

Environment and Conservation Fund

Trustee Report 1998 - 99

Presented to the Legislative Council on
13 October 1999

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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 1999.

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. In 1998, Finance Committee further approved another \$50 million for the Fund.

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. 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 upon request. Also, an ECF Homepage has been set up on the internet to allow applicants to download forms and other information, e.g. a list of research projects approved under ECF.

Approved applications

13. From 1 April 1998 to 31 March 1999, a total of 151 applications for funding support were considered and their vetting results are as follows:

(a) applications approved	94
(c) applications approved in principle	6
(d) applications being processed	20
(e) applications rejected	27
(f) applications withdrawn by applicants	4

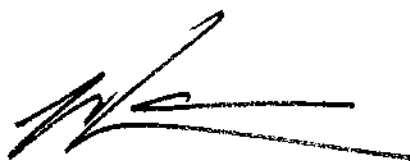
Total	151
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14. Of the 94 approved applications, 93 were funded by the ECF with a total committed grant of about \$16.07 million; whereas 1 was jointly funded by the ECF and the WWGF with a grant of \$350,700.

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 1998 and 31 March 1999 are on pages 13 to 16.



(Patrick Lau)

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

9 August 1999

Environment and Conservation Fund Committee
Membership List

(1 April 1998 - 31 March 1999)

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

Dr Chan Wai-kwan

Mr Paul Fan Chor-ho, JP

Professor Brian Sydney Morton

Mr Stephen Ng Chi-wing, JP

Dr Nora Tam Fung-yee

Dr Eric Tsang Po-keung

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 1998 - 31 March 1999)

Mr Paul Fan Chor-ho, JP (Convenor)
Professor Daniel Chan Kwong-on
Ms. Esther Chan Wai-fong (Since October 1998)
Dr Chiu Sein-tuck
Professor Gary Heinke (Until July 1998)
Ms. Janice Lai Wai-man (Since October 1998)
Ms. Ralphaelynn C Lee (Since October 1998)
Dr Hung Wing-tat
Professor Brian Sydney Morton
Dr Nora Tam Fung-yee
Dr Eric Tsang Po-keung
Dr the Hon. John Tse Wing-ling (Until July 1998)
Mr Ronnie Wong Man-chiu, JP (Until July 1998)
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 1998 - 31 March 1999)

Mr Ronnie Wong Man-chiu, JP (Chairman)
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
Mrs Peggy Lam PEI Yu-dja, SBS, JP
Mr Edwin Lau Che-feng
Mr Stanley Lee Yat-on
Miss Nisa Leung Wing-yu
Mr Thomas Pang Cheung Wai
Mr Edward Stokes
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 1998 to 31 March 1999)**

	Applicant	Project Title	Approved Amount
1.	Hong Kong University of Science & Technology	Study of Indoor Particulate Level in Domestic Buildings	\$642,000.0
2.	Hong Kong Baptist University	International Conference of Environment Contamination, Toxicology and Health	\$61,000.0
3.	Hong Kong University of Science & Technology	Production of Activated Carbon from Hong Kong Bamboo	\$119,500.0
4.	Hong Kong University of Science & Technology	Molecular Probes for Red-tide Forming Dinoflagellates Found in Hong Kong	\$593,700.0
5.	Hong Kong University of Science & Technology	Characterization of the Physical & Chemical Nature of Sewage Sludge with regard to its Suitability for Disposal in Landfills	\$150,000.0
6.	The University of Hong Kong	Conservation of Endangered Species used in Chinese Medicine through Identification by Molecular and Chemical Approaches	\$654,000.0
7.	Hong Kong University of Science & Technology	The Effect of Physiochemical Properties and Moisture Content of Sewage Sludge on its Heat Value	\$150,000.0
8.	The Hong Kong Polytechnic University	A Study on the Human Exposure in Diesel and LPG Taxis in Hong Kong	\$350,700.0
9.	Sha Tin Livelihood Concern Group	Environmental Protection Exhibition in Shatin	\$72,000.0
10.	Pok Oi Hospital Chan Kai Memorial College	A Visit to Pup School of Coast Ecology	\$2,146.0
11.	Hong Kong Baptist University	Composting in Secondary Schools : Demonstration Site and Education Pack	\$119,962.5
12.	Centre for the Re-search of Faith Ltd	1998 Green Awakening	\$95,450.0
13.	Bishop Hall Prevocational School	Help the Earth	\$1,152.8
14.	The Conservancy Association	Investigation on Public Awareness and Attitude on Global Warming in Hong Kong	\$145,000.0
15.	Choi Ha Estate Kit Sam Kindergarten	Environmental Fun Camp	\$3,006.0

