

**For discussion on
11 January 2008**

FCR(2007-08)48

ITEM FOR FINANCE COMMITTEE

**Head 44 – ENVIRONMENTAL PROTECTION DEPARTMENT
Subhead 700 General non-recurrent
New Item “Capital Injection into the Environment and Conservation Fund”**

Members are invited to approve the creation of a new commitment of \$1 billion for capital injection into the Environment and Conservation Fund.

PROBLEM

The current funding scope of the Environment and Conservation Fund (ECF) tends to support localised projects in specified environmental areas with limited scale and project period. A substantial capital injection is therefore essential such that the ECF could expand the scope of programmes in a bid to broaden partnership with different sectors in the community, to enhance community’s participation and to encourage cross boundary collaboration in environment and conservation matters.

PROPOSAL

2. The Secretary for the Environment (SEN) proposes to inject a one-off sum of \$1 billion into the ECF in 2007- 08.

JUSTIFICATION

Expanded scope of the ECF

3. Over the years, the ECF’s support to a wide variety of environmental education and community recycling projects has raised awareness of and support in environmental protection, as evidenced from the increasing acceptance of

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behaviour changes for environmental causes. In general, the public nowadays is more prepared to join hands with the government to take part in cleaning up the environment. A good indicator is the district-wide recovery rate of municipal solid waste, which has increased from 34% (1.8 million tonnes) in 2000 to 45% (2.8 million tonnes) in 2006. Another notable change is the wider acceptance of the polluter pays principle. However, under the current funding scope, the ECF tends to support rather small scale, short term and localised projects. This may have substantially constrained the ability of the Fund to support worthwhile projects which require a sustained programme or installation of environmental facilities to achieve desired impacts and which involve cross-boundary collaboration.

4. Environmental protection and nature conservation have become issues of increasing public concern in recent years. While the Government is committed to providing good quality living environment to the public through various environmental policies and programmes, participation from different sectors of the community to adopt environmental and conservation practices in their corporate strategies and lifestyles are essential in enhancing the quality of the environment. A substantial injection of funds to the ECF will boost support and participation of the community on environmental protection and nature conservation. With some enhancement to the operation of the ECF, the injection of funds will go a long way in attracting more applications of innovative, worthwhile, larger scale and longer term projects as well as various cross-boundary collaboration programmes which can help address regional environmental problems.

5. To encourage participation in concerted promotional efforts on environmental protection and conservation, we recommend that priority programme areas be identified for reference of the potential applicants. We have sought the views of the ECF Committee and initially identified the following programme areas –

- (I) Territory-wide educational and community involvement campaigns on environmental protection;
- (II) Technology transfer from professional institutions to practitioners to enhance environmental performance of industrial process;
- (III) Minor works projects to demonstrate and promote energy efficiency and conservation and waste reduction; and
- (IV) Regional and international policy and technology conferences to promote exchanges amongst professional bodies on latest developments and best practices on environment and conservation matters.

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The ECF Committee will review these programme areas from time to time in the light of the current environmental issues that the community attaches priority to and having regard to the Government's policy initiatives.

Educational and Community Involvement Campaigns on Environmental Protection

6. Solutions to environmental problems are not simply a matter of applying pollution control/prevention or cleaner production technology and enforcement through legislation. While the Government will continue to spare no efforts in tackling environmental problems, protecting the environment needs the awareness and participation of every member of the public. It requires individual in the community to acknowledge that each of us contributes to the problems for the environment, and that each of us must prepare to contribute to the solutions.

