

Environment and Conservation Fund

Trustee Report 2017-2018

For Presentation to the Legislative Council

on 14 November 2018

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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 2018.

Environment and Conservation Fund

2. In the 1993 Policy Address to the Legislative Council, the then Governor proposed to set up the Environment and Conservation Fund (ECF) for funding educational and research projects 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 then approved by the Finance Committee of the Legislative Council. The ECF came into operation in August 1994. In 1998, 2002, 2006, 2008 and 2011, the Finance Committee further approved injection of \$50 million, \$100 million, \$35 million, \$1,000 million and \$500 million respectively.

4. As a long-term commitment to environmental protection and conservation, the Administration obtained the approval of the Finance Committee on 14 June 2013 for a capital injection of \$5,000 million into the ECF, which served as seed money to generate annual investment returns to support community-initiated green projects and activities. Following the injection, the Administration obtained the agreement of the Hong Kong Monetary Authority for placing the funds with it to earn an investment return that is linked to the performance of the Hong Kong Exchange Fund.

Trustee

5. Section 5 of the Ordinance provides for the Secretary for the Environment to act as the trustee of the ECF.

ECF Committee and vetting of applications

6. 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 project proposals 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 7.

7. The ECF Committee has established an Energy Conservation Projects Vetting Subcommittee to consider energy conservation project proposals under the three-year Buildings Energy Efficiency Funding Schemes which was ended on 7 April 2012 and the three-year funding scheme for Energy Conservation Projects for Non-government Organisations which was ended on 31 October 2012. The Subcommittee comprises ECF Committee members and other co-opted members. The membership list of the Energy Conservation Projects Vetting Subcommittee is on page 8.

8. The ECF Committee has established a Research Projects Vetting Subcommittee to consider environmental research, technology demonstration and conference proposals. The Subcommittee comprises ECF Committee members and co-opted members. The membership list of the Research Projects Vetting Subcommittee is on page 9.

9. The ECF Committee has also established a Waste Reduction Projects Vetting Subcommittee to vet projects related to community waste reduction. The Subcommittee comprises members of the ECF Committee, members of the Environmental Campaign Committee (ECC), members of the Waste Management Subcommittee of the Advisory Council on the Environment and co-opted members. The membership list of the Waste Reduction Projects Vetting Subcommittee is on page 10.

10. The ECF Committee has entrusted the vetting of educational project proposals to the ECC, which then set up an Environmental Education and Community Action (EE&CA) Projects Vetting Subcommittee to review these proposals. The reason for this arrangement is that the ECF Committee considers that the ECC has developed the expertise for considering such projects. The membership list of the EE&CA Projects Vetting Subcommittee is on page 11.

11. The Energy Conservation Projects Vetting Subcommittee, the Research Projects Vetting Subcommittee, the Waste Reduction Projects Vetting Subcommittee and the EE&CA Projects Vetting Subcommittee can approve grants up to \$2,000,000 for a project. For applications exceeding this limit, the recommendations of the Energy Conservation Projects Vetting Subcommittee, Research Projects Vetting Subcommittee, Waste Reduction Projects Vetting Subcommittee or EE&CA Projects Vetting Subcommittee will have to be endorsed by the ECF Committee.

12. During the financial year 2017-2018, the ECF Committee also considered the annual budget of ECC for implementing programmes for raising environmental awareness.

13. An Investment Committee has been established to set policies for investment and monitor the investment of the ECF. The membership list of the ECF Investment Committee is on page 12.

14. The Environmental Protection Department provides secretariat service to the ECF Committee, the Energy Conservation Projects Vetting Subcommittee, the Research Projects Vetting Subcommittee, the Waste Reduction Projects Vetting Subcommittee, the EE&CA Projects Vetting Subcommittee and the Investment Committee.

15. Subsequent to the capital injection of \$5,000 million into the ECF in June 2013, the Administration has, in conjunction with the ECF Committee and the various vetting subcommittees, reviewed and revised the mode of handling funding applications to strengthen the deployment of the ECF and ensure that the most meritorious projects would be selected for funding support. Since early 2014, invitations for applications under each funding scheme would be called at scheduled intervals, so that the received applications could be considered on a competition basis on account of their support-worthiness and comparative merits.

Criteria for vetting applications

16. Applications from local non-profit making organisations and community groups will be considered for funding support. Generally, an application to be considered for ECF support should fulfill the following basic requirements:

- (1) The project must contribute to the overall environment of Hong Kong, or raise environmental awareness of the local community, or mobilise the community to take action to improve the environment;
- (2) The benefits of the project must accrue to the local community as a whole, and not just to individuals, a single private organisation or a consortium of private companies; and
- (3) The project must be non-profit making in nature.

17. On top of the above basic requirements, each funding scheme has a set of vetting criteria developed on the basis of the nature of projects involved, as well as the outcomes and deliverables expected to be derived from these projects. The vetting subcommittees will assess applications based on the vetting criteria, which will also take into account the past performance of project proponents in implementing ECF-supported projects, where appropriate, and select the best applications for full or partial funding support. Details of the assessment mechanism and vetting criteria are set out in the Guide to Application for the respective funding schemes, which are public documents available at the ECF website at <http://www.ecf.gov.hk/en/application/index.html>.

Approved applications

18. From 1 April 2017 to 31 March 2018, a total of 465 applications for funding support were received. The vetting results are as follows:

(a)	applications approved	167
(b)	applications being processed	14
(c)	applications rejected	217
(d)	applications withdrawn by applicants / invalid	67
<hr/> Total:		465

19. The total amount of funds approved for the 167 applications was about \$203 million. Under a collaboration with the Woo Wheelock Green Fund (WWGF), WWGF would provide matching fund for research projects that meet its funding objective. From 1 April 2017 to 31 March 2018, one research project was jointly funded by the WWGF with a grant of \$649,620.

