180,000
53	Environmental Campaign Committee	Recycling Bin Design Competition	\$490,000
54	Environmental Campaign Committee	Schools Environmental Award Scheme cum Student Environmental Protection Ambassador Scheme	\$1,020,000
55	Environmental Campaign Committee	Environmental Education Activities Kits	\$600,000
56	Environmental Campaign Committee	Environmental Protection Festival 1997	\$1,350,000
57	Environmental Campaign Committee	Second Hand Bazaar	\$670,000
58	Environmental Campaign Committee	Publication of ECCO monthly bulletin	\$320,000
59	Environmental Campaign Committee	Production of ECCO monthly bulletin on the Internet	\$60,000
Total			\$15,914,175

Environment and Conservation Fund
Balance Sheet as at 31 March 1998

	<u>1998</u> \$	<u>1997</u> \$
<u>Assets</u>		
Bank deposits	74,892,181	32,667,989
Interest receivable	244,016	195,297
Cash at bank	94,445	28,359
	<u>75,230,642</u>	<u>32,891,645</u>
 <u>Represented by:</u>		
Accumulated fund:		
Balance at 1 April 1997	32,891,645	42,252,839
Surplus / (Deficit) for the year	<u>42,338,997</u>	<u>(9,361,194)</u>
Balance at 31 March 1998	<u>75,230,642</u>	<u>32,891,645</u>

The annexed notes 1 to 4 form part of these accounts.



(Bowen LEUNG)

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

Planning, Environment and Lands Bureau
Government Secretariat
HONG KONG
26 June 1998

Environment and Conservation Fund
Income and Expenditure Account for the year ended 31 March 1998

	<u>Note</u>	<u>1998</u> <u>\$</u>	<u>1997</u> <u>\$</u>
<u>Income</u>			
Contribution from the Government of the Hong Kong Special Administrative Region		50,000,000	-
Interest		2,362,530	2,050,395
Refund of grant		400	-
		<u>52,362,930</u>	<u>2,050,395</u>
 <u>Less: Expenditure</u>			
Grants to Environmental Campaign Committee	3	7,370,000	5,530,000
Grants for environmental research and other projects		2,653,933	5,881,589
		<u>10,023,933</u>	<u>11,411,589</u>
 Surplus / (Deficit) for the year		<u>42,338,997</u>	<u>(9,361,194)</u>

The annexed notes 1 to 4 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.

2. Accounting policies

- (a) Basis for preparation of accounts
The accounts are kept on an accrual basis.
- (b) Revenue recognition
 - (i) Contribution from the Government of the Hong Kong Special Administrative Region is recognized on actual receipt.
 - (ii) Interest income from bank deposits is recognized on a time apportioned basis based on the principal amounts outstanding at the applicable interest rates.

3. Grants

Grants to the Environmental Campaign Committee for funding its core activities and projects undertaken by other non-profit making organizations are treated as payments in the Environment and Conservation Fund accounts. As at 31 March 1998, an unspent balance of \$6,490,745 was held by the Environmental Campaign Committee:

	<u>1998</u>	<u>1997</u>
	\$	\$
Balance at 1 April 1997	5,928,698	5,070,278
Add: Grants made during the year	7,370,000	5,530,000
Interest received during the year	308,890	172,447
	<u>7,678,890</u>	<u>5,702,447</u>
	13,607,588	10,772,725
Less: Payments during the year	<u>7,116,843</u>	<u>4,844,027</u>
Balance at 31 March 1998	<u>6,490,745</u>	<u>5,928,698</u>

4. Contingent liabilities

There is a contingent liability of \$2,666,064 as at 31 March 1998, being the outstanding balance of approved grants payable to organizations subject to satisfactory progress or completion of the relevant projects.

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

I have audited the attached financial statements which have been prepared under the accounting policies 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 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 Commission 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 1998 and of its surplus 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.



(Dominic Y T Chan)
Director of Audit

Audit Commission
Hong Kong
19 August 1998