	Applicant	Project Title	Approved Amount
16.	Green Power	Feasibility Site Surveyance and Study of Chinese White Dolphins Resource Centre	\$54,000.0
17.	Institute of Biology (Hong Kong Branch)	Schools Symposium 1998: conservation of the natural environment and biological resources in Hong Kong	\$29,670.0
18.	Cheung Ching Early Education and Training Centre, Heep Hong Society for Handicapped Children	Environmental Protection - We Can Achieve	\$9,920.0
19.	E.C.F. SCCL Bradbury Student Development Centre	Creative Green Life School	\$17,902.4
20.	Yuen Long Town Hall	Yuen Long District Youth Environmental Protection Debate	\$21,350.0
21.	Chinese Y.M.C.A. of Hong Kong	The New Green World	\$7,000.0
22.	Pok Oi Hospital Chan Kai Memorial College	A Visit to Organic Garden	\$4,442.8
23.	World Wide Fund for Nature Hong Kong	Oceans for Our Children 98	\$125,467.4
24.	The Hong Kong University of Science and Technology	Environmental Protection Day at HKUST	\$53,000.0
25.	Li Po Chun United World College of Hong Kong	Environmental Workshop	\$3,600.0
26.	Buddhist Lau Tin Sang Primary School	My Green Farm	\$47,500.0
27.	Chinese YMCA of Hong Kong	Big Kiss to Nature' Green Camp	\$15,560.0
28.	Sha Tin District Summer Youth Programme Co-ordinating Committee	Eco-visits and photo Exhibition for Environmental Protection	\$24,052.9
29.	The Chinese Rhenish Church - HK Synod Wo Che Social Centre for the Elderly	Environmental Protection in Sha Tin	\$13,630.0
30.	Chinese Y.M.C.A. Lam Tin Centre	Y.M.C.A. Green Youth Ambassador Training Award Scheme 1998	\$50,300.0
31.	Li Po Chun United World College of Hong Kong	Environmental monitoring at Hoi Ha Wan (a marine nature reserve in Sai Kung Country Park	\$38,690.0

	Applicant	Project Title	Approved Amount
32.	World Wide Fund for Nature Hong Kong	Reef Check 1998	\$74,910.0
33.	Friends of the Earth	Eco-kids for the future	\$149,375.0
34.	Ma On Shan St. Joseph's Primary School	Rainbow Campaign for the Environmental Protection and Educational Scheme in Ma On Shan District (R.C.E.E.M.O.S.)	\$43,000.0
35.	Tuen Mun Catholic Secondary School	Waste Reduction Campaign	\$34,030.0
36.	Messengers of Green Consciousness of Centre for the Re-search of Faith Ltd.	1998 Green Awakening of the Church	\$22,700.0
37.	Mei Kei College	Education Visit to Mai Po Nature Reserve	\$1,100.0
38.	Faith Lutheran Church	Green Journey	\$8,400.0
39.	Health Works Charitable Fund Ltd.	The promotion of Green Culture in schools and families by using CDs with green songs written by a green song writer Dr Chan Yee Shing	\$150,000.0
40.	Kadoorie Farm Botanic Garden Corporation	Environmental Education Resource Booklet (Second Edition)	\$150,000.0
41.	Friends of the Earth	Waste Recycling in Housing Estates (II)	\$138,000.0
42.	The Hong Kong Marine Conservation Society	The HKMCS Educational and Public Awareness	\$40,000.0
43.	Green Power	Promotion Activities for Waste Recycling Competition in Housing Estates	\$146,450.0
44.	Green Power	Waste Recycling and Classification Guide - Second Edition	\$148,500.0
45.	The Conservancy Association	Recycled X'mas Card for a Green Christmas	\$138,500.0
46.	The Conservancy Association	Scout Instructors Training for the production of the training manual on Conservation	\$127,600.0
47.	World Wide Fund for Nature Hong Kong	Water for People	\$148,350.0
48.	The Conservancy Association	Facilitation of Waste Recycling Programme in Housing Estates	\$93,980.0
49.	Wong Shiu Chi Secondary School	Follow the trail of environmental protection	\$10,400.0