20. A list of the approved projects is on pages 13 to 23.

Accounts

21. The auditor's report, the balance sheet, income and expenditure account, statement of changes in equity and statement of cash flows for the period between 1 April 2017 and 31 March 2018 are on pages 24 to 35.



(WONG Kam-sing)
Secretary for the Environment
The Trustee of the Environment and Conservation Fund

26 October 2018

Environment and Conservation Fund Committee

Membership List

(1 April 2017 - 31 March 2018)

Mr Douglas WOO, JP (Chairman)
Ir Dr CHAN Fuk-cheung, BBS
Ir CHAN Wing-hong, Cary, JP
Ms FUNG Dun-mi, Amy, MH
Dr KaChun HUI
Mr LAM Chiu-ying, SBS
Ms LI Chun-chau
Miss NG Yuen-ting, Yolanda, MH
Ms WONG Wai-man, Rosana
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

Environment and Conservation Fund Committee

Energy Conservation Projects Vetting Subcommittee

Membership List

(1 April 2017 - 31 March 2018)

Ir Dr CHAN Fuk-cheung, BBS (Chairman)

Mr LEE Tak-kong, Alfred, MH

Mr LEUNG Chun-yuen, Kendrew

Miss NG Yuen-ting, Yolanda, MH

Dr TSANG Chiu-wa, Daniel

Mr WONG Kin-wai

Ms WONG Wai-man, Rosana

Representative of the Secretary for the Environment

Representative of the Director of Environmental Protection

Environment and Conservation Fund Committee

Research Projects Vetting Subcommittee

Membership List

(1 April 2017 - 31 March 2018)

Dr KaChun HUI (Chairman)

Ir CHAN Wing-hong, Cary, JP

Mr CHEUNG Kwok-chuen, Simon

Miss HUI Chun-yu, Jane

Ms Jessica JOOK

Mr KWONG Chiu-ling, Victor

Professor Dennis YC LEUNG

Dr Lawrence LI Kwok-chang, JP

Mr Victor C LI

Ir Dr Anthony MA

Dr QIU Jianwen

Dr TSANG Chiu-wa, Daniel

Ir Steve SF WONG

Representative of the Secretary for the Environment

Representative of the Director of Environmental Protection

Representative of the Director of Agriculture, Fisheries and Conservation

Environment and Conservation Fund Committee

Waste Reduction Projects Vetting Subcommittee

Membership List

(1 April 2017 - 31 March 2018)

Ir Dr CHAN Fuk-cheung, BBS (Chairman)

Dr CHAN Chi-kau, Johnnie, BBS, JP

Mr CHAN Ho-lim, Joseph (up to 1 August 2017)

Mr CHAN Ping-tak, Joseph

Dr CHOW Cheuk-fai, Stephen

Mr Wayne CHU

Ms FUNG Dun-mi, Amy, MH

Mr LAU Sun-tao, Gary

Mr LAU Yiu-shing, Jacky

Mr LOCK Kwok-on, Anthony

Mr WONG Kit-lung, Simon, JP

Mr WONG Tze-kang, Rico

Mr Philip YU

Representative of the Secretary for the Environment /

Director of Environmental Protection

Environmental Campaign Committee

**Environmental Education and Community Action Projects
Vetting Subcommittee**

Membership List

(1 April 2017 - 31 March 2018)

Dr LAW Winnie Wai-yi (Chairman)

Mr CHOI Kim-wah, Cliff

Ms HO Wai-ling

Mr IP Chung-man, Tony

Ms LAM Chung-yan, Nancy

Mr Armstrong LEE

Mr LEE Yat-wah, Walter

Ms LI Chun-chau

Dr WONG Fook-yee

Ir Dr YEUNG Kai-kin, Herbert

Dr Shelley ZHOU

Representative from Education Bureau

Representative from Environmental Protection Department

Environment and Conservation Fund

Investment Committee

Membership List

(1 April 2017 - 31 March 2018)

Secretary for the Environment (Chairman)

Mr CHAN Ho-lim, Joseph

(up to 31 July 2017)

Mr CHIU Man-leong

Miss HUI Chun-yu, Jane

Ms Jessica JOOK

Mr LAM Chiu-ying, SBS

Mr YIP Kwong-to, Plato

Director of Environmental Protection

Deputy Director of Environmental Protection (1)

