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Panel on Environmental Affairs

Meeting on 26 November 2007

Background brief on Environment and Conservation Fund

Introduction

The Environment and Conservation Fund (ECF) was established in 1994 under the Environment and Conservation Fund Ordinance (Cap. 450) (the Ordinance) to provide financial support for research, waste recovery and educational projects that promote environmental protection and nature conservation. ECF has received a total of \$200 million injection from the Government since its establishment in 1994. The Finance Committee approved an injection of \$50 million each in 1994 and 1998, \$100 million in 2002 and \$35 million in 2006.

Operation of ECF

2. Under the Ordinance, the Secretary for the Environment (S for E) is the trustee responsible for the administration of ECF. A statutory body, the ECF Committee which comprises mainly non-officials, has been set up under the Ordinance to advise S for E on the use of funds and to vet proposals for applications for the funds. Separately, the ECF Committee also provides funding to the Environmental Campaign Committee (ECC) for carrying out territory-wide environmental publicity and public education campaigns. In view of the diverse nature of funding applications, the ECF Committee has set up two Vetting Subcommittees and authorized ECC to vet educational and community involvement projects which cost \$150,000 or less. Some large-scale projects may also be vetted by the ECF Committee.

3. In assessing funding applications, the following assessment criteria will be adopted -

- (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 organization or a consortium of private companies; and

- (c) Projects must be non-profit making in nature.

4. Project proponents are required to set out targets/deliverables in their funding applications. In considering a project proposal, due consideration is 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 local community;
- (b) Whether there is a demonstrable need for the proposed project;
- (c) Whether the programmes of the project proposal can bring about positive impacts in the longer run;
- (d) 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;
- (e) Whether the proposed schedule of implementation is well-planned and practicable, and the duration is reasonable;
- (f) Whether the proposed budget is prudent, realistic and cost-effective, with full justification for every expenditure item;
- (g) Whether the proposed project has alternative sources of funding support;
- (h) Whether the proposed project should more appropriately be funded by other sources;
- (i) Whether there is or likely to be a duplication of the work already or currently carried out by other groups; and
- (j) If recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

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 subject to satisfactory progress reports.

Deliberations of the Panels

5. When the proposed injection of \$35 million to ECF was discussed by the Panel on Environmental Affairs at its meeting on 23 January 2006, members considered that more information on the projects, including names of recipients,

nature of applications, funding received and benefit attained etc, should have been provided to enhance transparency in funding allocation. Question was also raised on the effectiveness of the projects under ECF. According to the Administration, over 1 000 organizations had received funding from ECF over the past years. These included schools, universities, green groups and district organizations. Projects funded by ECF included -

(a) Student Environmental Protection Ambassadors (SEPA) Scheme

In 2004-05, about 750 schools had participated in SEPA sponsored by ECF. Under the Scheme, students were trained to be green leaders in organizing green activities in their own schools. There were at present about 12 000 Student Environmental Protection Ambassadors and in 2004/05, over 400 000 students had participated in the activities organized under the Scheme;

(b) Pilot Scheme for Management Agreements

ECF had funded three pilot projects to enhance the ecological values of priority conservation sites in Long Valley and Fung Yuen; and

(c) Source separation programmes

ECF had approved \$5 million funding for implementing source separation programmes for domestic waste in residential buildings.

Relevant papers

Information paper provided by the Administration for the Environmental Affairs Panel meetings on 23 January 2006

<http://www.legco.gov.hk/yr05-06/english/panels/ea/papers/ea0123cb1-725-6-e.pdf>

Minutes of the Environmental Affairs Panel meeting on 23 January 2006

<http://www.legco.gov.hk/yr05-06/english/panels/ea/minutes/ea060123.pdf>

Discussion paper provided by Administration for the Finance Committee meeting on 17 February 2006.

<http://www.legco.gov.hk/yr05-06/english/fc/fc/papers/f05-43e.pdf>