



# **ENVIRONMENT AND CONSERVATION FUND**

## **環境及自然保育基金**



### **Guide to Application**



## **Energy-cum-carbon Audit Projects**

*(Latest version on 25 February 2011)*

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## 1. INTRODUCTION

The Government is committed to promote a low carbon economy – an economy based on low energy consumption and low pollution, and to work closely with the international community in tackling the challenges of climate change. As proposed in the 2008-09 Policy Address and approved by the Environment and Conservation Fund (ECF) Committee<sup>1</sup>, HK\$450 million has been reserved under the ECF to subsidize building owners for conducting energy-cum-carbon audits and energy efficiency projects.

### 1.1 Purpose of this Guide

This Guide provides guidance on application for funding *Energy-cum-carbon Audits* (the *Programme*) and describes the basic requirements and responsibilities for recipient organisations. Upon approval of funds by the ECF Committee, recipient organisations will sign an agreement with the Government undertaking to observe the conditions of using the allocated grant and the approved budget.

### 1.2 Nature of Projects

The objective of the *Programme* is to encourage existing building owners to carry out energy-cum-carbon audits, with a view to systematically reviewing the use of energy and quantifying the greenhouse gas (GHG) emissions associated with their buildings, and to identify opportunities for enhancements of energy efficiency and conservation and reductions in the level of GHG emissions arising from building operations. The scheme will cover energy-cum-carbon audits to be carried out in communal areas of residential, commercial, industrial buildings or composite buildings comprising any two of these three types of establishments.

### 1.3 Administration

Applications will be administered by the Environment Bureau (ENB) and the Electrical and Mechanical Services Trading Fund (EMSTF).

An Energy Conservation Projects Vetting Subcommittee (Vetting Subcommittee) has been established under the ECF Committee to consider the applications. The Subcommittee comprises representatives of the ECF Committee and other members may also be co-opted into the subcommittee if such is considered necessary by the ECF Committee.

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<sup>1</sup> A statutory body, which comprises mainly non-officials, was set up in 1994 under the Environment and Conservation Fund Ordinance to advise Secretary for the Environment on the use of funds. Under the Ordinance, the Secretary is the trustee responsible for the administration of the Fund.

## **2. GUIDE TO APPLICATION**

### **2.1 Who may apply?**

Owners' Corporations registered under the Building Management Ordinance (Cap. 344), owners' organizations or residents' organizations of residential, commercial, industrial buildings or composite buildings comprising any two of these three types of establishments are eligible to apply. An application can also be submitted by a property management company or a qualified service provider as specified in paragraph 2.6 below on behalf of an applicant under the latter's authorization.

Applications from public housing estates wholly owned by Housing Authority, Housing Society, as well as Government quarters will be excluded because they may receive other forms of Government funding.

### **2.2 What are the funding limits?**

2.2.1 Funds will be granted on a matching basis. A limit of 50% of the approved total actual expenditure spent for the audit and subsequent reporting will be reimbursed subject to a maximum of HK\$150,000 per building per application.

2.2.2 For those ancillary facilities that physically form part of the building, which is eligible for funding, e.g. a clubhouse, carpark or playground located within a residential building, the funding limit, i.e. HK\$150,000 per building for that residential building should also cover such ancillary facilities. For example, for application covering 4 residential buildings and such ancillary facilities, the funding limit should be 4 times HK\$150,000.

2.2.3 For those ancillary facilities that physically do not form part of the buildings eligible for funding, e.g. standalone clubhouse, carpark or playground, the total amount of funding granted for all these facilities under each application will be subject to a cap of HK\$150,000. For example, for application covering 4 residential buildings and such ancillary facilities, the funding limit should be 5 times HK\$150,000.

2.2.4 For those ancillary facilities that in itself can be regarded as a residential/commercial/ industrial building, e.g. a shopping arcade in a residential housing estate, it would be counted as an individual building under the application. For example, for application covering 4 residential buildings and a shopping arcade, the funding limit should be 5 times HK\$150,000.

2.2.5 In view of the complicated built environment in Hong Kong, Vetting Subcommittee or ECF Committee will consider funding limit, should there be cases that fall outside the above scopes.

### **2.3 What is the duration of each project?**

Each project should last for at least 4 years, with the first audit to commence within 6 months after the approval of the application.

