



ENVIRONMENT AND CONSERVATION FUND

環境及自然保育基金



Guide to Application



Food Waste Recycling Projects in Housing Estates

(Latest version in November 2011)

Secretariat, Environment and Conservation Fund
Waste Recovery Projects Vetting Sub-committee
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1. INTRODUCTION

Hong Kong presently disposes of about 3,000 tonnes of food waste to the landfills each day, of which about 2,000 tonnes were produced from the domestic households. The disposal of food waste to landfills depletes our valuable landfill space. To tackle the food waste disposal problem, the government's strategy is to avoid and to minimize food waste generation, and to recycle the inevitable food waste to useful resources.

To encourage the collection and recycling of food waste from households, the Environment and Conservation Fund (ECF) Committee¹ has allocated \$50 million to support housing estates to set up on-site food waste treatment facilities, i.e. composters, and organise food waste collection and recovery programmes and related engagement activities.

1.1 Purpose of this Guide

This Guide provides guidance on application for funding *Food Waste Recycling (FWR) Projects in Housing Estates (the Projects)* 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 *Projects* is to facilitate housing estates to set up on-site composters to treat food waste collected from households. The *Projects* also aim to provide funding support for hiring personnel and purchasing equipment, such as containers, necessary for the collection of food waste, as well as organising educational programmes for encouraging participation from residents and raising residents' awareness towards food waste recovery.

1.3 Administration

Administration of grants for the *Projects* is undertaken by the Secretariat of the Waste Recovery Projects Vetting Sub-committee under the ECF Committee.

¹ A statutory body, which comprises mainly non-officials, was set up in 1994 under the Environment and Conservation Fund Ordinance to advise the 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' organisations or residents' organisations of residential buildings are eligible to apply. Property management companies acting on behalf of the residents' organisations of private residential buildings are also eligible if agreement from the residential organisations is obtained before making applications.

Applications from public housing estates 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?

The actual amount to be granted will depend on various factors such as the capacity of the composter rented, the number of participating households, and the types and frequencies of related educational programmes, etc. Funds may be granted for full or partial support of the projects. Projects applying for grants exceeding HK\$2,000,000 will need to be approved by the ECF Committee.

2.3 What is the duration of each project?

The food waste recovery activities at the applicant housing estate shall last continuously for 24 months. Project time for related preparation work and post food waste recovery work is also allowed.

2.4 What services are offered by the Government for implementing the Projects?

The Environmental Protection Department (EPD) will engage a professional consultant to operate a Help-desk service for the applicant housing estates. The services include:

- assisting in identification of a suitable site for locating the food waste treatment facility within the housing estate prior to formal application;
- providing professional and technical advices to applicants during planning and implementation while the applicants may employ professionals and NGOs or other suitable parties to assist them in actual implementation and data gathering; and
- conducting an evaluation of performance, effectiveness and outcomes.

Helpdesk -

Hotline telephone no. : 2788 5598

Hotline fax no. : 2788 5608

Email : hd-fwrs@hkpc.org

2.5 Undertaking to implement the Projects and use of facilities funded by ECF

The applicant housing estate will be required to continue to implement the collection and recycling of food waste for at least 24 months after completion of the food waste composter installation. The applicant housing estate will also be required to conduct promotional work for the food waste recovery activities, including posting up relevant posters at lobbies/in lifts of the participating buildings and distributing relevant leaflets to residents. Moreover, the estate is required to carry out questionnaire surveys to gauge the behavioural change of participating residents and the general rise in awareness in source separation of waste and waste reduction at source. Such surveys could be conducted with the support of the organisation engaged by the estate (if any) for organising education activities for the *Project*.

Facilities under the *Projects* are not transferable during the project period, and any transfer of facilities within the period must be approved by the Vetting Sub-committee Secretariat. After the 24-month lease period of the food waste composter, the applicant housing estate may seek funding from the ECF to buy off the composter in order to sustain the programme.

2.6 How to apply?

Applicants have to fill out an application form attached to this Guide, which can be obtained from -

- Waste Recovery Projects Vetting Sub-committee Secretariat
5/F Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong
Tel: 2835 1110, Fax: 2827 8138
E-mail : wrp@epd.gov.hk

Softcopy can be downloaded from the Internet homepage of

Environment and Conservation Fund Committee
<http://www.ecf.gov.hk>

The person-in-charge of the proposed project should be the Chairman or Vice-chairman of the residents' organisation, or the Manager of the property management for the applicant housing estate. Completed application form should be signed by the person-in-charge and returned to the Waste Recovery Projects Vetting Sub-committee Secretariat *at least four months* before commencement of project.

2.7 What are the vetting procedures?

A Waste Recovery Projects Vetting Sub-committee (the Vetting Sub-committee) has been established under the ECF Committee to consider the *Projects*. The Sub-committee comprises representatives of the ECF Committee, Environmental Campaign Committee (ECC)², Advisory Council on Environment's Waste Management Subcommittee, Environmental Protection Department. Other members may also be co-opted into the Sub-committee if such is considered necessary by the ECF Committee. The Vetting Sub-committee can approve grants up to HK\$2,000,000 for a project. For applications exceeding HK\$2,000,000, the recommendations of the Vetting Sub-committee have to be endorsed by the ECF Committee.