**Projects Approved under
the Environment and Conservation Fund
(1 April 2017 - 31 March 2018)**

Environmental Research, Technology Demonstration and Conference Projects

	Applicant	Project Title	Approved Amount
1.	Hong Kong Baptist University	Control and prevention of mould contamination in Hong Kong indoor environments	\$498,000.00
2.	Hong Kong Baptist University	Thermal and Salinity Thresholds of Bleaching in Hong Kong Corals	\$909,600.00
3.	Hong Kong Baptist University	Filling the knowledge gap – current status of endangered freshwater turtles	\$497,720.00
4.	The Chinese University of Hong Kong	Development of environmental DNA (eDNA) protocol for detection of horseshoe crabs	\$499,680.00
5.	The Chinese University of Hong Kong	PLEA2018: Smart and Healthy within the 2-degree Limit	\$500,000.00
6.	The Chinese University of Hong Kong	Restoration of Hong Kong Coral Habitats using Coral Sexual Recruits	\$915,080.00
7.	The Hong Kong Polytechnic University	The application of multiple bioindicators on marine pollution monitoring	\$495,000.00
8.	The Hong Kong Polytechnic University	Construction waste sorting and recycling robot	\$1,987,360.00
9.	The Hong Kong Polytechnic University	Development of an Energy-Saving Coating System for Sustainable Building Envelope	\$1,299,240.00 *
10.	The Hong Kong Polytechnic University	Smart Noise Barriers/Enclosures for Dual Active and Passive Control of Construction Noise	\$837,080.00
11.	The Hong Kong Polytechnic University	Value-Added Collective Recycling of Waste Plastic and Waste Tyre Rubber into Durable Asphalt Pavements	\$1,273,240.00
12.	The Hong Kong Polytechnic University	Incorporating metabolites based organosolv pretreatment in reducing the recalcitrant of lignocellulosic biomass to saccharification in food / yard / timber waste treatment processes	\$1,152,800.00
13.	The Hong Kong Polytechnic University	The 4th International Conference on Contaminated Land, Ecological Assessment and Remediation 2018 (CLEAR2018)	\$498,000.00

	Applicant	Project Title	Approved Amount
14.	The Hong Kong Polytechnic University	Enhancing Water Resilience with Blue-Green Infrastructure: A Pilot-scale Study on Bioretention Systems for Stormwater Harvesting in New Development Areas	\$2,499,280.00
15.	The Hong Kong Polytechnic University	Optimal Deployment of Drones for Monitoring Air Pollution from Ships in the Pearl River Delta Domestic Emission Control Area	\$484,000.00
16.	The Hong Kong University of Science and Technology	Tracking Particulate Matter Pollution in Hong Kong and the Pearl River Delta: Ten-Year Variations (2008-2017)	\$1,669,630.00
17.	The University of Hong Kong	Direct Solar Conversion of CO ₂ to Hydrocarbon Fuels: Development and Application of Earth-abundant CuO _x / Fe, Cu-doped Ni(oxy)hydroxide / TiO ₂ Photocatalysts	\$1,636,000.00
Subtotal (I) :			\$17,651,710.00

* Jointly funded by the Environment and Conservation Fund and Woo Wheelock Green Fund on an equal share basis.

Community Waste Reduction Projects

	Applicant	Project Title	Approved Amount
18.	Action Health Limited	ECF North District Recycling Center (Phase III)	\$4,378,715.20
19.	Bo Charity Foundation Ltd.	ECF Food Angel Food Rescue and Education Workshop	\$1,173,345.00
20.	Central & Western Mid-Levels Owners Association	ECF Central & Western Mid-Levels Owners Association for recycling projects	\$6,136,014.40
21.	Cheung Chau Island Women's Association Limited	ECF Food Recycle Land Education Centre	\$2,470,448.80
22.	Environmental Association Limited	"ECF" - Ways for Plastic Recycling	\$3,855,432.00
23.	Foodlink Foundation Limited	ECF Foodlink Operations Sustainability Project Extension in Time and Area	\$1,823,799.20
24.	Greeners Action	ECF Food Donation Project (Cheung Sha Wan)	\$1,850,592.00
25.	Hong Kong Association of Youth Development - Tsuen Wan District Branch	"ECF" - Missing Link - Polyfoam recycling scheme	\$3,808,956.60
26.	Ma On Shan Youth Association	"ECF" - Shatin Recycle Center	\$2,225,318.30
27.	Ma On Shan Youth Association	ECF Shatin Recycle Center 2.0	\$1,734,426.50
28.	New Opportunity Company Limited	"ECF" - Food Recycle Community - Tuen Mun Donation Centre	\$2,753,768.00
29.	New Opportunity Company Limited	ECF Yuen Long Environmental Education Centre	\$2,235,935.00
30.	North District Residents Association Limited	ECF North District Community Waste Collection and Promotion Project (Phase 4)	\$2,348,013.50
31.	OIWA Limited	"ECF" - Assemble Green Platform	\$2,464,128.00
32.	OIWA Limited	ECF To Unearth the Treasure Kitchen Waste Recycle Scheme	\$3,298,256.00
33.	People Service Centre Limited	"ECF" - "Food Friend Action" - Yau Tsim Mong Project	\$2,209,336.00
34.	People Service Centre Limited	ECF Sham Shui Po Very Green Project	\$541,704.00
35.	St. James' Settlement	ECF "Eco Express" Sharing Resources Scheme	\$826,050.00
36.	Tai Kok Tsui Resources Centre Association	"ECF" - Yau Tsim Mong Community Recycle & Educate Scheme	\$2,882,386.00
37.	The Boys' Brigade, Hong Kong	ECF Kowloon City Collection Vehicles Services Plan	\$996,600.00

	Applicant	Project Title	Approved Amount
38.	The Boys' Brigade, Hong Kong	ECF To Kwa Wan District Recycling Centre (Phase VI)	\$2,274,174.50
39.	The Boys' Brigade, Hong Kong	ECF Tsuen Wan District Recycling Centre (Phase VII)	\$2,324,174.50
40.	The Boys' Brigade, Hong Kong	ECF Kwai Tsing District Recycling Centre (Phase VI)	\$2,324,174.50
41.	The Boys' Brigade, Hong Kong	ECF Hung Hom District Recycling Centre (Phase II)	\$2,148,478.50
42.	The Conservancy Association	ECF Food Resources Recycling Centre (FRRC)	\$1,659,270.80
43.	Tseung Kwan O Kai Fong Joint Association Limited	ECF Source Separation of Domestic Waste V	\$1,403,354.00
Subtotal (II):			\$62,146,851.30

Programme on Source Separation of Waste

	Applicant	Housing Estate	Approved Amount
44.	Sino Estates Management Limited.*	Park Metropolitan	\$13,696.00
Subtotal (III) :			\$13,696.00

* Note: The residential organisation of the estate has authorised its property management company to submit the application and implement the project on its behalf.