## 2.4 How to apply?

Applicants have to fill in an application form which can be obtained from –

EMSTF Buildings Energy Efficiency Funding Schemes Office  
Room G013C, 3 Kai Shing Street  
Kowloon, Hong Kong

Tel : 3757 6025  
Fax : 3521 0062  
E-mail : [beefs@emsd.gov.hk](mailto:beefs@emsd.gov.hk)

Softcopy can also be downloaded from the Internet homepage of

1. Environment and Conservation Fund Committee  
<http://www.ecf.gov.hk>
2. Environment Bureau  
<http://www.enb.gov.hk>
3. Buildings Energy Efficiency Funding Schemes  
<http://www.building-energy-funds.gov.hk>

Completed application form should be returned to the EMSTF Buildings Energy Efficiency Funding Schemes Office, Room G013C, 3 Kai Shing Street, Kowloon, Hong Kong *at least four months* before the commencement of the project.

The *Programme* will be opened for applications for three years or until the allocated HK\$150 million is fully utilized, whichever is the earlier.

## **2.5 What are the vetting procedures?**

The Vetting Subcommittee can approve an amount up to HK\$2,000,000 for an application. For funding applications exceeding HK\$2,000,000, the recommendations of the Vetting Subcommittee have to be endorsed by the ECF Committee. Information of the approved projects will be uploaded onto the website of the Buildings Energy Efficiency Funding Schemes.

The following steps will be taken after an application is received –

- Step 1: Upon receipt of an application by the EMSTF, an interim reply will be sent to the applicant to acknowledge receipt of the application. Where necessary, the EMSTF will request the applicant to provide clarification or supplementary information.
- Step 2: The application will be considered at the Vetting Subcommittee meeting (which will usually be held on a quarterly basis).
- Step 3: For funding applications of or below HK\$2,000,000, the Vetting Subcommittee will either approve the application, reject it or request the applicant to provide further information. The Vetting Subcommittee will also consider the budget, and where necessary, amend the budget details and set ceilings for individual expenditure items. The Vetting Subcommittee Secretariat will inform the applicant of the Vetting Subcommittee's decision. The Vetting Subcommittee Secretariat will also upload information of the approved projects on the website of the Buildings Energy Efficiency Funding Schemes.

For funding applications above HK\$2,000,000, the Vetting Subcommittee will either recommend the application for consideration by the ECF Committee, reject it or request the applicant to provide further information.

For projects that further information is required from the applicant, the EMSTF will inform the applicant on the required information. The Vetting Subcommittee Secretariat will circulate the applicant's responses to the Vetting Subcommittee members. Members will make a final decision either at the forthcoming meeting or by sending in their views to the Secretariat. The Vetting Subcommittee Secretariat will inform the applicant of the Vetting Subcommittee's decision as soon as practicable.

- Step 4: The ECF Committee will consider funding applications above HK\$2,000,000 that have been recommended by the Vetting Subcommittee. The ECF Committee Secretariat will inform the applicant of the ECF Committee's decision. The Secretariat will also upload information of the approved projects on the website of the Buildings Energy Efficiency Funding Schemes.

## **2.6 What are the application criteria?**

- 2.6.1 The energy-cum-carbon audits should be carried out according to the latest edition of the “Guidelines to account for and report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential and Institutional purposes) in Hong Kong” and “Guidelines on Energy Audit” issued by the Government. The energy audit so conducted will serve as the reporting on energy indirect emissions (Scope 2 of the Carbon Audit Guidelines) in the carbon audit.
- 2.6.2 The audit reports and subsequent progress reports shall be certified by a qualified service provider, who is –
- (a) a Registered Professional Engineer in Building Services, Electrical, Mechanical or Environmental discipline registered under the Engineers Registration Ordinance (Cap. 409); or
  - (b) a corporate member of Hong Kong Institution of Engineers in Building Services, Electrical, Mechanical or Environmental discipline, who has no less than 1 year relevant post qualification working experience (i.e. local working experience on engineering design, installation, commissioning, inspection, testing or maintenance of building services installations in buildings); and
- who has attended seminar/training related to this scheme to be announced by the Government.
- 2.6.3 Audit reports to be submitted after the completion of energy-cum-carbon audits should include recommendations or programmes to improve GHG emission and energy efficiency and conservation of the building.
- 2.6.4 Successful applicants are also required to submit progress reports in accordance with section 5.5 of this Guide once every year for 3 immediate subsequent years after the reporting year of the first audit financed by the ECF. Subsequent progress reports submitted should include major follow up actions taken to improve GHG emission and energy efficiency and conservation of the building, and any improvements attained.