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

- Step 1: Upon receipt of an application, the Vetting Sub-committee Secretariat will send an interim reply to the applicant to acknowledge receipt of the application. Where necessary, the applicant will be required to provide clarification or supplementary information.
- Step 2: The application will be considered by the Vetting Sub-committee.
- Step 3: For funding applications of or below HK\$2,000,000, the Vetting Sub-committee will either approve the application, reject it or request the applicant to provide further information. The Vetting Sub-committee will also consider the budget, and where necessary, amend the budget details and set ceilings for individual expenditure items. The Secretariat will inform the applicant of the Vetting Sub-committee's decision. The Secretariat will also upload information of the approved projects on the ECF website.

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

Where the applicant needs to provide further information for a project, the Secretariat will provide the applicant's responses to the Vetting Sub-committee, which will make the final decision. The Secretariat will inform the applicant of the Vetting Sub-committee's decision as soon as practicable.

- Step 4: The ECF Committee will consider funding applications above HK\$2,000,000. The Secretariat will inform the applicant of the ECF Committee's decision. The Secretariat will also upload information of the approved projects on the ECF website.

² The ECC, which comprises mainly non-officials, was set up in 1990 to promote awareness of environmental issues so as to encourage and mobilize the public to contribute actively towards a better environment.

2.8 What are the vetting criteria?

The following broad criteria are used in assessing the merits of individual applications -

- 2.8.1 The **Project** must promote and realise the principle of source separation of food waste and facilitate the residents and occupants in these premises to take part in food waste separation and recovery.
- 2.8.2 The benefits must accrue to the housing estate, and not to individuals, a single private organisation or a consortium of private companies.
- 2.8.3 The **Project** must be non-profit making in nature.
- 2.8.4 To maximize the cost-effectiveness of the **Projects**, the applicant housing estate is encouraged to take into account the feasibility of setting up a food waste composter and the number of households to be benefited. The capacity of the composter should be within the range of 50 to 100 kg per day, which may cater for 60 to 120 participating households. Assuming an average of 10% participation rate, the target housing estates are those with around 600 households and above.
- 2.8.5 In considering a project proposal, due consideration will be given to -
 - (a) the technical, project management capability and commitment of the applicant, as well as the past performance of the applicant, including the effectiveness of past projects such as those related to the source separation of waste;
 - (b) whether there is space available and the suitability of the space for setting up the food waste composter;
 - (c) whether there is suitable outlet for the compost to be produced;
 - (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 prudent, realistic and cost-effective, with full justification for every expenditure item;
 - (f) whether the proposed project has alternative sources of funding support;
 - (g) whether the proposed project should more appropriately be funded by other sources; and
 - (h) whether there is or likely to be a duplication of the work already or currently carried out by other groups or in areas or estates where food waste composter(s) is/are already in place.

2.9 Avoidance of Conflict of Interests

To avoid conflict of interest, members of the Vetting Sub-committee 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 are part of the project team and/or members who belong to the same organisation.

2.10 Any deadline for application?

Applications will be accepted starting from 4 July 2011. There is no deadline for application.

2.11 When will I know the results?

For funding applications of or below HK\$2,000,000, the applicants will normally be notified of the decision of the Vetting Sub-committee within four months, depending on the schedule of meetings and if no 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.

2.12 Can I withdraw my application?

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

2.13 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 Sub-committee 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.

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 The application form must be typed or printed on both sides of a paper and submitted in both hard and soft copies.
- 3.1.3 Please give clear and concise information. Additional pages may be attached to the form if such is necessary.
- 3.1.4 Acknowledgment will be sent to the applicant after receipt of an application by the Vetting Sub-committee Secretariat.

3.2 Sections of the Application Form

3.2.1 Data Sheet

This section serves as a summary of an application. Once approval is granted to an application, the information given by the applicant in this section will be put on the ECF/ECC homepage for public access. If the organisation does not wish certain information to be released, please forward its request and justifications upon submission of the application to the Vetting Sub-committee Secretariat.

The application should be made by the residents’ organisation of the housing estate. If the property management company applies on behalf of the residents’ organisation, please provide the original copy of the agreement from the residents’ organisation or copy of the relevant notes of meeting of the residents’ organisation.

3.2.2 Details of the housing estate

3.2.2.1 Name of Property Management Company

State the name of the property management company of the housing estate, in both English and Chinese.

3.2.2.2 Type of Estate

Indicate the type of estate of the applicant.

3.2.2.3 Year in which the estate was constructed

Give the year in which the estate was constructed.

3.2.2.4 *Total Number of Blocks and Households/Flats*

State the total number of blocks and households/flats in the estate.

3.2.2.5 *Existing Composter (if any)*

Give the daily capacity of the existing composter, form of fertilizer produced, year of operation commencement, brand name, and name of supplier, and indicate whether the composter was purchased or is being rented.

3.2.2.6 *Signing-up for the Programme on Source Separated of Waste of the EPD (if any)*

Indicate whether the estate has signed-up for the Programme, and, if applicable, give the year of signing-up, the quantities of recyclables collected and any award gained in the past 2 years.

3.2.2.7 *Environmental protection, waste reduction and recovery activities (except the Programme on Source Separated of Waste) organised / participated by the estate in the past 2 years (if any)*

Give information on the activities held in the past 2 years and their contents, year in which they are held, names of the organisers and outcomes of the activities.

3.2.3 Details of proposed project

3.2.3.1 *Block number of block which will participate in the project*

Provide the block number of the block(s) which will participate in the **Project**.