7. It is encouraging to see that, over the years, environmental protection has evolved from a slogan to a mindset change that affects people's habits and choices. To move further ahead towards protecting the environment, we hope the enhanced ECF would engage different sectors of the community to implement environmental education campaigns and programmes which could reach into people's daily lives and stimulate behavioural changes. For instance –

- (a) joint projects with district councils for wider understanding of environment issues and solutions through briefings, seminars, information exchanges, study visits locally and outside Hong Kong;
- (b) development of informative and interactive tools, guidebooks or packages to help promote awareness of environmental impacts brought about by individual behaviours in daily lives and encourage adoption of greener lifestyles;
- (c) recognition schemes for various sectors to honour green practices and commitment to environmental protection such as reducing carbon dioxide emissions; and
- (d) greening projects in collaboration with professional bodies and local and community organisations to help increase the capacity of carbon dioxide absorption, thereby reducing the negative impact of our local green house gas emissions.

Technology Transfer to Practitioners

8. With the tightening up in environmental legislation and the growing concerns on the pollution discharged and nuisances caused by different industrial processes, there is an increasing need to encourage collaboration between industrial groups and the research community to promote and adapt new nuisance abatement technologies. Other than the development of new technologies locally, we will also encourage the adoption of new technologies or concepts introduced by other countries. The opportunities will further develop research capacity, promote innovation, cooperation and knowledge transfer between the research community and industrial groups in application of clean technologies at operational phases.

9. In this connection, it is noted that pollution, in particular air and water pollution, respects no boundary, and the scope of projects to be funded under the ECF should be expanded to cover cross – boundary pollution and abatement measures. To address such regional environmental issues, we will support collaboration programmes among universities, research institutions and the industrial sector in developing innovative technologies to tackle pollution problems generated by different operation processes. The outcome of such abatement measures will be disseminated and become a model for similar trade to follow in Hong Kong as well as in the Pearl River Delta Region (PRD).

Minor Works

10. Necessary hardware (such as recycling bins, composting machines, solar panels, etc) could be crucial and inductive in stimulating sustained behavioural changes. We will provide funding to schools and non-profit-making organisations to purchase and install equipment and environmental facilities in their premises in a bid to promote energy efficiency and saving, or waste reduction and treatment or recycling –

- *at school level* – installation of green features at their campus including demonstration set up on renewable energy, small scale composting facilities of food waste, green roofs and other greening features, waste minimisation, source separation and recycling systems, washing and related facilities for the implementation of green lunch, interactive models in environmental corners, etc.
- *at community level* – provision of facilities as appropriate to enhance the current source separation of wastes programme in all housing estates.

- *at institutional level* – installation of microgeneration technologies (including solar photo-voltaics, wind turbines, solar thermal hot water, bio-energy and fuel cells etc.) as well as replacement of energy saving equipment (including energy saving light bulbs, T5 florescent tubes, movement sensors, etc.) in the community buildings of non-profit making organisations.

Regional and International Conferences and Joint Studies

11. To raise HKSAR's profile as a leading green city, we will encourage local universities, research institutions and professional bodies to jointly organise with their regional/international counterparts high level seminars and conferences to facilitate exchange of best practices, expertise and experience on environmental issues. In addition, collaborative studies on common environmental issues which are of direct and major concern to Hong Kong and to the PRD can also be supported. This would help promote collaboration among Hong Kong, Guangdong and other Mainland provinces for better understanding, managing and solving common environmental problems. The ECF is open to applications from local non-profit making bodies and projects organised by eligible local bodies which partner with institutions outside Hong Kong can also be supported.

Enhancement to the operation of the ECF

A theme based approach

12. Project proponents are encouraged to focus on specific theme(s) which support the priority programme areas as identified and promulgated by the ECF Committee. Interested applicants would be given more information on the efforts the Government is taking in tackling environmental issues such that the projects could not only help the public gain better understanding on Government's initiatives but also help the Government gauge public response on the implementation of environmental policies. In order to encourage innovation from the community, project proponents who would like to seek funding support from the ECF to projects on areas outside those identified by the ECF can still come forward and their applications will be considered on their own merits.