## **2.7 What are the vetting criteria?**

The following broad criteria will be used in assessing the merits of individual applications –

- (a) the projects must contribute to promoting a low carbon economy in Hong Kong by identifying enhancements of energy efficiency and conservation and reduction of GHG emissions in Hong Kong;
- (b) the projects must be non-profit making in nature;
- (c) 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 funding conditions;

- (d) whether the proposed project's schedule of implementation is well-planned and practicable, and the duration is reasonable;
- (e) whether the proposed budget is reasonable and realistic, and whether the project is cost-effective, with full justification for every expenditure item;
- (f) whether the proposed project has alternative sources of funding, and whether it would be more appropriate for the proposed project to be funded by other sources;
- (g) whether there is or likely to be a duplication of the work already or currently carried out by similar buildings (e.g. buildings of similar structure, similar purpose, in close proximity to each other and under the same management);
- (h) priority will be given to applications involving buildings with high potential of energy saving and reduction in carbon emission;
- (i) priority will be given to applications that seek to complement with other initiatives that promote environmental protection; and
- (j) the proposed project in the application which starts (i.e. contract awarded or confirmed) before the approval of the Energy Conservation Projects Vetting Sub-committee is given shall not be supported.

## **2.8 Avoidance of Conflict of Interests**

To avoid conflict of interest, members of Vetting Subcommittee and the ECF Committee who are directly or indirectly related to an application will be required to declare interest and refrain from taking part in the discussion of that application by leaving the venue where the deliberation takes place. This will apply to members who live in that building, are part of the project team and/or members who belong to the same organisation.

## **2.9 When will I know the result?**

For funding applications of or below HK\$2,000,000, the applicants will normally be notified of the decision of the Vetting Subcommittee within four months, depending on the schedule of meeting (normally held quarterly in March, June, September and December) and if any additional information is required. Funding applications over HK\$2,000,000 would be submitted to the ECF Committee for consideration. The applicants will be informed of the outcome shortly after the ECF Committee meeting, which is normally held quarterly.

## **2.10 Can I withdraw my application?**

The applicant can write to the Vetting Subcommittee Secretariat to withdraw an application at any time before an agreement is signed with the Government.

## **2.11 Can I resubmit my application?**

A declined application may be resubmitted only if it has been revised substantially or if it has been able to produce new evidence to address the comments made by the Vetting Subcommittee in its earlier review. In completing the application form for a resubmitted application, the applicant should set out clearly the differences of the resubmitted application vis-à-vis the previous one. The revised application will be treated as a new application, and will be subject to the same assessment procedures as set out in the preceding paragraphs.

### **3. APPLICATION FORM**

#### **3.1 General**

- 3.1.1 All sections of the application form should be completed with supporting documents wherever required. Where the information sought is not applicable or not available, please fill in “NA”.
- 3.1.2 Please give clear and concise information. Additional pages may be attached to the form if such is necessary.
- 3.1.3 Acknowledgment will be sent to the applicant organisation after receipt of an application.

#### **3.2 Sections in the Application Form**

##### **3.2.1 Applicant Organisation**

Give the name of applicant in Chinese and English. The applicant must be an Owners' Corporation registered under the Building Management Ordinance (Cap. 344), owners' organizations or residents' organizations of a residential, commercial, industrial building or a composite building comprising any two of these three types of establishments. The applicant should provide a copy of documentary proof of the setting up of the organisation (e.g. registration under the Building Management Ordinance (Cap. 344)).

##### **3.2.2 Person-in-charge of the Project**

He or she can be:

- (a) the chairman of the applicant organisation;
- (b) a member of the applicant organisation, with written consent from the organisation;
- (c) a representative of the property management company; or
- (d) a qualified service provider as specified in paragraph 2.6 above.

The property management company or a qualified service provider who submits an application on behalf of an applicant and take up the role of person-in-charge, should seek agreement in writing from the applicant and attach the relevant document with this application form.

##### **3.2.3 Building Information**

The applicant should provide the name, address, electricity consumption of the past 12 months and the type of building.

##### **3.2.4 Qualified Service Provider**

The applicant should provide the name and the qualifications of the qualified service provider (with documentary proof). In case the information of qualified service provider is not available when submitting the application, the applicant

is required to submit to EMSTF relevant details for approval before the commencement of the audit.