3.2.3.2 *Total number of households in the participating blocks*

State the total number of households in the blocks which will participate in the **Project**.

3.2.3.3 *Anticipated number of households which will participate in the project*

Give the anticipated total number of households which will participate in the **Project**.

3.2.3.4 *Food Waste Recovery Activities*

State the following –

(a) Capacity of composter planned to be rented

(i) The capacity of the composter should be within the range of 50 to 100 kg per day. One composter is expected for each application. A composter of 50 kg per day is estimated to be able to treat food waste generated from approximately 60 households while that of 100 kg per day should cater for approximately 120 households.

(ii) A reference sample specification for renting a composter is provided in *Appendix C*.

(b) Location of composter to be installed

Subject to the availability of suitable space at the housing estate, the composter is preferred to be sited in or in close proximity to the central refuse collection point of the estate. If this is infeasible, the composter may be sited in an open area with good air circulation and with buffer from nearby residential flats. Photos and maps showing the proposed location in relation to nearby facilities/premises should be provided.

(c) Overall size of space/room at which the composter will be installed

The size of the proposed space/room should be sufficient to accommodate the composter, odour treatment equipment, supporting equipment such as large food waste collection bins, as well as for the storage of compost pending for use if necessary.

(d) Location of outlets of ventilation systems for the composter and relevant room

The outlet(s) of the ventilation system(s) should be at a distance away from odour sensitive receivers such as residential flats. Photos and maps showing the proposed outlet location(s) in relation to nearby facilities/premises should be provided.

(e) Usage of composting product and area of relevant garden

(i) Housing estates should require suppliers to produce a document with laboratory results that shows that composters supplied could produce compost meeting the Compost and Soil Conditioner Quality Standards 2005 established by the Hong Kong Organic Resources Centre. The ECF may not reimburse expenditures for renting a composter without such document.

(ii) The compost, in solid form, should be used within the housing estate as far as possible.

(f) Details of food waste collection arrangement from residents

Provide details of the food waste collection arrangement from residents, including the mode of collection from individual households, collection frequency and time, and transport from individual housing blocks to the composter.

(g) Manpower arrangement for food waste collection, composter operation and data collection

Provide details of the manpower arrangement, including number of workers for collecting food waste from each housing block, whether the same workers will be conducting the daily composter operation and regular compost handling work, and personnel who will be overseeing the proper operation of the composter and conducting the data collection work.

3.2.3.5 *Promotion and Education Activities*

State clearly the details of the promotion and education activities to be conducted. The activities should aim to increase the participation rate of residents and induce behavioural change among participating residents. Please provide the following information including –

(a) Incentive scheme for encouraging food waste recovery;

(b) For the education programmes at the launch and during the project period, residents should be encouraged to first reduce waste and then recycle waste that is unavoidable. Moreover, the coverage should include source separation of waste in general and recovery of other types of recyclables (e.g. waste paper, metals, plastics, and waste

electrical and electronic equipment) in addition to food waste.

- (i) Promotion and education materials, such as posters, leaflets and display panels, are available from the EPD. On the other hand, applicant estates may like to produce their own educational materials, such as newsletters and display panels with specific contents on the estate, to supplement those of the EPD. If applicant estates propose to produce such materials, please give details.

3.2.3.6 *The Workplan*

Preparation Work (Month 0 – 3)

Work includes:

- (a) Renting of Composter -
 - (i) Conduct feasibility study on installing the composter at the proposed location;
 - (ii) Arrange tendering for renting the composter;
 - (iii) Place order for the renting service upon approval on the selection of tender by the Secretariat; and
 - (iv) Supplier to perform installation, testing and commissioning of the composter.

- (b) Planning for Food Waste Recovery Activities -
 - (i) Set up the logistics for food waste collection;
 - (ii) Gather preliminary data on daily food waste quantity, and adjust the mode of collection and logistics;
 - (iii) Arrange for manpower, train the workers on collection of food waste and operation of the composter, and prepare guidelines on food waste collection and recovery;
 - (iv) Prepare and post the food waste collection guidelines at the collection points; and
 - (v) Purchase the associated accessories, such as food waste collection bins, plastic sieves, trolleys, etc.

- (c) Planning for Promotion and Educational Activities
 - (i) Prepare for the kick-off ceremony (if any); and
 - (ii) Prepare for other educational activities.

Food Waste Recovery Activities (Month 4 – 27)

- (i) Launch the kick-off ceremony (if any);
- (ii) Operate the composter;
- (iii) Conduct food waste collection in the housing estate;
- (iv) Collect relevant food waste and compost data regularly;
- (v) Technical adviser to assist estate in smooth operation and to submit progress report quarterly;
- (vi) Hold educational activities regularly (e.g. seminars, exhibitions); and
- (vii) Conduct greening using compost from the food waste composter.

Post Food Waste Recovery Work (Month 28 – 29)

- (i) Review the effectiveness of the activities; and
- (ii) Prepare and submit the completion report.

3.2.3.7 *Budget of the Project*

The applicant should provide a detailed budget list for the **Project**. Each income and expenditure item should be reasonable, realistic and sufficiently broken down. All expenditure items must be incurred between the commencement and completion dates of the **Project**, with supporting receipts in original. Please also study carefully the following funding criteria when preparing the budget.