On-site Meal Portioning Project in School

	Applicant	Approved Amount
45.	TWGHs Sin Chu Wan Primary School	\$1,878,512.00
Subtotal (IV) :		\$1,878,512.00

Food Waste Recycling Projects in Housing Estates

	Applicant	Housing Estate	Approved Amount
46.	Kai Shing Management Services Limited*	Siu Lun Court	\$1,188,080.50
47.	MTR Corporation Limited*	The Capitol, LOHAS Park	\$294,098.00
48.	MTR Corporation Limited*	Tierra Verde	\$300,000.00
49.	The Incorporated Owners Of Hilton Plaza Shatin*	Hilton Plaza Shatin	\$1,166,820.00
Subtotal (V) :			\$2,948,998.50

* Note: The residential organisation of the estate has authorised its property management company to submit the application and implement the project on its behalf.

Community Involvement Projects for Waste Reduction Through Quantity-based Municipal Solid Waste Charging

	Applicant	Project Name	Approved Amount
50.	121C Society For Recycling	環保基金 南區都市固體廢物收費社區參與項目*	\$1,079,550.00
51.	Chinese YMCA of Hong Kong	ECF How to Dump Less, Save More	\$538,483.00
52.	Christian Family Service Centre	ECF Waste Reduction in Schools	\$1,010,567.00
53.	Community Leap Limited	ECF Reduce Waste in Our Community (East Point City)	\$882,571.20
54.	Community Leap Limited	ECF Reduce Waste in Our Community	\$904,255.20
55.	Friends of the Earth (HK) Charity Limited	ECF Municipal Solid Waste Audit and Waste Reduction at Schools	\$869,877.82
56.	Green Council Limited	ECF The Open University of Hong Kong (Main Campus and Jockey Club Campus)	\$838,125.33
57.	Green Council Limited	ECF Public Market	\$660,414.22
58.	Hong Kong Productivity Council	ECF Municipal Solid Waste Charging Trial Scheme for Public Markets	\$1,190,060.00
59.	Hong Kong Sheng Kung Hui Welfare Council Limited	ECF BMS Green Journey	\$1,150,045.80
60.	Hong Kong Sheng Kung Hui Welfare Council Limited	ECF Waste Reduction for Elderly Subvented Home	\$960,944.00
61.	Hong Kong Wastes and Recyclables Operators Network	環保基金 都市固體廢物收費社區參與項目 - 珠海學院都市固體廢物收費試驗計劃 *	\$656,110.00
62.	Land Education Foundation Limited	ECF Green Village- Municipal Solid Waste Charging Pilot Test and Community Waste Reduction Education Programme	\$931,692.00
63.	OIWA Limited	ECF "From trash to treasure II" Community Reduce Waste Experience Project	\$618,881.60
64.	Po Leung Kuk Recreation Services Department	ECF Campaign of Po Leung Kuk Waste Reduction in Camp	\$896,269.60
65.	Sham Ching Youth Association Limited	ECF Go Green Shamshuipo	\$1,146,342.00
66.	The Boys' Brigade, Hong Kong	ECF Community Involvement Project for Municipal Solid Waste Charging Pilot Scheme on the Charging for Municipal Solid Waste Kwai Chung	\$1,228,153.20
67.	The Boys' Brigade, Hong Kong	ECF Community Involvement Project for Municipal Solid Waste Charging Pilot Scheme on the Charging for Municipal Solid Waste Ho Man Tin	\$1,289,828.40

	Applicant	Project Name	Approved Amount
68.	The Green Earth Limited	ECF Municipal Solid Waste Charging Scheme for Outdoor Events	\$462,276.00
69.	Tsuen Wan Community Service and Recreation Society	ECF Reduce Waste and Encourage Recycling in our Community	\$908,006.80
70.	Tung Wah Group of Hospitals	ECF Tung Wah Group of Hospitals Diamond Hill Funeral Parlour	\$314,950.00
71.	United Social Service Centre Ltd	環保基金 廢物收費社區教育計劃*	\$1,204,276.00
72.	Wisdom Regeneration	ECF Experience Solid Waste Charging in Your Community	\$914,189.60
73.	World Green Organisation	ECF Mixed Private Residential Buildings	\$1,430,104.00
Subtotal (VI):			\$22,085,972.77

*Title in Chinese only.

Environmental Education and Community Action Projects

	Applicant	Project Title	Approved Amount
74.	Anxinbao Icare for The Elderly Company Limited	ECF Old Tree Route	\$44,896.00
75.	Association for Sha Tau Kok Culture and Ecology	ECF Coastal Conservation and Education Programme	\$341,640.00
76.	Association of Hong Kong Visual Arts and Culture Education Ltd	ECF 2018-2019 HK Eco Cinema Festival- Sound of Climate Warriors (Sound Art and Video Art Workshop, Inflow, Travelling Screenings, Post-screening and Exhibitions)	\$702,795.00
77.	Buddhist Wong Cheuk Um Primary School	Wong Cheuk Um Green Programme	\$383,800.00
78.	Business Development & Education, Ocean Park Corporation	ECF x Ocean Park- Discover Biodiversity in Campus	\$734,400.00
79.	Caritas Fanling Chan Chun Ha Secondary School	Environment and Conservation Fund - Nature's Gifts	\$438,620.00
80.	Caritas Hong Kong	ECF Full Utilization of Food Waste	\$101,200.00
81.	Caritas Ma On Shan Secondary School	Enhancing Suitability: Food Waste Recycling	\$105,000.00
82.	CCC Yenching College	Green Education at Yenching	\$342,000.00
83.	Cheung Sha Wan Catholic Secondary School	Build a Green School Community	\$140,400.00
84.	Christian & Missionary Alliance Kwun Tong Church Family Service Centre	ECF The Green Action	\$45,275.00