### 3.2.5 Duration of the Project

The applicant should fill in the expected date of commencement of the first audit, completion of the first audit, and submissions of the three progress reports. The expected dates of submission of the first, second and third progress reports should respectively be within 12, 24 and 36 months from the date of the completion of the first audit.

### 3.2.6 Expenditure of the energy-cum-carbon audits

The estimated expenditure should cover the first audit and the three subsequent progress reports. It should only cover expenditures on procurement of service to be used in the energy-cum-carbon audit projects, and should not cover any capital or recurrent costs arising from the recommendations of the audit reports or the subsequent progress reports.

### 3.2.7 Sources of funding from other funds/funding schemes

The applicant should specify with details (including the source, amount, whether approval has been obtained) whether it has applied for funding from other funds/funding schemes for such energy-cum-carbon audit.

Applicants' intention to seek sources of funding from other funds/funding schemes should be stated if details are not available when their applications are submitted. The applicant is required to notify EMSTF of other sources of funding after the respective applications have been approved.

### 3.2.8 Total amount of grant applied

Total amount of grant applied equals the estimated expenditure deducted by the amount of funding from other funds/funding schemes, to be divided by two since the grant under the Programme will not exceed 50% of the actual expenditure subject to a cap as appropriate. Please also refer to the funding limit as specified in paragraph 2.2 above.

### 3.2.9 Other environmental initiatives implemented/ planned to be implemented in the building

Priority will be given to those proposals that seek to complement with other initiatives that promote environmental protection. The applicant should provide details of such initiative in the application.

## 4. BUDGET GUIDELINES

The application should be accompanied by a detailed budget for the project. Each expenditure item should be reasonable, realistic and clearly broken down. All expenditure items must be incurred between the commencement and completion date of the project with supporting receipts (original).

### 4.1 Manpower

4.1.1 The recipient organisation is expected to have the ability to supervise and the expertise to undertake the proposed project. Hence, no funding will be granted for employment of additional supervisory/administrative staff for undertaking the project.

### 4.2 Others

4.2.1 All essential elements of an application will be considered in an integral manner.

4.2.2 All applications are considered on their individual merits. Funding for implementing the recommendations of the audit reports or the subsequent progress reports will **not** be given under this funding scheme.

## **5. CONDITIONS FOR THE USE AND ALLOCATION OF FUND**

### **5.1 Contractual Requirements**

For each project for which funds have been approved, the recipient organisation has to sign an agreement with the Government and comply with all the terms of the agreement.

### **5.2 Use of Funds**

5.2.1 Subject to other conditions as set out in this Guide, the allocated funds shall not be used as payments to individual members of the public as a financial reward for their participation in the activities associated with the project.

5.2.2 The proposed project must accrue benefits to the district/local community as a whole, and not just an individual, a single private organisation or a consortium of private companies.

### **5.3 Disbursement and Reimbursement of Funds**

5.3.1 The funding will normally be disbursed on reimbursement basis (i.e. the recipients to settle payment before seeking reimbursement from ECF). The recipient organisation may submit a proposed plan for disbursement to the EMSTF for consideration. Interim payment may be released to the recipient organisation subject to endorsement of the proposed payment plan and submission of audit reports and subsequent progress reports. The last 10% of the approved grant will normally only be released after completion of the project, i.e. the submission of the 3rd progress reports (the last progress report) and the statement of accounts to the satisfaction of EMSTF in accordance with the requirement specified in paragraphs 5.5 and 5.6 below.

5.3.2 All revenue received, irrespective of whether it has been declared in the proposal, must be defrayed against the actual expenditure before calculating the amount to be reimbursed as final payment.

5.3.3 Amount to be reimbursed for individual item of the budget will not exceed the approved amount for that item. Prior approval must be obtained from the Vetting Subcommittee should there be any changes in the approved amount.

5.3.4 As the amount of grant shall not exceed 50% of the actual payment made, should the actual payment made for the project be less than the budget submitted in the application, the amount of grant should be adjusted downwards according to this principle. However, should the actual payment made be more than the budget submitted in the application, any upward adjustment of the grant would be subject to prior approval by the Vetting Subcommittee.

5.3.5 Any item not on the approved list of budget items will not be reimbursed.

5.3.6 Income derived from the project during the project period, including sales of output, fee generated from activities and interest income generated from cash in hand for the project, should be ploughed back into the project account.