A reference sample for estimating budget for the **Project** is provided in **Appendix B**

(1) Manpower

- (i) The recipient organisation is expected to supervise and to undertake a proposed project during the project period.
- (ii) Direct labour cost incurred from food waste collection and recycling, etc. is supported for up to 25 months. The actual amount to be granted will depend on the modus operandi of the food waste recovery activities. The calculation method of the proposed budget should be provided.
- (iii) The statutory minimum wage requirement and other employment legislations must be complied with.

(2) Food Waste Recovery Activities

- (i) Funding for renting of an on-site composter, together with odour treatment equipment and bin (120L) lifter, will be supported for 24 months. The actual amount to be granted will depend on the capacity of the composter. The cost of delivery, installation, maintenance and warranty services, microbes and bulking agents should be included in the rental fee.
- (ii) Funding for canopy installation (if composter is sited in an open area) or other related minor works will be considered on a case-by-case basis. Details of the works should be provided.
- (iii) Cost of installing a check meter and 2 or 3-phase power cables should be included in the budget for the electrical installation works.
- (iv) Funding for electricity fee for the composter will be supported for up to 25 months commencing from the installation date of the composter. The electricity fee will be reimbursed based on readings on the check meter.
- (v) Funding for hiring services for technical support for monitoring the day-to-day operation of the composter, providing technical advice, collecting relevant data and compiling reports will be supported for up to 25 months.
- (vi) Funding for containers for food waste collection will be supported. The quantity and type will be considered on a case-by-case basis.
- (vii) Funding for purchasing of auxiliary equipment and resources (e.g., trolleys, plastic sieves, weighing device, gloves, water-proof boots, aprons, cleansing tools and agents, buckets, flower pots, planting tools) will be considered.

(3) Promotion and Education Activities

- (i) Funding support for engaging green groups, other non-governmental organisations, or other suitable organisations for the education activities will be considered. The services to be provided by the organisation could include questionnaire surveys (required as a condition of granting ECF under para. 2.5 in this guide to application) for gauging the

behavioural change and environmental awareness of participating residents. The applicant should give the type(s) of activities and corresponding cost for hire of service, and quantity of items, etc.

- (ii) Promotion and educational materials, such as posters, leaflets and display panels, are available from the EPD. Type(s) of supplementary educational materials to be produced by the applicant estate (if any), their quantities and budget should be provided.
- (iii) Funding support for purchasing items for incentive schemes for encouraging food waste recovery participation from residents will be considered. Type(s) of items, their quantities and budget should be provided.

(4) Others

- (i) Funding for labour insurance will be supported. Third party liability insurance will only be supported if the premises' insurance policy does not cover claims related to the composter. Please provide justifications and supporting documents if such case.
- (ii) Funding for auditor's reports will be supported. The report is required to be submitted once every 12 months for **Projects** receiving a grant of more than HK\$150,000 and lasting more than 18 months.
- (iii) All applications are considered on their individual merits.
- (iv) Funding for unspecified miscellaneous and contingency items is **not** supported.
- (v) Funding support will **not** be given to the recipient organisation for renting or purchasing materials already in the organisation's stock.
- (vi) Funding for payments to individuals as a reward for their participation in the project will **not** be given.

3.2.3.8 *Other Sources of Funds for the Project (both confirmed and being applied for)*

The availability of alternative funds will be taken into account when an application is considered. Any efforts to seek private sector sponsorship for the proposed projects should be highlighted.

3.2.3.9 *Estimated Revenue Generated from the Project*

Estimated revenue gains from the **Project** should normally be deducted from the amount of grant applied for. State how this will be used to offset the **Project**'s cost. If this is not possible, full explanation should be given.

3.2.3.10 *Procurement of Capital Items*

In case of an applicant organisation intends to procure capital items (including minor works and equipment) from a company/organisation/individual without following the open procurement process stated in paragraph 4.9.1 below, please provide details, justifications and its relationship with the company/organisation/individual.

3.2.3.11 *Details of Contact Person of the Property Management Company*

Provide details of contact person of the property management company, who will be the first point of contact with the Secretariat on the **Project**.

3.2.3.12 *Other relevant information*

4 CONDITIONS FOR THE USE AND ALLOCATION OF FUND

4.1 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.

4.2 Use of Funds

4.2.1 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.

4.2.2 The benefits must accrue to the housing estate as a whole, and not just an individual, a single private organisation or a consortium of private companies.

4.3 Disbursement and Reimbursement of Funds

4.3.1 The recipient organisation will receive between 25-50% of the grant upon approval depending on the cash flow requirement and nature of the project. The recipient organisation may apply for a further disbursement if it proves that the previous payment has been fully spent and that further expenditure is required for undertaking the project as scheduled. The last 10% of the grant will normally only be released after completion of project subject to submission of a completion report together with a statement of accounts for the project endorsed by the Vetting Sub-committee Secretariat in accordance with the requirement specified in paragraphs 4.5.2 and 4.6 below. The Vetting Sub-committee Secretariat will agree with the recipient organisation a schedule of payment.

4.3.2 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.

4.3.3 Amount to be reimbursed for individual items of the budget will not exceed the approved amount for that item. However, the Vetting Sub-committee Secretariat may increase the approved amount of an individual item by up to 20% provided that the total amount to be paid will not exceed the total approved grant.