	Applicant	Project Title	Approved Amount
85.	College of Liberal Arts and Social Sciences, City University of Hong Kong	ECF Secondary School Outreach Program: Behavioural Insight in Environmental Public Policy	\$174,448.00
86.	Confucian Tai Shing Primary School	Energy Saving & Low Carbon Life in Confucian Tai Shing Primary School	\$100,500.00
87.	Conservation E3 Foundation Limited	ECF - Choosing Green	\$1,091,545.00
88.	Consumer Council	ECF Earth 2038's Learning Journey of Sustainable Consumption	\$2,621,281.00
89.	Department of Chemistry, City University of Hong Kong	“Shui Hau Magnification”- Upstanding Human Disturbances on Horseshoe Crabs	\$753,885.00
90.	Earth Rescue Team	ECF Little White Dolphin Story & Game Tour	\$822,320.00
91.	Environmental Association Limited	ECF - About Cherish Biological Resources	\$1,466,475.00
92.	Environmental Association Limited	ECF Coastal Conservation @ Hong Kong UNESCO Global Geopark	\$977,165.00
93.	Environmental Association Limited	ECF Community Coastal Ambassador Training	\$1,569,035.00
94.	Environmental Association Limited	ECF - LantAReau	\$1,558,025.00
95.	Evangelical Lutheran Church Social Service - Hong Kong	ECF Project of All People as Ecological Conservator in Ma On Shan	\$325,316.00
96.	Firefly Conservation Foundation Limited	ECF Nature Conservation in South Lantau- Discover South Lantau	\$382,090.00
97.	Friends of the Earth (HK) Charity Limited	Environment and Conservation Fund Supported Project - STEM @ International Schools in HK - Microplastics in Marine Environment	\$461,970.00
98.	GCCITKD Lau Pak Lok Secondary School	GCCITKD Lau Pak Lok Secondary School Energy Conservation Scheme	\$213,500.00
99.	GIA Theatre	ECF School Tour Drama < Who Stole Our Rainbow? > 2018	\$292,500.00
100.	Green Sense Hong Kong Limited	ECF SAY No to “Disposables”- Less Disposables to Reduce Waste	\$149,940.00
101.	Ground & Round Theatre	ECF Ocean Blings	\$258,750.00
102.	Helen Liang Memorial Secondary School (Shatin)	Environmental Education Programme	\$324,500.00
103.	HKTA Shun Yeung Primary School	Sunshine Green School	\$202,850.00

	Applicant	Project Title	Approved Amount
104.	HKTA The Yuen Yuen Institute No.1 Secondary School	Yuen Yuen No. 1 Low Carbon Action Plan	\$103,300.00
105.	Hoi Pa Street Government Primary School	Cycle for Recycle	\$90,000.00
106.	Hong Kong America Center	ECF The COP and MOOT Project for Climate Change Education in Hong Kong	\$591,632.00
107.	Hong Kong Institute of Vocational Education (Sha Tin), Vocational Training Council	ECF – Kids’ Greenway – Biodiversity	\$1,316,457.50
108.	Hong Kong Society of Herpetology Foundation Limited	ECF: Herpetofauna Conservation Ambassador Training Programme	\$471,750.00
109.	Hong Kong Women Development Association Limited	ECF “R” Coast Cleaning Programme	\$664,450.00
110.	Ichthyological Society of Hong Kong	ECF The Fish Kaleidoscope - Stream Explorer in Lantau	\$425,064.00
111.	International Women's League Neighbourhood Elderly Centre	ECF Low Carbon Living Style	\$22,700.00
112.	Jockey Club Museum of Climate Change, The Chinese University of Hong Kong	ECF 'The Drama of Climate Change and a Low-carbon Future'	\$1,538,875.00
113.	Kam Tsin Village Ho Tung School	Reducing, Protecting, Meaningful Life Is Coming.	\$633,690.00
114.	Kowloon Technical School	Go Green@KTS	\$332,000.00
115.	Kwok Man School	Green Power@KMS	\$214,800.00
116.	Lam Tai Fai College	Low Carbon and Green Living Style Programme	\$220,250.00
117.	Land Education Foundation Limited	ECF Mui Wo Farm to Table Agricultural Community Plan	\$934,215.00
118.	N.T.W.J.W.A.Ltd. Leung Sing Tak Primary School	Environmental Conservation Scheme	\$308,500.00
119.	Nam Wah Catholic Secondary School	Generator Bike and Green Roof Project	\$406,300.00
120.	New Territories Heung Yee Kuk Yuen Long District Secondary School	New Territories Heung Yee Kuk Yuen Long District Secondary School Carbon Green School	\$307,000.00
121.	Ocean Park Conservation Foundation, Hong Kong	ECF Ecology and Conservation 101: Grooming the Next Great Ecologist	\$586,542.00
122.	OIWA Limited	ECF Education Programme on Nature Conservation	\$1,298,131.20