- 5.3.7 Any unspent balance of the grant shall be returned to ECF within two months after completion of the project.
- 5.3.8 For applications receiving grant under HK\$150,000, auditing will not be required, but the Vetting Subcommittee Secretariat and the EMSTF reserve the right to check all financial records kept by the recipient organisations relating to the use of the grant.

#### **5.4 Procurement of Capital Items, Goods and Services**

- 5.4.1 The recipient organisation should exercise utmost prudence in procuring goods or services for the project and must adhere to the following procedures unless the Vetting Subcommittee agrees otherwise –
- (a) for every procurement the aggregate value of which exceeds HK\$5,000 but does not exceed HK\$10,000, tender from at least two suppliers should be obtained ;
  - (b) for every procurement the aggregate value of which exceeds HK\$10,000 but does not exceed HK\$200,000, tender from at least three suppliers should be obtained; and
  - (c) for every procurement the aggregate value of which exceeds HK\$200,000, tender from five suppliers should be obtained.
- 5.4.2 The recipient organisation should select the supplier that has submitted the lowest bid for the approved item. If the lowest bid is not selected, full justifications must be given and prior agreement must be obtained from the Vetting Subcommittee.
- 5.4.3 In case the recipient organisation intends to procure the items from a company/organisation/individual without following the procurement process in paragraph 5.4.1 above, it has to provide details, justifications and its relationship with the company/organisation/individual in the application form. If the application is approved, subsequent approval from the Vetting Subcommittee will not be required.
- 5.4.4 The Vetting Subcommittee/EMSTF reserves the right to accept the tendering method.
- 5.4.5 All quotations and tendering documents should be kept for inspection by the EMSTF. The recipient organisation should also observe the Code of Practice on Procurement of Supplies, Goods & Services issued under the Building Management Ordinance (Cap. 344) for the guidance of owners' corporations.

#### **5.5 Progress Reports**

- 5.5.1 The recipient organisation has to commence an energy-cum-carbon audit within 6 months upon approval of the application and to submit 3 subsequent annual progress reports before the date specified in the agreement with the Government. Disbursements will normally be subject to satisfactory submission of the audit reports or progress reports. The EMSTF and the Vetting

Subcommittee may carry out on-site visits or surprised checks to examine the progress and achievements of the project at any time.

5.5.2 All audit reports and progress reports should be certified by qualified service provider, signed off by the person-in-charge and submitted to EMSTF.

5.5.3 Audit reports should be prepared to adequately cover the following areas –

- (a) all required information as suggested in the Section VI: Reporting Emissions and Removal of the latest version of the Carbon Audit Guidelines (a sample is included in Annex B of the latest version of the Carbon Audit Guidelines);
- (b) the recommended measures for the applicant to adopt which can effectively reduce the emissions of GHG in the next three years immediately after the completion of the audit report and in the longer term; and
- (c) a statement signed by the certifier to include, as a minimum –
  - (i) a description of the level of assurance; and
  - (ii) the certifier's conclusion indicating any qualification or limitations (examples of statements for reasonable and limited levels of assurance can be found in Annex A of ISO14064-3:2006)

5.5.4 Progress reports should be prepared to adequately cover the following areas -

- (a) all required information as suggested in the Section VI: Reporting Emissions and Removal of the latest version of the Carbon Audit Guidelines (a sample is included in Annex B of the latest version of the Carbon Audit Guidelines);
- (b) the applicant's plan(s) and action(s) in taking forward the measures which can effectively reduce the emissions of GHG as recommended in the first carbon audit report, including those plan(s) of adoption which may extend beyond the reporting period of the progress report, and the progress of implementing these plans and actions;
- (c) any recalculations made to the carbon audit report and previous progress reports with justifications;
- (d) the changes in the total GHG emissions and removals, with breakdowns by scopes, in the reporting year of the progress report with respect to that in the reporting year of the carbon audit report; and
- (e) a statement signed by the certifier to include, as a minimum –
  - (i) a description of the level of assurance; and
  - (ii) the certifier's conclusion indicating any qualification or limitations (examples of statements for reasonable and limited levels of assurance can be found in Annex A of ISO14064-3:2006).

5.5.5 EMSTF may approach the applicant for additional information to be included in the report if that is considered necessary. Unsatisfactory performance will

affect the organisation's future chance of getting funding and disbursement of funding.