- 4.3.4 The grant could be reduced on a pro-rata basis in the following circumstances -
- 4.3.4.1 the scope and/or activities of the project are changed;
 - 4.3.4.2 the actual frequency of activities (e.g. collection of food waste) is less than proposed;
 - 4.3.4.3 the number of participants is less than proposed and the grant allocated is according to the number of participants;
 - 4.3.4.4 the number of publications (e.g. leaflets) is less than that proposed; or
 - 4.3.4.5 the duration of project is reduced.
- 4.3.5 Any item not on the approved list of budget items will not be reimbursed.
- 4.3.6 Income derived from the project during the project period, including sales of output, fees generated from activities and interest income generated from cash in hand for the project, should be ploughed back into the project account.
- 4.3.7 Any unspent balance of the grant shall be returned to the ECF within two months after the completion of the project.
- 4.3.8 Income derived from the project after the project period, including sales of output, should be returned to ECF for offsetting part or whole of the funded amount. Failure to report and return such income to ECF will render the organisation ineligible for future funding support.

4.4 Project Interest

- 4.4.1 The ECF funds shall be paid into a risk-free interest-bearing account opened with a licensed bank.
- 4.4.2 Interest incomes generated from the ECF funds and other receipts for a project have to be reasonably apportioned to the project and no negative interest should be charged to the project. The use of interest is subject to the approval of the Vetting Sub-committee Secretariat and in no circumstances should the interest earned be applied for other uses outside the project.
- 4.4.3 The recipient organisation may be required to compensate the Government for loss of interest income if the ECF fund is not properly handled. Where necessary, the Government will initiate legal action for suitable remedies.

4.5 Progress and Completion Reports

- 4.5.1 Ongoing projects are monitored and completed projects are reviewed by the Vetting Sub-committee Secretariat. Recipient organisations are required to submit progress reports quarterly for summarising data and work conducted for the period to the Secretariat. Recipient organisations also have to submit information on financial position of their projects together with receipts for the expenses once every six months to the Vetting Sub-committee. For projects receiving a grant over HK\$150,000 and lasting more than 18 months, recipient organisations are also required to submit, once every 12 months, a statement of accounts audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap 50) to the Secretariat. Except for the first disbursement, all disbursements will be subject to satisfactory performance or progress of the project. The Vetting Sub-committee or its Secretariat may carry out on-site inspections and surprised checks to examine the progress of a project at any time.
- 4.5.2 Within two months of completion of the project or before the date specified in the agreement, recipient organisations have to submit a completion report with attachment of a statement of accounts to the Vetting Sub-committee Secretariat (for projects over HK\$150,000, the statement of accounts should be audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap 50)). If an extension of the submission deadline is required, approval should be obtained from the Secretariat. The Vetting Sub-committee will assess the success or effectiveness of the project by comparing the project results against its original objectives and targets as set out in the project proposal.
- 4.5.3 All progress and completion reports should be signed off by the person-in-charge of the recipient organisation and submitted in such format as prescribed in the Progress/Completion Report Form.
- 4.5.4 Unsatisfactory performance will affect the organisation's future chance of getting funding support, and the organisation's management will be informed.

4.6 Statement of accounts

- 4.6.1 Within two months of completion of the project or before the date specified in the agreement, recipient organisations have to submit a complete statement of accounts, attached to the completion report, to the Vetting Sub-committee Secretariat. If an extension of the submission deadline is required, approval should be obtained from the Secretariat.
- 4.6.2 For projects 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 copy of invoices and receipts. Auditing will not be required, but the Vetting Sub-committee Secretariat reserves the right to check all financial records kept by the recipient organisation relating to the use of the grant.

4.6.3 For projects receiving a grant more than HK\$150,000, the following should be noted –

4.6.3.1 The funds should be kept in an account opened with a licenced bank to facilitate the checking of all financial records by the Government and auditors as and when necessary;

4.6.3.2 The statement of accounts attached to the completion report 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 and that the conditions of grants are met;

4.6.3.3 For projects lasting more than 18 months, recipient organisations are also required to submit a statement of accounts audited by certified public accountants (practising) to the Secretariat once every 12 months.

4.7 Intellectual Property Rights Arising from Projects and the Use of Project Results

4.7.1 Unless negotiated otherwise between the Vetting Sub-committee Secretariat and the recipient organisation, the recipient organisation will solely own all intellectual property rights arising from the project.

4.7.2 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 form, progress report, completion report and other publications or publicity material.

4.8 Publicity of Project Events and Results

4.8.1 Recipient organisations should try to publicize the project results or any events related to the projects through publications, seminars, workshops, conferences and exhibitions etc. They should also provide information about the events such that the Vetting Sub-committee Secretariat might conduct spot checks on the proposed activities.

4.8.2 Recipient organisations should notify the Secretariat of the project results before publicizing them. Copies of publications or publicity material produced under the project must be made available to the Secretariat within one month after the completion of the project.

4.9 Procurement of Capital Items, Goods and Services

- 4.9.1 The recipient organisation should exercise utmost prudence in procuring capital items (including minor works and equipment), goods or services for the project and must adhere to the following procedures unless the Vetting Sub-committee agrees otherwise –
- (a) For every procurement the aggregate value of which is HK\$5,000 or below, quotations from suppliers are not required for most items unless specified in *Appendix A*.
 - (b) For every procurement the aggregate value of which is more than HK\$5,000 but less than HK\$10,000, quotations from at least two suppliers should be obtained.
 - (c) For every procurement the aggregate value of which is HK\$10,000 or more, but less than HK\$200,000, quotations from at least three suppliers should be obtained.
 - (d) For every procurement the aggregate value of which is HK\$200,000 or more, tender from five suppliers should be obtained.
- 4.9.2 The recipient organisation should select the supplier that has submitted the lowest bid. If the lowest bid is not selected, full justifications must be given and prior agreement must be obtained from the Vetting Sub-committee.
- 4.9.3 In case an applicant organisation intends to procure the items from a company/organisation/individual without following the open procurement process in paragraph 4.9.1 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 Sub-committee will not be required.
- 4.9.4 All quotations and tendering documents should be kept for inspection by the Vetting Sub-committee Secretariat. 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.