	Applicant	Project Title	Approved Amount
50.	Pui Tak Canossian College	The Future is in your Hands	\$51,080.0
51.	Pok Oi Hospital Chan Kai Memorial College	A Visit to Shatin Sewage Treatment Works	\$1,230.0
52.	Pok Oi Hospital Chan Kai Memorial College	A Visit to Pup School of Coast Ecology	\$3,750.0
53.	Pok Oi Hospital Chan Kai Memorial College	A Visit to Mai Po Marshes	\$1,230.0
54.	Pok Oi Hospital Chan Kai Memorial College	Exploring Biodiversity and Conservation at Ocean Park	\$11,600.0
55.	Shau Kei Wan Government Secondary School	Implement Environmental Education in the New Advance Level Chemistry Curriculum	\$1,100.0
56.	Shau Kei Wan Government Secondary School	Implement Environmental Education in the subject Integrated Science and Biology	\$3,500.0
57.	Hong Kong Lutheran Social Service Pak Tin Children and Youth Centre	Little Environmental Ambassadors	\$89,300.0
58.	Po Leung Kuk Tang Yuk Tien College	Environmental Protection Scheme: A Better Tomorrow	\$45,840.0
59.	Caritas Community Centre -- Tsuen Wan	Environmental Protection Create Fun	\$111,000.0
60.	Pok Oi Hospital Chan Kai Memorial College	The Greener, the Better	\$7,460.0
61.	South Horizons Women's Association	Green South Horizons Day	\$18,000.0
62.	E.C.F. SCCL Bradbury Student Development Centre	A Wonderful Green Life Journey	\$15,000.0
63.	Hong Kong Baptist University Biology Department	Biology Academic Week and External Academic Exhibition 1999	\$48,450.0
64.	Programme Branch, The Scout Association of Hong Kong	Scout Environmental Action	\$44,100.0
65.	The Hong Kong Council of Social Service	An Environmental Protection Training Scheme for Social Workers	\$150,000.0
66.	Rotary Club of Shatin	Information Technology - New Era for Teaching and Learning 1999	\$149,320.8
67.	Green Power	Plastic Bottle Recycling Pilot Scheme	\$76,469.5

	Applicant	Project Title	Approved Amount
68.	The Salvation Army	Environmental Protection on Family Day	\$136,300.0
69.	Centre for the Re-search of Faith Ltd	1999 Reconciliation with Mother Earth	\$86,150.0
70.	World Wide Fund for Nature Hong Kong	Live Reef Fish Food Trade in Hong Kong	\$148,200.0
71.	Hans Andersen Club Ltd	The Green World	\$35,169.0
72.	Hong Kong Conservation Photography Foundation	Chinese Translation, Hong Kong's Wild Places	\$149,000.0
73.	Baptist Rainbow Primary School (A.M.), Chuk Yuen South Estate, Kowloon	Care for ourselves, our school and the world	\$10,000.0
74.	Green Power	Singing Green	\$140,800.0
75.	Green Power	Environmental Education Software and Program - Chinese White Dolphin CD-ROM	\$122,500.0
76.	The Organizing Committee of Hong Kong Tree Planting Day	Hong Kong Tree Planting Day	\$150,000.0
77.	The Conservancy Association	Eat Wise, No Wildlife	\$131,000.0
78.	Green Lantau Association	Fire Prevention activity	\$10,000.0
79.	Choi Ha Estate Kit Sum Kindergarten	Environmental Fun Camp	\$6,700.0
80.	Hong Kong Child Evangelism Fellowship CEF Center	Mind Make Up Environmental Education Project	\$18,675.0
81.	Christian Sharon Social Services	(Green Angel) Environmental Protection Plan	\$51,190.0
82.	Environmental Campaign Committee	Schools Environmental Award Scheme cum Student Environmental Protection Ambassador Scheme (April 1998 - March 1999)	\$1,570,000.0
83.	Environmental Campaign Committee	Sharing Sessions for School Heads and Teachers	\$90,000.0
84.	Environmental Campaign Committee	Reproduction of Teaching Kits	\$500,000.0
85.	Environmental Campaign Committee	World Environment Day 1998	\$660,000.0
86.	Environmental Campaign Committee	Environmental Protection Festival 1998	\$1,510,000.0
87.	Environmental Campaign Committee	Production of ECCO Monthly Bulletin	\$1,020,000.0