## **5.6 Statement of accounts**

- 5.6.1 Within two months after completion of the project or before the date specified in the agreement, the recipient organisation has to submit a complete statement of accounts to the EMSTF. If an extension of the submission deadline is required, prior approval should be obtained from the Vetting Subcommittee.
- 5.6.2 For any project receiving a grant of or below HK\$150,000, the grant received must be shown in a complete statement of accounts, together with the original or certified true copy, as appropriate, of invoices and receipts. EMSTF/Vetting Subcommittee reserves the right to check all financial records kept by the recipient organisation relating to use of the grant.
- 5.6.3 For projects receiving a grant more than HK\$150,000 or more, the statement of accounts submitted must be audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap 50), providing assurance that the audited accounts properly presented the financial position of the project and that the conditions of the grant are met.

## **5.7 Use of Project Results**

- 5.7.1 The recipient organisation is required to grant unconditionally and irrevocably to the Government the right to publish results, findings and any other information provided in the application, audit reports, progress reports in relation to this application in Government's publications or publicity materials.

## **5.8 Acknowledgement of Support and Disclaimer**

- 5.8.1 The source of funding (the name and logo of ECF) must be acknowledged in all publicity materials relating to the project.
- 5.8.2 The logo of ECF may be used and printed onto various categories of publicity materials with a view to promulgating the contribution of the funds. Examples of publicity materials include publicity leaflets/posters/banners; reports and publications of project outcome; and advertisements on paper and electronic media.
- 5.8.3 Use of the name and logo of ECF for other purposes is subject to the prior approval of the Vetting Subcommittee in consultation with the ECF Committee.
- 5.8.4 In no circumstances shall the name and logo of ECF or the Government be used for publicity for commercial interest or other purposes which may damage the image and/or cause any liability to ECF.

## **5.9 Suspension/Termination of Funding Granted**

- 5.9.1 The Vetting Subcommittee may suspend/terminate funding granted to a project under the following circumstances –
- (a) if the project does not commence within six months after approval of the grant and no reasonable explanation has been given;
  - (b) the Vetting Subcommittee considers that the project has not progressed satisfactorily and no reasonable explanation has been given; or
  - (c) if the recipient organisation fails to comply with the funding conditions as set out in this Guide and/or the approval letter and no reasonable explanation has been given.
- 5.9.2 In each of the above cases of suspension/termination of funding granted, the Vetting Subcommittee shall give one month notice to the recipient organisation, stating the reasons for the suspension/termination. In cases of suspension, the recipient organisation should demonstrate that measures have been taken to rectify the problems and change the unsatisfactory situation before the Vetting Subcommittee will lift the suspension. In cases of termination, the balance of the grant or any funding given in advance shall be returned to ECF.
- 5.9.3 Any suspension or termination of a project will affect the organisation's chance of getting financial support from ECF or similar funding in future.
- 5.9.4 The ECF grant shall be entitled to be refunded by the recipient organisation of part or all of a grant which has been used other than in accordance with the terms of the approved project.
- 5.9.5 Any major changes to the project must be approved by the Vetting Subcommittee. Such major changes include –
- (a) revision to the budget (except for any downward adjustment of the budget as detailed in paragraph 5.3.4);
  - (b) change of the person-in-charge;
  - (c) deferral of the submission of progress reports or statements of accounts.
- 5.9.6 The Vetting Subcommittee may suspend/terminate funding granted to the project if the project is being carried out under any of the circumstances outlined in paragraph 5.9.5 without prior approval.
- 5.9.7 Any proposed minor changes to a project should be submitted to the EMSTF for approval.

## **5.10 Ethical Practices**

- 5.10.1 The recipient organisations are required to adopt a policy of openness and fairness in the procurement process when running ECF-funded projects.
- 5.10.2 The recipient organisations should prohibit their members, staff and agents from soliciting or accepting any advantages and require them to declare any

conflict of interest in connection with the ECF-funded projects. All records of declaration of interest relating to projects funded by ECF should be properly documented and submitted for inspection by the EMSTF.

## **5.11 Others**

5.11.1 The Government and ECF Committee shall bear no responsibility, financial or otherwise, for expenditure or other liabilities arising from the projects.

5.11.2 The Secretary for the Environment may at any time, if he considers fit, amend or add to the above conditions, without prior notice to recipient organisations.