4.10 Title of Capital Items, Educational Materials and Computer Softwares

- 4.10.1 The title of capital items (including minor works and equipments), educational materials and computer softwares procured with the fund will remain with the Government during the project period. Upon satisfactory completion of the project, the title of the items may be changed to the recipient organisation on a case-by-case basis.

4.11 Acknowledgement of Support and Disclaimer

- 4.11.1 The source of funding (both the name and logo of the ECF) must be acknowledged in all publicity material resulting from the project.
- 4.11.2 The logo of ECF may be used and printed onto the following categories of publicity material 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.
- 4.11.3 Use of the name and logo for other purposes is subject to the prior approval of the Vetting Sub-committee Secretariat.
- 4.11.4 In no circumstances shall the name and logo of ECF be used for publicity for commercial interest or other purposes which may damage the image and/or cause any liability to ECF.

4.12 Suspension/Termination of Funding Support

- 4.12.1 The Vetting Sub-committee may suspend/terminate funding support of a project under the following circumstances -
 - (a) if the project does not commence within three months of the approval of the grant and no reasonable explanation has been given;
 - (b) the Vetting Sub-committee considers that the project has not progressed satisfactorily and no reasonable explanation has been given;
 - (c) the project leader leaves the recipient organisation prior to the completion of the project and there is no one available who has been involved in the project and considered suitable by the Vetting Sub-committee to take over the role of project leader; or
 - (d) 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.
- 4.12.2 In each of the above cases of suspension/termination of funding support, the Vetting Sub-committee 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 Sub-committee will lift the suspension. In cases of termination, the balance of the grant or any funding given in advance shall be returned to the ECF. The Vetting Sub-committee will

consider possible redeployment of the capital items, educational materials and computer softwares acquired for the project.

4.12.3 Any suspension or termination of a project will affect the organisation's future chance of getting financial support from ECF, and the organisation's management will be informed.

4.12.4 The ECF shall be entitled to be refunded by the recipient organisation of some or all of a grant which has been used other than in accordance with the terms of the approved project.

4.12.5 Any major changes to the project must be approved by the Vetting Sub-committee. Such major changes include -

- (a) revision to the objectives and/or content and/or budget;
- (b) transfer of project to another organisation; or
- (c) deferral of progress/completion reports/statement of accounts submission date.

4.12.6 The Vetting Sub-committee may suspend/terminate funding support for the project if the project is being carried out under any of the above circumstances without prior approval.

4.12.7 Any proposed minor changes to a project should be submitted to the Vetting Sub-committee Secretariat for approval.

4.13 Others

4.13.1 The ECF Committee, ECC, their sub-committees and secretariats, and Government shall have no responsibility, financial or otherwise, for expenditure or other liabilities arising from the projects.

4.13.2 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.

**Level of funding support for expenses of
Food Waste Recycling in Housing Estates**
(with effect from 4 July 2011)

Items	Level of funding support (HK\$)
1. Publicity - including banner	<ul style="list-style-type: none">• The ceiling is capped at 20% of the approved total budget.• The applicant is free to manoeuvre with the grant among the various approved “publicity” items.
2. Opening / closing ceremony - including invitation cards, souvenirs for officiating guests, set up and decoration, backdrop, rental payment of venue and PA system, etc.	<ul style="list-style-type: none">• The ceiling is capped at 20% of the approved total budget.• The applicant is free to manoeuvre with the grant among the various approved “opening / closing ceremony” items.• No funding would be given for extension projects
3. Venue setup – including rental payment (for all activities other than opening/closing ceremony), set up and decoration, backdrop, rental payment of venue, PA system, etc.	<ul style="list-style-type: none">• The ceiling is capped at 30% of the approved total budget.• Quotations must be provided.• For use of in-house equipment/facilities of the applicant organisation, prior agreement of the Vetting Sub-committee must be secured and the expenditure for rental is set at 20% of the current market price.
4. Booths – including rental payments, decoration and prizes for game booths	<ul style="list-style-type: none">• The ceiling is capped at \$600 per booth.
5. Production of Exhibition panel	<ul style="list-style-type: none">• Maximum \$1,000 per panel• The ceiling is capped at \$10,000 per application.• Applicant is encouraged to borrow exhibition panels from Environmental Protection Department (Hotline: 2835 1110).
6. Prizes for competition	<ul style="list-style-type: none">• Maximum \$800 per set of trophies and book coupons.