An outcome based approach

13. Project proponents are also required to adopt an outcome based approach by placing more emphasis on the benefits and deliverables of the projects. Although not all environmental benefits could be quantified, the projects would be

vetted and monitored against the specific targets set and the expected demonstrable outcomes as far as practicable. In addition, recipients of funding support may also be required to include experience sharing sessions as part of their deliverables in a bid to facilitate knowledge transfer among interested applicant parties and help roll out similar worthwhile projects in different sectors in the community.

Evaluation on the effectiveness of projects

14. To ensure prudent and proper use of funds on worthwhile projects, evaluation on the effectiveness of projects is essential. The evaluation results provide not only useful reference to the ECF Committee and its Vetting Sub-committees in vetting similar projects, but also guidance to applicants in making enhancements to project proposals of similar nature. Currently, all ECF funded projects are subject to evaluation of effectiveness, where applicable, against performance indicators including, but not limited to –

- (a) number of headcounts, schools, students, companies, buildings or households participating in the programmes;
- (b) number of volunteers recruited or trained;
- (c) number of local community organisations involved;
- (d) types and quantities of recyclables collected;
- (e) quantities of refuse reduced or electricity saved;
- (f) number of research papers published;
- (g) technologies transferred to practitioners;
- (h) media coverage on the programmes; and
- (i) increase in environmental awareness (by conducting pre- and post-project questionnaire survey with participants.)

Encl. 1

Some examples of past projects to illustrate the assessment on effectiveness are listed at Enclosure 1. The ECF Committee would continue to monitor the effectiveness of the projects vigorously and provide overall evaluation of the effective operation of the Fund in its annual Trustee Report to the Legislative Council (LegCo) as appropriate.

15. Small scale works projects (e.g. green roofing works and installation of environmental facilities such as solar panels) proposed to be supported under the expanded scope of the ECF are not one-off in nature and have to be implemented in a continuous manner after the completion of project period. Applicants of this type of projects have to undertake the responsibility of implementing and maintaining these facilities in the long run with a view to achieving sustainable positive impact on the environment. We will therefore introduce post-implementation review on the effectiveness which is particularly important and essential for this type of projects.

Enhancing the control mechanism

Encl. 2

16. In a bid to achieve the expected outcome and impacts, projects are currently monitored under a comprehensive mechanism which, in addition to surprised checks, imposes stringent requirements on reporting, procurement of goods and services, auditing, etc. The existing vetting and control mechanism is set out in Enclosure 2. In view that the funding amount to be granted per application will become more substantive, further enhancement to the existing monitoring mechanism is necessary. This will be developed by the ECF Committee and the advice of Independent Commission Against Corruption and the Audit Commission will be sought. If necessary, a new and dedicated vetting and monitoring committee with representatives from relevant departments to provide technical support will be set up to consider applications under the new category of minor works projects.

Partnership with potential collaborators

17. Public engagement, which forms an integral part in the promotion of environmental protection, could be achieved through partnership with targeted groups and associations. To this end, we will adopt a more proactive approach in identifying potential collaborators, which include social service organisations, education, professional and the business sectors, green groups to take on projects which could bring about noticeable and widespread impact on the community.

Administrative support to the enhanced ECF

18. To ensure the smooth administration of the enhanced ECF in a sound and effective manner, we will further enhance the vetting and monitoring mechanisms and strengthen the administrative and professional support to the ECF Committee and its vetting subcommittees, particularly to cope with the increased workload in vetting, monitoring and post-implementation review of projects. Additional administrative and professional staff would be needed and the provisions will be met from within the operating expenditure envelope of the Environmental Protection Department (EPD).

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FINANCIAL IMPLICATIONS

19. Subject to Members' approval of this proposal, the \$1 billion will be injected into the ECF in 2007-08. The annual costs of around \$5 million for additional administrative and professional support to the ECF Committee will be absorbed by the EPD. There will be no other additional recurrent cost.

INVESTMENT CRITERIA

20. The ECF Ordinance empowers SEN to invest moneys of the ECF. Professional persons and financial institutions will be hired to assist SEN in better managing the Fund given the sizable injection of funds, and the cost of which will be charged to the ECF as allowed in the ECF Ordinance. The interests and investment returns will be retained in the ECF.