	Applicant	Project Title	Approved Amount
123.	Our Lady of China Catholic Primary School	Garbage Disposal Unit and Bike Generator	\$93,100.00
124.	Outdoor Wildlife Learning Hong Kong Limited	ECF Exploring WILD Lantau	\$1,514,866.00
125.	Outdoor Wildlife Learning Hong Kong Limited	ECF Joyful Learning in Forest Ecology – Board Game · Outdoor · Environmental Education	\$736,516.00
126.	Pentecostal School	<Less Waste Endless Lives> Environmental Education Program	\$492,800.00
127.	PLK Mr. & Mrs. Chan Pak Keung Tsing Yi School	Eco Gym Corner - Kinetic Bike Generator	\$50,000.00
128.	Po Leung Kuk Chong Kee Ting Primary School	PLKCKTPS- We Save Our Earth!	\$220,000.00
129.	Po Leung Kuk – Social Services Department	ECF Integrative Learning, Low Carbon Living	\$758,394.80
130.	Pui Tak Canossian College	Green School - Pui Tak Canossian College	\$101,500.00
131.	Richmond Fellowship of Hong Kong ALOHA (Eastern)	ECF Exchange the Better World	\$31,450.00
132.	S.K.H. Ling Oi Primary School	Green Fun in Ling Oi	\$155,300.00
133.	Salesian Yip Hon Primary School	SYHPS with Sun	\$220,000.00
134.	School of Biological Sciences, The University of Hong Kong	ECF Rolling Out the ‘Play & Grow’ Environmental Education Program for Families with Preschool Children	\$1,376,950.00
135.	Sha Tau Kok Central Primary School	Ecological Garden	\$40,200.00
136.	Technological and Higher Education Institute of Hong Kong	ECF Rational Use of Chinese Medicinal (CM) Residues, Treat the Chinese Medicinal Pulp Properly---Save Money, Healthy and Environmentally Friendly	\$444,701.00
137.	The Association of Directors and Former Directors of Pok Oi Hospital Limited Leung Sing Tak College	Climate Change Fighters in LSTC	\$220,000.00
138.	The Conservancy Association	ECF Biodiversity - Our Neighborhoods	\$396,005.00
139.	The Conservancy Association	ECF Embracing the Green Legacy of Community	\$436,585.00
140.	The Green Earth Limited	ECF Make Our Nature Trails Sustainable - Leave No Trace Education Programme	\$1,567,130.00
141.	The Hong Kong Bird Watching Society	ECF Birdwatching and Nature Appreciation for Special Needs People	\$406,640.00

	Applicant	Project Title	Approved Amount
142.	The Hong Kong Federation of Youth Groups	ECF Creative Upcycling Project	\$462,148.98
143.	The Hong Kong Federation of Youth Groups	ECF Indoor Air Quality Youth Education Programme	\$241,056.40
144.	The Hong Kong Federation of Youth Groups	ECF Love our Romer's Tree Frog: Biodiversity Conservation and Ecology Education Program	\$600,318.43
145.	The Hong Kong Federation of Youth Groups	ECF Low Carbon Cooking Competition and "Low Carbon Kitchen" Video Production Scheme	\$549,106.26
146.	The Hong Kong Federation of Youth Groups Jockey Club Tin Yuet Youth S.P.O.T.	ECF Tin Shui Wai City Environmental Protection Festival	\$90,170.00
147.	The Jane Goodall Institute (Hong Kong) Limited	ECF The Big Cleanup-Community-based Action Programme on Coastal Cleaning	\$546,200.00
148.	The Salvation Army William Booth Secondary School	Step 、 Step and Collect	\$90,000.00
149.	United Social Service Centre Ltd	ECF Plastic Free School Lunch	\$782,884.00
150.	Wisdom Regeneration	ECF Come and Join Us, Waste Reduction	\$121,422.22
151.	World Green Organisation	ECF Project: A 6-part Video Series and Engagement Activities for Secondary School Students and the General Public on Climate Change	\$1,414,440.00
152.	World Wide Fund for Nature Hong Kong	ECF Sea Without Litter II	\$2,799,331.00
153.	World Wide Fund for Nature Hong Kong	ECF - Sustainable Shui Hau	\$1,594,689.00
154.	Xianggang Putonghua Yanxishe Primary School of Science and Creativity	Eco Green Action	\$75,000.00
155.	Yang Memorial Methodist Social Service Yau Tsim Mong Integrated Centre for Youth Development	ECF +RECYCLE. –REDUCE	\$13,490.00
156.	Ying Wa Primary School	Green YWPS- We STOP Climate Change	\$275,000.00
157.	Yuen Long Merchants Association Primary School	Live Green, Eat Smart!	\$122,000.00
158.	The Hong Kong Federation of Youth Groups	Minor Works Project: "We Can Cool The Earth" Energy Saving Project *	\$473,000.00
Subtotal (VII):			\$47,104,171.79

* Note: Under Green Programme

Project considered by the Environment and Conservation Fund Committee

Nature Conservation Management Agreement Project

	Applicant	Project Title	Approved Amount
159.	Green Power Limited	Habitat and Biodiversity Conservation Scheme in Sha Lo Tung 2018-2020	\$8,497,804.00
Subtotal (VIII) :			\$8,497,804.00

Large-scale Environmental Education and Awareness Projects Coordinated by the Environmental Campaign Committee

	Project Title	Approved Amount
160.	Hong Kong Green School Award	\$1,900,000.00
161.	Student Environmental Protection Ambassador Scheme	\$1,700,000.00
162.	Hong Kong Awards for Environmental Excellence	\$7,900,000.00
163.	Hong Kong Green Organisation Certification	\$7,430,000.00
164.	World Environment Day	\$2,500,000.00
165.	Publicity Programmes in Support of Policy Priorities	\$9,500,000.00
Project support to Environmental Campaign Committee		
166.	General support (including website enhancement and maintenance fee, auditing fee, etc.)	\$550,000.00
167.	Staff support for ECC programmes and Environmental Education and Community Action Projects Vetting Subcommittee Secretariat	\$9,685,020.00
Subtotal (IX) :		\$41,165,020.00
Total (I)+(II)+(III)+(IV)+(V)+(VI)+(VII)+(VIII)+(IX):		\$203,492,736.36

Report of the Director of Audit



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Audit's Report To the Legislative Council

Opinion

I certify that I have audited the financial statements of the Environment and Conservation Fund set out on pages 27 to 35, which comprise the balance sheet as at 31 March 2018, and the income and expenditure account, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the financial position of the Environment and Conservation Fund as at 31 March 2018, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in accordance with section 8(1) of the Environment and Conservation Fund Ordinance (Cap. 450).