7. Hire of Speakers / Instructors	<ul style="list-style-type: none"> • Maximum \$500 for a speaker for each function. • The funding support may be adjusted upwards on the merit of each case.
8. Light refreshment for ceremonies	<ul style="list-style-type: none"> • Maximum \$6 per head • The ceiling is capped at \$6,000 per project
9. Meal allowance for volunteers	<ul style="list-style-type: none"> • For half-day activities – Maximum: \$34 per day • For full day activities – Maximum: \$48 per day
10. Travel allowance for staff and volunteers	<ul style="list-style-type: none"> • Maximum \$15 per journey
11. Insurance for third party liabilities	<ul style="list-style-type: none"> • Funding support will be based on the basic requirements. • Quotations must be provided.
12. Transportation – including hire of coach, hire of van/lorry for transportation of materials and hire of launch	<ul style="list-style-type: none"> • Maximum \$1,500 per coach • The amount of funding support is based on the actual expenditure with the proof of receipts. • Quotations must be provided. • For hire of launch, 40% of the charge should be paid by the participants.
13. Souvenir (for participants of waste collection)	<ul style="list-style-type: none"> • Maximum unit price:\$3 • Maximum \$600 per day of collection • The ceiling is capped at 30% of the approved total budget or actual expenditure whichever is the less. • Reliance on souvenirs should be gradually reduced and should be linked to income generated from sales of recyclables.
14. General expenses – including stationery, films and film development, video tapes, etc.	<ul style="list-style-type: none"> • The ceiling is capped at 10% of the approved total budget or actual expenditure, whichever is the less
15. Admission fee for environmental visits	<ul style="list-style-type: none"> • Participants are required to pay 40% of the admission fee
16. Project Coordinator / Assistant	<ul style="list-style-type: none"> • The ceiling of expenditure should normally be below 50% of the approved total budget or actual expenditure for the project, whichever is the less.
17. Direct labour cost involved in	<ul style="list-style-type: none"> • Maximum \$35 per hour for each labour

waste collection, separation and recycling etc	<ul style="list-style-type: none"> A maximum of 2 workers will be supported for the operation of each mobile collection station.
18. Rental payment	<ul style="list-style-type: none"> Maximum: \$10,000 per month (Not applicable to premises under the possession of the organisation)
19. Licence fee	<ul style="list-style-type: none"> Applicants are requested to comply with regulations of Hong Kong and apply to all authorities concerned for licences to conduct the project.
20. Administrative and Overhead costs Note : only applicable to NGOs (including green groups) without government subventions	<ul style="list-style-type: none"> The ceiling is capped at 10% of the approved total budget or actual expenditure, whichever is the less.
21. Contingency items	<ul style="list-style-type: none"> Not supported

Remarks: The level of funding support may be adjusted by the Waste Recovery Projects Vetting Subcommittee as and when necessary. For the latest version, please refer to the Internet homepage of –

- **Environment and Conservation Fund Committee**
<http://www.ecf.gov.hk>

Appendix B

Reference sample for estimating project cost for a 100 kg/day on-site treatment facility to cater for an estimated 120 participating households

No.	Item	Quantity	Unit Cost(\$)	Cost (\$)	Remark
1	Lease 100kg/d on-site treatment facility	24 month	9000	216,000	Include supply, delivery, installation, and maintenance services
2	Works for 3-phase power supply to the facility	sum	--	20,000	
3	One to two workers for food waste collection / cleansing / facility operation, etc.	24 months	6000-8000	300,000	
4	Power consumption for the on-site treatment facility	24 months	500	12,000	
5	Containers for waste collection	480 nos	20	9,600	Assume 2 containers each year for each household
6	Promotion, such as stamp collection scheme in exchange for gifts as incentive, kick-off ceremony	sum	--	40,000	
7	Hiring service of technical personnel	sum	--	80,000	Assume about 10% of total project cost
8	Engaging NGOs / other parties for educational programmes	sum	--	80,000	Assume about 10% of total project cost
9	Miscellaneous	sum	--	60,000	
	Total			817,600	Say, \$800,000 for total project cost

**Provision of Composting System for
Food Waste Recycling in Housing Estate**

[Sample Specification – For Reference Only]

Declaration

This is a sample specification for reference only. The users should make necessary modifications and amendments to suit their specific circumstances. The Hong Kong SAR Government disclaims any responsibility to the users of this sample specification in respect of any contractual disagreement or conflict between the users and the suppliers of composter.

General

1. The [name of client] intends to rent an electric composter together with other necessary accessories (collectively referred to as the composter system) to recycle source-separated food waste to useful product.
2. The composter system shall be installed at [address] in an [enclosed building or open space] where [single phase or three phase] electricity supply of [voltage] is available within [] metre.

Technical Specifications of the Composter Systems

3. The composter system shall comprise at least the following integrated elements to recycle food waste to useful products:
 - (a) Enclosed chambers where fermentation of food waste will take place
 - (b) Odour treatment equipments
 - (c) Electricity power control
 - (d) [Working platform or Motorized bin lifting device] for feeding food waste into the composter chamber
4. The treatment capacity of the composter system shall be not less than [50 or 100] kilogram of source separated food waste each day.
5. The composter system shall be able to turn the source separated food waste to useful compost in solid powder forms. The composter system shall not discharge waste water or waste matters that have to be disposed of at landfills.
6. In view of space limitation, the size of the composter system shall not be greater than [].
7. The composter system shall be equipped with heating and temperature measuring provisions and be designed so to ensure the fermentation temperature of food waste inside the enclosed chambers be maintained at 50 to 60 degree Celcius. The system shall also include display panel that shows the temperature measured inside the enclosed chamber.