PUBLIC CONSULTATION

21. We consulted the Environmental Campaign Committee (ECC) and ECF Committee on 18 October and 8 November 2007 respectively. Members supported the proposed injection to the ECF and the associated enhancement to its operation. We also consulted the LegCo Panel on Environmental Affairs at a meeting on 26 November 2007 (Paper CB(1)283/07-08(05)). Members in general indicated no objection to the proposed injection, while requesting supplementary information on (i) evaluation of the effectiveness of projects; (ii) a breakdown of budgets of the projects implemented by the ECC as listed in Annex C (Item 122 to 135) of the Panel Paper; and (iii) membership lists of the ECF and ECC. A supplementary note was subsequently issued to the Panel on Environmental Affairs on 12 December 2007 for Members' information (Paper CB(1)431/2007-08 (01)).

22. We have also started liaison with professional bodies and the relevant Government Bureaux and Departments (such as the Education Bureau, the Electrical and Mechanical Services Department, Architectural Services Department, etc.) which will play a key role in offering technical advice and support to the administration of the enhanced ECF. To ensure that the expanded scope of the ECF will not overlap with those of other similar funds such as the Quality Education Fund, Sustainable Development Fund, Innovation and Technology Fund, etc., we will also maintain close liaison with the relevant Government Bureaux and Departments which administer these funds in processing applications under the ECF.

23. Subject to approval of the Finance Committee on the proposed injection, rounds of consultation will be held with potential applicant groups to ensure that the injection will be utilised in a way which will best meet the community's need. The ECF Committee and its vetting sub-committees will also further develop the administrative details of the operation of ECF.

PUBLIC REACTION

24. The proposed injection should be welcomed by green groups, advocates and the academic circle as an effective way to further collaborate with the Government to improve our environment and to promote public awareness on green living.

BACKGROUND

25. The ECF is a statutory trust fund open to applications from local non-profit making organisations, tertiary institutions and schools. The ECF currently provides funding to five categories of projects as listed at Enclosure 2 and would not fund projects which should have been funded by the Government or other alternative funding sources. Since its establishment in 1994 under the ECF Ordinance (Cap. 450), the ECF has financed over 1 200 projects with a total commitment of \$228 million. Recipient organisations of funds came from different sectors including schools, tertiary institutes, green groups, community groups, social services groups, owners' corporations, etc.

Environmental Protection Department
January 2008

Project examples to illustrate assessments on effectiveness

(I) *Environmental Education Projects*

- As at 16 November 2007, 777 applications of Environmental Education and Community Action Projects were approved out of the 1 145 applications received. A total amount of about \$25.1 million was granted to a wide variety of organisations including green groups, community groups, schools and tertiary institutes as follows –

Type of applicants	Number of projects approved	Approved amount (\$)	Percentage
Green Groups	144	12,158,460	48.53%
Community Groups	413	9,872,868	39.41%
Schools	194	1,912,409	7.63%
Tertiary Institutes	26	1,108,455	4.43%
Total	777	25,052,192	100%

- Together with the projects implemented by the ECC, a total of 911 education and community projects were supported by the ECF since 1994. Based on the reports by the organisers, more than 3 300 000 participants and 800 schools joined these projects in the past four financial years (2003-04 to 2006-/07) alone. These education and community projects helped raise environmental awareness of the public and encourage people to cultivate environmentally friendly habits. Some examples of the territory-wide projects are set out below-
 - Student Environmental Protection Ambassador (SEPA) Scheme* – The number of students registered as SEPAs per year has risen from about 1 600 in 1995 when the Scheme was first launched to 16 639 students from 805 schools in 2006/07. To encourage the implementation of environmental education and activities in schools, about 90 environmental training workshops were provided to over 4 300 SEPAs and 200 teachers in 2007.
 - Hong Kong Green School Award (HKGSA)* – Since the scheme was launched in 1999, a total of 670 schools^{Note} have participated, including 467 secondary and primary schools and 203 pre-schools. In the 6th HKGSA in 2006/07, 111 secondary and primary schools and 126 pre-schools joined the award scheme. To enhance the teachers' competence in implementing environmental initiatives in their schools, 6 training sessions were provided to nearly 280 teachers. In addition, various environmental programmes were organised :

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^{Note} The am and pm sections of a school will be counted as two as they are run under separate administration.