Basis for opinion

I conducted my audit in accordance with section 8(2) of the Environment and Conservation Fund Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I am independent of the Environment and Conservation Fund in accordance with those standards, and I have fulfilled my other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Secretary for the Environment for the financial statements

The Secretary for the Environment is responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and section 8(1) of the Environment and Conservation Fund Ordinance, and for such internal control as the Secretary for the Environment determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary for the Environment is responsible for assessing the Environment and Conservation Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Environment and Conservation Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for the Environment;
- conclude on the appropriateness of the Secretary for the Environment's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Environment and Conservation Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Environment and Conservation Fund to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



LIANG Kar-lun, Ken
Principal Auditor
for Director of Audit

22 June 2018

Audit Commission
26th Floor
Immigration Tower
7 Gloucester Road
Wanchai, Hong Kong

Environment and Conservation Fund
Balance Sheet as at 31 March 2018

	Note	2018 HK\$	2017 HK\$
Non-current Assets			
Placement with the Exchange Fund	3	<u>4,700,000,000</u>	<u>4,700,000,000</u>
Current Assets			
Placement with the Exchange Fund	3	932,614,304	755,150,906
Interest receivable		1,944,916	3,463,188
Bank deposits		228,031,473	453,038,682
Cash and cash equivalents	4	<u>30,261,084</u>	<u>35,242,943</u>
		<u>1,192,851,777</u>	<u>1,246,895,719</u>
		<u>5,892,851,777</u>	<u>5,946,895,719</u>
EQUITY			
Capital	3	5,000,000,000	5,000,000,000
Accumulated Fund		<u>892,851,777</u>	<u>946,895,719</u>
		<u>5,892,851,777</u>	<u>5,946,895,719</u>

The accompanying notes 1 to 9 form part of these financial statements.



(WONG Kam-sing)

Secretary for the Environment

The Trustee of the Environment and Conservation Fund



June 2018

Environment and Conservation Fund
Income and Expenditure Account for the year ended 31 March 2018

	2018 HK\$	2017 HK\$
INCOME		
Interest income	182,853,629	178,122,454
Refund of grants	1,380,458	608,518
	<u>184,234,087</u>	<u>178,730,972</u>
EXPENDITURE		
Grants for environmental research and other projects	209,707,584	206,449,758
Grants to the Environmental Campaign Committee	28,570,445	26,036,903
Exchange losses	-	10,264,699
	<u>238,278,029</u>	<u>242,751,360</u>
Deficit for the year	(54,043,942)	(64,020,388)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u><u>(54,043,942)</u></u>	<u><u>(64,020,388)</u></u>

The accompanying notes 1 to 9 form part of these financial statements.

Environment and Conservation Fund
Statement of Changes in Equity for the year ended 31 March 2018

	Capital HK\$	Accumulated Fund HK\$	Total HK\$
Balance at 1 April 2016	5,000,000,000	1,010,916,107	6,010,916,107
Total comprehensive loss for 2016-17	<u>-</u>	<u>(64,020,388)</u>	<u>(64,020,388)</u>
Balance at 31 March 2017	5,000,000,000	946,895,719	5,946,895,719
Total comprehensive loss for 2017-18	<u>-</u>	<u>(54,043,942)</u>	<u>(54,043,942)</u>
Balance at 31 March 2018	<u>5,000,000,000</u>	<u>892,851,777</u>	<u>5,892,851,777</u>

The accompanying notes 1 to 9 form part of these financial statements.

Environment and Conservation Fund
Statement of Cash Flows for the year ended 31 March 2018

	2018 HK\$	2017 HK\$
Cash flows from operating activities		
Refund of grants	1,380,458	608,518
Grants to the Environmental Campaign Committee	(28,570,445)	(26,036,903)
Grants for environmental research and other projects	(209,707,584)	(206,449,758)
Net cash used in operating activities	<u>(236,897,571)</u>	<u>(231,878,143)</u>
Cash flows from investing activities		
Net decrease in bank deposits with original maturity over three months	225,007,209	217,991,367
Interest received	6,908,503	11,462,363
Net cash from investing activities	<u>231,915,712</u>	<u>229,453,730</u>
Net decrease in cash and cash equivalents	(4,981,859)	(2,424,413)
Cash and cash equivalents at beginning of year	35,242,943	37,667,356
Cash and cash equivalents at end of year	<u><u>30,261,084</u></u>	<u><u>35,242,943</u></u>

The accompanying notes 1 to 9 form part of these financial statements.

Environment and Conservation Fund

Notes to the Financial Statements

1. General

The Environment and Conservation Fund (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).

The address of the Fund's office is Room 605, Chinachem Exchange Square, 1 Hoi Wan Street, Quarry Bay, Hong Kong.

2. Significant accounting policies

(a) Statement of compliance

The financial statements of the Fund are prepared in accordance with section 8(1) of the Environment and Conservation Fund Ordinance and all applicable Hong Kong Financial Reporting Standards (HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants.