	Applicant	Project Title	Approved Amount
88.	Environmental Campaign Committee	Best ECF Awards for Environmental Education and Community Action Projects	\$20,000.0
89.	Environmental Campaign Committee	Tree Planting Day 1999 Activities	\$50,000.0
90.	Environmental Campaign Committee	Environmental Drama for students	\$350,000.0
91.	Environmental Campaign Committee	Environmental Video	\$300,000.0
92.	Environmental Campaign Committee	Designing Environmental Games for Schools	\$400,000.0
93.	Environmental Campaign Committee	Green Living Campaign (from April 98 to March 99)	\$1,050,000.0
94.	Environmental Campaign Committee	Waste Recycling in Housing Estate (Phase II) (from June 98 to Dec 98)	\$1,580,000.0
Total :			\$16,425,112.1

Note :

Project 8 is jointly funded by the ECF and the WWGF on a 50/50 basis.

Environment and Conservation Fund
Balance Sheet as at 31 March 1999

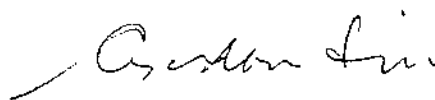
	<u>1999</u> <u>\$</u>	<u>1998</u> <u>\$</u>
<u>Assets</u>		
Bank deposits	67,298,822	74,892,181
Interest receivable	214,845	244,016
Cash at bank	56,336	94,445
	<u>67,570,003</u>	<u>75,230,642</u>

Represented by:

Accumulated fund:

Balance at 1 April 1998	75,230,642	32,891,645
Surplus / (Deficit) for the year	<u>(7,660,639)</u>	<u>42,338,997</u>
Balance at 31 March 1999	<u>67,570,003</u>	<u>75,230,642</u>

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



(Gordon K C Siu)
Secretary for Planning, Environment and Lands
Trustee of the Environment and Conservation Fund

Planning, Environment and Lands Bureau
Government Secretariat
HONG KONG
7 June 1999

Environment and Conservation Fund
Income and Expenditure Account for the year ended 31 March 1999

	<u>Note</u>	<u>1999</u> \$	<u>1998</u> \$
<u>Income</u>			
Contribution from the Government of the Hong Kong Special Administrative Region		—	50,000,000
Interest		5,499,512	2,362,530
Refund of grant		—	400
		<u>5,499,512</u>	<u>52,362,930</u>
 <u>Less: Expenditure</u>			
Grants to Environmental Campaign Committee	3	8,680,000	7,370,000
Grants for environmental research and other projects		4,480,151	2,653,933
		<u>13,160,151</u>	<u>10,023,933</u>
Surplus / (Deficit) for the year		<u>(7,660,639)</u>	<u>42,338,997</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 1999, an unspent balance of \$4,856,997 was held by the Environmental Campaign Committee:

	<u>1999</u>	<u>1998</u>
	\$	\$
Balance at 1 April 1998	6,490,745	5,928,698
Add: Grants made during the year	8,680,000	7,370,000
Interest received during the year	575,700	308,890
	<u>9,255,700</u>	<u>7,678,890</u>
	15,746,445	13,607,588
Less: Payments during the year	<u>10,889,448</u>	<u>7,116,843</u>
Balance at 31 March 1999	<u>4,856,997</u>	<u>6,490,745</u>

4. Contingent liabilities

There is a contingent liability of \$3,848,194 as at 31 March 1999, 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 judgements 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.

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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 1999 and of its deficit 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 Commission
Hong Kong
28 June 1999



(Dominic Y T Chan)
Director of Audit