- over 2 000 students submitted entries under the “Environmental Shopping Bag Design Competition”;
- 154 schools participated in the “Power Saving Action in Schools” to save electricity; and
- about 200 principals, teachers and representatives of Parent-Teacher Associations joined a seminar on green lunch on 11 May 2007 where a video promo on green lunch was launched and distributed to 3 000 schools.

A survey on the 6th HKGSA conducted in October 2007 revealed that over 95% of the respondents considered the HKGSA conducive to promoting environmental protection in their schools. In addition, nearly 95% of them agreed that the award scheme was able to strengthen students’ awareness in conservation of resources.

- (c) *Hong Kong Environmental Protection Festival (HKEPF)* – The HKEPF is another annual campaign launched by the ECC spanning across half a year (around from December to May). In addition to a series of district environmental activities jointly organized with District Councils, non-government organisation (NGO)s, green groups and community groups, the territory-wide Waste Electrical and Electronic Equipment (WEEE) Recycling Day was the anchor event in the past two years. The WEEE Recycling Day was first introduced in December 2005 for collecting different types of WEEE such as electrical and electronic appliances, computers and associated accessories. About 200 collection points were set up with about 101 tonnes of WEEE collected on that day. Riding on the success, the event was re-launched in January 2007 with the support of 18 District Councils and 350 housing estates. The activity was extended to a two-day event with over 430 collection points. The event was again well received by public and 190 tonnes of WEEE were collected.
- (d) *“No Plastic Bag Day (無膠袋日)” Campaign* – A series of activities including workshops, drama, competitions, etc, were organised by different green groups to inform the public of the adverse environmental impacts of plastic bags and to encourage enterprises to reduce providing plastic bags. Since its launch in April 2006, the Campaign was well received and has now become a popular event adopted by main supermarkets and chain stores such as Wellcome, PARKnSHOP, China Resources Vanguard, Watsons, Mannings, Circle K, 7-Eleven, City’ Super, etc. on a monthly or weekly basis. For instance, Wellcome alone has saved over 44 million numbers of plastic bags from April 2006 to March 2007. These leading retail chains have set good examples to other retailers, particularly small and medium ones.

(II) Community Waste Recovery Projects

- 71 waste recovery projects were approved since 2001. So far, 3 679 tonnes of recyclable waste (such as paper, metals, plastics, clothes, rechargeable batteries), about 3 850 pieces of second-handed goods (such as electric appliances, computers, books, furniture) and 5 286 litres of edible oil have been recovered through these projects.
- The Environmental Protection Department launched a programme on Source Separation of Waste (SSW) in early 2005, 730 public and private housing estates/buildings have signed up to join the SSW Programme as at November 2007. To encourage more housing estates/ residential buildings to participate in the SSW Programme, the ECF has set aside \$5 million in September 2005 as partial funding support for residents' organisations and property management companies to set up their source separation facilities on floors of buildings. Among the 109 applications for partial ECF funding support received, 75 were approved with an amount of about \$2.9 million, involving about 80 300 households. 29 of them had completed the installation of waste separation facilities in their estates/buildings and the performance of these 29 participating housing estates is summarised below –

Classification of the Approved Applications	No. of estates	Change in Recyclable Figures
Estates with baseline recyclable data for comparison	22	An increase of 51 % in average in the quantity of recyclables collected
Estates without baseline recyclable data (e.g. new developments)	3	Attain an average of 23 kg/household/month (i.e. equivalent to a gold award in the SSW Competition Scheme)
Estates just installed floor based facilities and the monthly recyclable quantities not yet ready	3	N.A.
Estates with figures that are fluctuating and /or need further verification	1	N.A.
Total	29	