8. The composter system shall be designed and sized such that the retention period of food waste inside the enclosed chamber will be at least 21 days before the treated matter is being discharged or removed from the chamber.
9. The enclosed chamber shall consist of inlet for feeding of food waste and outlet for treated matter discharge. Doors with seal gasket and security lock shall be provided to enclose the inlet and outlet openings.
10. Supplier of the composter system should produce a document with laboratory results that shows that the composter system supplied could produce compost meeting the Compost and Soil Conditioner Quality Standards 2005 established by the Hong Kong Organic Resources Centre.

[Clause 11 for manual feeding of food waste to the composter system]

11. For manual food waste feeding, Stainless steel working platform with stair shall be provided as part of the composter system if the feeding let is over [] metre above ground. The working platform surfaces shall be of the checker plate type for slippery prevention and the platform shall be capable of supporting the weight of at least one adult worker.
12. The odour treatment equipments shall be based on mechanism of activated carbon adsorption or/and biofiltration. It shall be designed to effectively remove the odour arising from food waste fermentation inside the enclosed chamber hence preventing occurrence of odour nuisance.
13. The electricity power control shall comprise panel with emergency switch for stopping the composter system operation, and also other electricity protection system in accordance with the legislative requirements in Hong Kong.
14. Apart from the feeding of food waste into the enclosed chamber and the removal of treated matter, the operation of the composter system shall be fully automatic.
15. The composter system in operation shall not produce noise nuisance.

[Clause 16 for composter system to be installed in open area]

16. The composter system shall be suitable for the outdoor environment. The enclosed chamber shall be made with rust-proof material such as stainless steel 304 or higher grade, and the electricity power control including the electrical wiring and switches shall be water-proof.

[Clause 17 for motorized bin lifting device]

17. The motorized bin lifting device shall be capable of lifting up a 2-wheel bin of [] litre volume, fully loaded with food waste, for feeding into the enclosed chamber of the composter system.

Other Requirements on Provision of the Composter System

18. The contractor shall supply, deliver and install the composter system at the premises referred to in Clause 2 above.
19. The contractor shall perform functional tests for the installed composter system. The functional test shall include at least test of the emergency switch, test of the motor drive for mixing/conveyance inside the enclosed chamber, test of the odour treatment equipment blower [, and test for the motorized bin lifting device].

20. The contractor shall rent the composter system to [name of client] for food waste recycling over a period of [24 months]. The renting shall commence on the day when all the functional tests of the installed composter system are successfully completed.
 21. The contractor shall provide user operation and maintenance manual with drawings within one week from delivery of the composter system to the premises referred to in Clause 2 above.
 22. The contractor shall provide half-day training to about [] staff and workers of [name of client] covering the operation, checking and maintenance aspects relating to the composter system within two weeks from delivery of the composter system.
 23. After commencement of the composter system operation, the contractor shall make odour measurements to verify whether the odour treatment equipment could meet with the equipment requirement standards and effective in abating odour nuisance. The contractor shall provide a technical report on the result of such measurements, the removal efficiency of the odour treatment equipment and other incidents that may cause excessive odour events within [] months after commencement of the rental of the composter system.
 24. During the rental period of the composter system, the contractor shall carry out regular checking and maintenance and also provide consumables and spare parts necessary for the proper operation of the composter system. The contractor shall also provide advice and guides to resolve any operational or maintenance problems of the composting system.
 25. Upon completion of the [24 months] rental period, the contractor shall decommission and remove the composter system away from the premises referred to in Clause 2 above if no arrangement has been made with [name of client] for renewing the rental period or purchasing the composter system.
-

Notes of Quotation Submission for Renting Composting System for Food Waste Recycling in Housing Estate

The Quotation shall include the following submissions:

1. Completed technical schedule of proposed composting system
2. Completed schedule of rental price for a 24-month rental period*
3. Catalogs and drawings of the proposed composter system containing technical specification data and information
4. Delivery and installation schedule
5. Option of composter system buy-back on completion of the 24-month rental period

* The quoted rental price shall deem to have included all the cost necessary for the supply, delivery, installation, testing, training, renting, reporting, maintenance, decommissioning and removal of the composter system as required in the Specification for “Provision of Composter System for Food Waste Recycling in Housing Estate”.

Technical Schedule of Proposed Composting System

1. Composter	
a. Manufacturer	
b. Country of make	
c. Model and type	
d. Casing material	
e. Treatment capacity (kg / day)	
f. Operational temperature (°C)	
g. Size (LxWxD)	
h. Weight (kg)	
i. Odour treatment type	
j. Voltage/phase/Hz	
k. Normal kW rating	
l. Accessories	
m. Consumables Requirement	
n. Safety Features	
2. Motorized bin lifting device	
a. Manufacturer	
b. Model and type	
c. Lifting Capacity (kg)	
d. Voltage/ phase/ Hz	
e. Normal kW rating of motor	
f. Safety Features	

Schedule of Price for Provision of Composter System

At XXXXXXXX (address or location)

(1)	Monthly Rental x 24 months = Total Rental Cost	:	\$ _____ x 24 months
	Total Rental Cost	:	= \$ _____
(2)	Buying-back Cost after 24 months	:	\$ _____
	Overall Total : (1) + (2)		\$ _____

Name of Contractor: _____ Company
Chop: _____

Name and post of the Person
Authorized to Sign the Quotation
(in Block Letters): _____

Signature of the Person
Authorized to Sign the
Quotation: _____

Date : _____