(b) Basis for preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgments involved in the application of the Fund's accounting policies. There are neither key assumptions concerning the future nor other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next year.

(c) Adoption of new/revised HKFRSs

The Fund has adopted all new/revised HKFRSs which are effective and relevant to the Fund for the current accounting period.

The Fund has not early adopted any amendments, new standards and interpretations which are not yet effective for the current accounting period. The Fund is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Fund's results of operations and financial position.

(d) Financial assets

The Fund's financial assets include placement with the Exchange Fund, bank deposits, interest receivable and cash and cash equivalents. They are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the assets. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any allowance for impairment loss.

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Fund has transferred substantially all the risks and rewards of ownership of the asset.

(e) Revenue recognition

Interest income is recognised as it accrues using the effective interest method.

(f) Grants

Grants for environmental research and other projects are recognised as expenditure when they are approved by the Trustee except in those cases when the release of grant is subject to certain conditions, such grants are recognised as expenditure when the grantees comply with the conditions.

Grants to the Environmental Campaign Committee are recognised as expenditure when they are due for payment.

(g) Foreign currency translation

Hong Kong dollar is the currency of the primary economic environment in which the Fund operates. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income and expenditure account.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are

subject to an insignificant risk of changes in value, having been within three months of maturity when acquired.

3. Placement with the Exchange Fund

In June 2013, the Legislative Council approved to inject a one-off sum of HK\$5 billion as seed capital into the Fund for generating investment returns to provide the Fund with a long-term and sustainable funding source for supporting community green actions. Of the HK\$5 billion received, HK\$4.7 billion was placed with the Exchange Fund. The term of the placement is six years from the date of placement, during which the amount of original placement cannot be withdrawn. Interest on the placement is at a rate determined annually in January and payable annually in arrears on 31 December. The rate was the average annual rate of return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year government bond in the previous year subject to a minimum of zero percent, whichever is the higher. The interest rate has been fixed at 2.8% per annum for January to December 2017 and 4.6% per annum for January to December 2018.

Placement with the Exchange Fund is analysed as follows:

	2018 HK\$	2017 HK\$
Balance of the placement with the Exchange Fund		
Original placement with the Exchange Fund	4,700,000,000	4,700,000,000
Interest earned but not withdrawn at end of year	869,443,086	717,746,193
	5,569,443,086	5,417,746,193
Accrued Interest	63,171,218	37,404,713
Balance at end of year	<u>5,632,614,304</u>	<u>5,455,150,906</u>
Classified as:		
Non-current assets	4,700,000,000	4,700,000,000
Current assets	932,614,304	755,150,906
	<u>5,632,614,304</u>	<u>5,455,150,906</u>

The interest earned but not yet withdrawn and the accrued interest stated above, amounting to HK\$932,614,304 (2017: HK\$755,150,906), was classified as current asset in the Balance Sheet.

4. Cash and cash equivalents

	2018 HK\$	2017 HK\$
Bank deposits with original maturity within three months	30,000,000	35,008,079
Cash at bank	<u>261,084</u>	<u>234,864</u>
	<u>30,261,084</u>	<u>35,242,943</u>

5. Financial risk management

The Fund's major financial instruments are placement with the Exchange Fund and bank deposits. The main risks associated with these financial instruments are set out below:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The credit risk from bank deposits is limited because the Fund's bank deposits are placed with reputable licensed banks in Hong Kong. For the placement with the Exchange Fund, the credit risk is considered to be low.

The maximum exposure to credit risk as at the balance sheet date in relation to each class of financial assets is the carrying amount of those assets as stated in the balance sheet.

(b) Interest rate risk

Interest rate risk is the risk of loss arising from change in market interest rates. Since the Fund's fixed deposits bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are all stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Fund's deficit and equity.

The interest income of a financial instrument bearing interest at floating interest rates will fluctuate because of changes in market interest rates. The Fund is not exposed to material cash flow interest rate risk because interest income from financial instruments bearing interest at a floating rate is not significant.

(c) Liquidity risk

In the management of liquidity risk, the Fund maintains a level of cash and cash equivalents that is considered adequate to finance its operations and mitigate the effect of fluctuations in cash flows.

(d) Other financial risk

The Fund is exposed to financial risk arising from the placement with the Exchange Fund due to changes in the interest rate which is determined every January (Note 3). It was estimated that, as at 31 March 2018, a 50 basis point (2017: 50 basis point) increase/decrease in the interest rates for 2017 and 2018, with all other variable held constant, would decrease/increase the deficit and increase/decrease the equity by HK\$28 million (2017: HK\$27 million).

6. Capital management

The capital of the Fund consists of the capital and the accumulated fund balance. The Fund's objectives when managing capital are:

- to comply with the Environment and Conservation Fund Ordinance; and
- to maintain a strong capital base for carrying out the purposes of the Fund as stated in Note 1 above.

The Fund manages capital to ensure that its level is adequate to fund future grants and expenditure, taking into account projected cash flow requirements, future financial obligations and commitments.

7. Commitments

As at 31 March 2018, the commitments for approved grants, subject to the satisfactory progress or completion of the relevant projects, were HK\$487,172,074 (2017: HK\$645,286,410).

8. Cost of administration of the Fund

The cost of administration of the Fund, other than the salaries and fees paid under section 6(3) of the Environment and Conservation Fund Ordinance, has been borne by the Government of the Hong Kong Special Administrative Region in accordance with section 9(1) of the Environment and Conservation Fund Ordinance.

9. Fair values of financial assets

All financial assets are stated in the balance sheet at amounts equal to or not materially different from their fair values.