(III) Research Projects

- A total of 114 research projects, covering a wide range of topics including conservation of biological diversity, waste reduction and recycling, air and water quality, use of sustainable energy, etc. were approved. All findings of the research projects were published through various channels (such as scientific journals or professional conferences) to facilitate the transfer and sharing of knowledge. Some examples of these research projects are highlighted below –

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- (a) *Recycling of Construction and Demolition Materials for Civil Engineering and Building Applications in Hong Kong (回收拆建物料以供本地土木及建築工程使用)* – The research focused on using recycled aggregates in concrete, masonry units and road sub-base by conducting a series of comprehensive laboratory investigation. The result demonstrated that the recycled blocks could be used to replace normal blocks made with virgin materials and the performance of the recycled blocks was similar to that of the normal ones. A set of design guidelines has been produced to assist engineers to use recycled aggregates more widely in concrete applications and a quality assurance protocol has also been proposed to govern the use of recycled aggregates in Hong Kong. The principal investigator issued six conferences papers at various conferences/meetings and submitted seven journal papers of which three had been published. After completing the research work at the university, the knowledge acquired through the research project has been successfully adopted by a waste recycling company in Hong Kong.
- (b) *A biodiversity survey of Hong Kong (香港生物多樣性調查)* – The project consisted of a systematic survey of terrestrial and freshwater biodiversity in Hong Kong, with the basic aim of identifying sites and species of special conservation value. The results have been incorporated into a computer-based Geographic Information System database and mapping facility. Members of the public can access the website created by the University of Hong Kong for summaries of the survey results. The database for all the ecological data collected during the survey can be accessed with appropriate software such as ARCVEIW or ARCINFO. The information can be overlain over existing digital maps to examine the implications of changes in land use and development for local biodiversity. The information obtained is very useful to Government planners, conservation managers, environmental consultants and researchers in a variety of fields.
- (c) *On-farm organic waste composting trial for organic farmers: demonstration project (有機廢物農場堆肥試驗計劃)* – This project demonstrated that the simple static composting pile set up provides a low cost and feasible technology for treating and converting piggery waste into a soil conditioner/fertilizer and the simple aeration pile composting system can be easily adapted for local farmer use. Upon successful demonstration of the composting trials at Agricultural, Fisheries and Conservation Department's Tai Lung Experimental Farm, two other on-farm composting piles were set up separately at

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two local organic farms. A seminar was held in Tai Lung Experimental Farm to introduce the technology to local farmers. An operation manual for the composting construction and operation and leaflets introducing the on-site composting technology were produced and distributed to the local agricultural sector. The manual is available on the website of Hong Kong Organic Resource Centre for public access and the site at Tai Lung will be open for visit upon request.

