

ADVISORY COUNCIL ON THE ENVIRONMENT

(21.3.1994)

(ACE 13/94)
(for advice)

Environment and Conservation Fund

Purpose

This paper seeks members' views on the proposed establishment of an Environment and Conservation Fund (ECF).

Background

2. The Governor proposed in his 1993 policy address to the Legislative Council an initial capital injection of \$50 million from Government to set up an Environment and Conservation Fund to support environmental education and research. We have subsequently explored various ways to set up the Fund and have come to the conclusion that the most appropriate means is to set up a trust fund by legislation for the purpose of carrying out the trusts.

Proposal

3. To set up the ECF, we propose to introduce a new bill called the Environment and Conservation Fund Bill setting out the following:

- (a) establishment of an ECF;
- (b) designation of SPEL as the trustee; and
- (c) establishment of a committee to advise the trustee on the administration of the ECF and the fulfilment of its purpose.

The detailed provisions are set out in Annex A.

Legislative Programme

4. The Bill is now being drafted and we intend to introduce it to the Legislative Council in mid-May 1994. We hope that enactment can be effected by early June 1994, after which an application will be made to the Finance Committee for a capital allocation of \$50 million. We expect the Fund to be ready for disbursements before end June 1994.

Administrative Arrangements

5. We expect the Fund to provide financial support for the following categories of activities:

- (a) core environmental projects of the Environmental Campaign Committee (ECC);
- (b) energy efficiency projects recommended by the Energy Efficiency Advisory Committee (EEAC);
- (c) environmental education; and
- (d) research and surveys relating to environmental and conservation matters.

6. Invitation for and processing of applications in the research and surveys category will be handled by the ECF secretariat, which will be provided by the Planning, Environment and Lands Branch. An assessment panel comprising relevant government departments will be formed under the ECF Committee to vet applications and make recommendations to the Committee. We intend to invite applications in early May 1994, but actual disbursement of funds will be subject to the successful enactment of the relevant legislation and allocation of funds from the Finance Committee.

7. For environmental education projects, the ECC has introduced since 1991 an "Environmental Protection Activities Funding Scheme" under which community groups and green groups can apply for financial support for their educational projects. We propose that the budget for this scheme be enhanced by a separate allocation from the ECF. Funds allocated for this purpose should not be spent on other ECC projects. Regular reports on projects supported will be made to the ECF Committee.

8. We are aware of green groups' concern about the need for recurrent support for their educational projects. We will consider establishing more environmental resource centres to invite green groups to participate in their running and whether environmental education programmes with recurrent implications could be funded.

Financial Implications

9. The initial capital injection proposed from Government is \$50 million. We do not intend that expenditure from the ECF should be restricted to interest only. But the actual rate of drawing down the capital will depend on the quality and amount of applications received. The ECF is also expected to attract donations, which will enable it to fund more educational and research programmes.

10. The recurrent expenditure for administering the ECF will initially be absorbed within the existing resources of the relevant branches and departments. The necessity for additional manpower resources will be reviewed in the light of actual experience of administration.

Environmental Implications

11. The establishment of the ECF will provide a new source of financial support for environmental education and research projects. This will contribute to raising environmental awareness of the community which will assist with the implementation of our environmental programmes.

Public Consultation

12. Green groups were consulted via a special meeting on 9 March 1993 and expressed the following views; disbursements from the ECF should not duplicate the scope of existing funds which tend to give priority to one-off projects with high publicity value and little recurrent implications; the scope of research projects eligible for funding should not be overly restrictive; and projects which are eligible for application under another green fund should not be excluded. One group also suggested that the Fund should be drawn down in about three years and that, as a rough guide, about \$15m - \$20m be spent each year.

13. Green groups were also keen to see recurrent support for their educational services to the public in the form of subventing them to establish and operate environmental resource centres. They also felt that quasi-government bodies, such as the EEAC, should not be funded from the ECF.

14. It is not the administration's intention to restrict disbursements to supporting green group activities only. We consider energy efficiency programmes worthy of support and in vetting activities recommended for funding support by the EEAC, we will take into account similar programmes, if any, undertaken by other community groups. The other comments of the green groups will also be taken into account when we draw up detailed guidelines for disbursement of funds.

Advice Sought

15. Members are invited to comment on the proposed arrangements for the establishment of the ECF.

Planning, Environment and Lands Branch
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