(IV) Conservation Management Agreement (MA) Projects

- The Conservancy Association (CA), the Hong Kong Bird Watching Society (HKBWS) and the Tai Po Environmental Association (TPEA) have implemented three MA projects at Long Valley and Fung Yuen since late 2005. The results clearly indicate that the pilot projects have been effective in conserving and enhancing the biodiversity of the concerned sites -
 - (a) In Long Valley (壟原), Rice, Water Chestnut (馬蹄) and Chinese Arrow Head (慈菇) fields, which have been absent from Hong Kong for decades, have now been reintroduced through HKBWS and CA's projects. The mean number of birds recorded in Long Valley in winter 2006-07 was 25% higher than that in winter 2005-06. New species have been recorded in Long Valley during the project period, including Rosy Pipit (*Anthus roseatus* 粉紅胸鵯) (a new record for Hong Kong), Great Bittern (*Botaurus stellaris* 大麻鵯), Pied Avocet (*Recurvirostra avosetta* 反嘴鹼), Japanese Thrush (*Turdus cardis* 烏灰鵯), Brown-headed Thrush (*Turdus chrysolaus* 紅腹鵯) and Pale Thrush (*Turdus pallidus* 白腹鵯). The total number of bird species recorded in Long Valley has increased from 187 to 211. In addition to the direct benefit to birds and butterflies, the MA projects also increased the environmental awareness of local villagers who participated actively in these projects, through joining guided tours or getting recruited and trained as tour guides. In the past two years, 33 local landowners and 697 volunteers participated in these two MA projects in Long Valley.
 - (b) In Fung Yuen (鳳園), plantation with native tree species was established on a hill slope, which was previously covered by Mikania (薇甘菊), and a butterfly reserve with different habitat types was maintained by the TPEA. 123 butterfly species and 71 bird species were recorded in 2006 which will served as useful baseline data for comparison with future records. A total of 67 workshops with over 2,600 participants and a number of media visits were organised to promote this MA project.

Existing Operation of the Environment and Conservation Fund

Establishment of the ECF and Vetting of Applications

Annex

- Under the Environment and Conservation Fund (ECF) Ordinance, the Secretary for the Environment (SEN) is the trustee responsible for the administration of ECF. The ECF Committee which comprises 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, has been set up under the Ordinance to advise SEN on the use of funds and to vet proposals for applications for the funds. The membership list is at Annex.
- The ECF Committee has established two Vetting Subcommittees (viz. Research Projects Vetting Sub-committee (RPVS) and Community Waste Recovery Projects Vetting Sub-committee (CWRPVS)) and authorised the Environmental Campaign Committee (ECC) to set up an Environmental Education and Community Action (EE&CA) Projects Vetting Sub-committee to vet ECF's EE&CA Projects. Both the RPVS and ECC can approve grants up to \$150,000 for a project. For applications exceeding this limit, the recommendations of the RPVS or ECC will have to be endorsed by the ECF Committee. The CWRPVS, on the other hand, could vet community waste recovery projects that cost \$500,000 or less. For projects exceeding \$500,000, the recommendations of the Sub-committee will have to be approved by ECF Committee. The CWRPVS is also responsible for vetting applications for the Programme on Source Separation of Domestic Waste with a maximum grant of \$250,000 per housing estate.

Types of ECF Projects

- In addition to the core environmental education projects carried out by the ECC, the projects supported by the ECF cover a wide spectrum of educational, research and other projects and activities in relation to environmental and conservation matters. They are grouped under the following five categories, each being vetted against a separate set of funding guidelines –
 - (i) Community Waste Recovery Projects (社區廢物回收項目);
 - Action projects, which are community-based and result-oriented, to enhance awareness and ensure sustained participation of the public in waste prevention and recovery. Such projects should bring about sustained and tangible effect in local communities, and thus should not be one-off publicity events.

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- The Source Separation of Domestic Waste Programme provides partial funding to housing estates/ residential buildings to purchase and install waste separation facilities on each floor of the buildings and to broaden the types of recyclables to be recovered. It aims to make waste separation more convenient to residents and mobilize their participation in waste separation and recovery.
- (ii) Environmental Education and Community Action Projects (環保教育和社區參與項目);
 - Educational programmes or activities to enhance community awareness of environmental problems in Hong Kong and environmental projects in which individual groups are mobilized to take direct and positive action to improve and conserve the environment in Hong Kong.
- (iii) Pilot Nature Conservation Management Agreement Projects (自然保育管理協議項目);
 - Projects that contribute to enhancing the conservation of the sites concerned through management agreements between non-governmental organisations and landowners. Under these agreements, NGOs may provide landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the priority sites.
- (iv) Public Education Programme on Management of Municipal Waste (《都市固體廢物管理政策大綱(2005-2014)》之公眾教育計劃); and
 - Programme to promote the policy initiatives set out in the Policy Framework for the Management of Municipal Solid Waste (2005-2014) in accordance with the proposed timetable. The Government will identify the target policy initiatives / themes at least once a year and openly invite proposals.
- (v) Research and Technology Demonstration Projects (研究/技術示範項目).
 - Projects that have contribution in a direct and practical way towards the environmental improvement and conservation of the local environment and should not be too theoretical in nature. They include the introduction and development of new technologies, such

as the technology on waste minimization and recycling. For technology demonstration projects in particular, projects should promote waste minimisation and recycling technologies and encourage the adoption of these technologies by different sectors in Hong Kong. The benefits must accrue to one or more industries, and not just to individual companies. Successful projects should be publicised so as to disseminate the results of completed projects and to ensure widespread adoption of the technologies by relevant sectors.

Assessment Criteria

- The following criteria, which have been adopted and progressively refined by the ECF Committee over the past 13 years, form the basis for assessing funding applications –
 - (a) projects must contribute to the overall environment of Hong Kong, to raise environmental awareness of the local community, or to mobilize the community to take action to improve the environment;
 - (b) the benefits must accrue to the district/local community as a whole, and not just to individuals, a single private organisation or a consortium of private companies;
 - (c) projects must be non-profit making in nature; and
 - (d) in considering a project proposal, due consideration is given to –
 - (i) 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 local community;
 - (ii) whether there is a demonstrable need for the proposed project;
 - (iii) whether the programmes of the project proposal can bring about positive impacts in the longer run;
 - (iv) the technical and project management capability of the applicant, as well as the past performance of the applicant, including the effectiveness of past projects, and the applicant's ability to comply with the funding conditions;
 - (v) whether the proposed schedule of implementation is well-planned and practicable, and the duration is reasonable;

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- (vi) whether the proposed budget is prudent, realistic and cost-effective, with full justification for every expenditure item;
- (vii) whether the proposed project has alternative sources of funding support;
- (viii) whether the proposed project should more appropriately be funded by other sources;
- (ix) whether there is or likely to be a duplication of the work already or currently carried out by other groups; and
- (x) if recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

Monitoring of Approved Projects

- Project proponents are required to set out targets/deliverables in their funding applications. After funding has been approved, project proponents are required to submit regular progress reports to the Secretariat of the ECF Committee for review.
- Payments to the project proponents are made by installments. Project proponents must submit reports proving satisfactory progress of the projects before installments are disbursed.
- The ECF Committee, Vetting Subcommittees or the Secretariat to the ECF Committee may carry out inspections to examine the progress of the projects.

Project Income

- To ensure the best use of public fund, all income arising from an approved project should be ploughed back into the project account for running the project.

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Statement of Accounts

- For projects costing over \$150,000, audited statements of account have to be prepared once a year and within two months of the completion of the project. For projects costing \$150,000 or less, only a complete statement of accounts, together with the original copy of invoices and receipts are required.

Title and Procurement of Equipment and Capital Items

- The ECF currently only supports capital items in special circumstances where such items are absolutely necessary for carrying out of the proposed projects. In some research projects and waste recovery projects, some minor tools or equipment may be required. The ownership of these items will rest with the Government. The Secretariat to the ECF Committee keeps an inventory of these funded items and put them to beneficial use in other projects wherever possible.

**Environment and Conservation Fund Committee
Membership List**

Chairman

Professor LUNG Ping-ye, David, SBS, JP

Members

Professor CHAN Chak-keung

The Honourable CHOY So-yuk, JP

Professor CHU Lee-man

Ms LAU Wai-kuen, Goretti

Mr. Joseph LEE, BBS, JP

Mr. MAN Mo-leung

Ms NGAN Man-ling, Edith

Professor WONG Woon-chung, Jonathan

Ex-officio

Secretary for the Environment, or his representative

Permanent Secretary for Education, or his representative

Director of Agriculture, Fisheries and Conservation, or his representative

Director of Environmental Protection, or his representative
