



# **ENVIRONMENT AND CONSERVATION FUND**

## **環境及自然保育基金**



### **Guide to Application**



## **Community Waste Reduction Projects**

*(Latest version in March 2018)*

Waste Reduction Projects Vetting Sub-committee Secretariat  
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## 1. INTRODUCTION

The Environment and Conservation Fund (ECF) has been set up by the Government of the Hong Kong Special Administrative Region. The purpose is to provide funding support for educational, research, technology demonstration and other projects and activities in relation to environmental and conservation matters, as well as community waste reduction projects.

### 1.1 Purpose of this Guide

This Guide provides guidance on application for *Community Waste Reduction Projects* and describes the basic requirements and responsibilities of recipient organisations. Upon approval of the fund by the ECF Committee<sup>1</sup>, the applicant will sign an agreement with the Government undertaking to observe the conditions of using the allocated grant and the approved budget.

### 1.2 Objective of ECF

The objective of the ECF is to promote individual behavioural and life style changes to protect the environment and achieve sustainable development. These changes should lead to, *but not be limited to* -

- conservation of biological diversity with particular reference to marine conservation;
- improvement in air quality;
- reduction in noise pollution;
- improvement in water quality;
- minimisation of waste generation and promotion of the practices of 3R (reduce, re-use and recycle) and source separation of domestic waste ; and
- sustainable use of energy.

### 1.3 Nature of Community Waste Reduction Projects

Community Waste Reduction Projects, which are community-based and result-oriented, aim to enhance awareness and ensure sustained participation of the public in waste prevention and recovery, in particular solid waste. Such projects should bring about sustained and tangible effect in local communities, and thus *should not be one-off publicity events*.

### 1.4 Administration

Administration of grants for Community Waste Reduction Projects is undertaken by the Waste Reduction Projects Vetting Sub-committee Secretariat (the Secretariat) of 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 the Secretary for the Environment on the use of funds. Under the Ordinance, the Secretary for the Environment is the trustee responsible for the administration of the Fund.

## 2. BASIC INFORMATION

### 2.1 Who may apply?

Local non-profit making organisations (e.g. community bodies, green groups, etc.) are eligible to apply.

### 2.2 What is the funding limit?

The fund may be granted for full or partial support of a project. The amount of the fund granted to a project will not exceed HK\$10,000,000.

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

Each Community Waste Reduction Project should last for at least twelve months and normally not more than two years, unless with justifications.

### 2.4 How to apply?

Normally applications will be invited twice a year. Start and closing dates for receiving applications for each round of invitation will be announced on the ECF website (<http://www.ecf.gov.hk>). Applicants have to fill out an application form which can be obtained from -

- Waste Reduction Projects Vetting Sub-committee Secretariat  
5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong
- The ECF website

The project leader of the project should be the **Head or Deputy Head of the applicant organisation**. Completed application form **shall be signed by the project leader, affixed with the original seal of the applicant organisation** and returned to the Secretariat (5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong) **before 6:00 pm on the invitation closing date** as specified in each round of the invitation exercise. For application submitted by mail, the postmark should be dated on or before the invitation closing date. In case the Black Rainstorm Warning Signal or Tropical Cyclone Warning Signal No. 8 or above is in force for any duration between 12:00 noon and 6:00 pm on the invitation closing date, the invitation closing time will be extended to 6:00 pm on the next working day.

Late or incomplete applications or applications not submitted in accordance with the format prescribed above, including an application submitted by facsimile or e-mail or without submission of the original hard copy of the application form, or an application form not personally signed by the project leader of the project and affixed with the original seal of the applicant organisation, **will not be processed**.

### 2.5 What are the vetting procedures?

A Waste Reduction Projects Vetting Sub-committee (the Vetting Sub-committee) has been established under the ECF Committee to consider Community Waste Reduction Projects. The Vetting Sub-committee comprises representatives of the ECF Committee, the Environmental

Campaign Committee (ECC) <sup>2</sup>, the Advisory Council on the Environment's Waste Management Subcommittee and the Environmental Protection Department. Other members may also be co-opted into the Vetting 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 with a reference budget exceeding HK\$2,000,000, the recommendation 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 Secretariat will send an acknowledgement letter to the applicant. Where necessary, the applicant will be required to provide clarification or supplementary information. However, it should be noted that applicants should provide the best and fullest information in their applications, and the Vetting Sub-committee is not obliged to request for additional information from any applicant.
- Step 2: The application will be considered at the Vetting Sub-committee meeting.
- Step 3: For funding an application with a reference budget not exceeding HK\$2,000,000, the Vetting Sub-committee will approve or reject the application. 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 project on the ECF website.
- Step 4: For funding an application with a reference budget above HK\$2,000,000, the Vetting Sub-committee will either recommend the application for consideration by the ECF Committee, or reject it. The ECF Committee will consider funding the recommended application. The Secretariat will inform the applicant of the ECF Committee's decision. The Secretariat will also upload information of the approved project on the ECF website.
- Step 5: If the approved project requires the use of premises under the management of the Hong Kong Housing Authority (HA)/Hong Kong Housing Society (the Housing Society) (e.g. vacant shop at public housing estates, factory unit, etc.), the Secretariat will inform the HA/Housing Society of details of the project to facilitate the HA/Housing Society's consideration of the recipient organisation's application for leasing premises.

**Note for Applicants: Decisions of the ECF Committee/the Vetting Sub-committee in respect of project approvals and conditions of grants will be final.**

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

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

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

- 2.6.1 The project must contribute to promoting waste prevention and recovery in Hong Kong, raise awareness or mobilise the local community to take action in waste reduction, separation and recovery.
- 2.6.2 The benefits must accrue to the district/local community, and not to individuals, a single private organisation or a consortium of private companies.
- 2.6.3 The project must be non-profit making in nature.
- 2.6.4 In vetting a project proposal, due consideration will be given to -
- (a) the benefits that it will bring to the efforts in promoting waste reduction, separation and recovery in local communities, or the extent to which it will enhance the awareness and mobilise the public to participate in waste reduction, separation and recovery;
  - (b) whether there is a demonstrable need for the project;
  - (c) whether the project echoes the Government's initiatives in waste reduction and recovery;
  - (d) the technical and project management capability of the applicant, as well as the past performance of the applicant, including the effectiveness of past projects, and the applicant's ability to comply with the funding conditions;
  - (e) whether the project schedule of implementation is well-planned and practicable, and the duration is reasonable;
  - (f) whether the proposed budget is prudent, realistic and cost-effective, with full justification for every expenditure item;
  - (g) whether the project has alternative sources of funding support;
  - (h) whether the project should more appropriately be funded by other sources;
  - (i) whether there is or likely to be a duplication of the work already or currently carried out by other groups or in areas or estates where Source Separation of Waste Programme is already in place;
  - (j) if recurrent expenditure is incurred, whether the project has potential to become self-sufficient after a certain period of time; and
  - (k) if it is an application for extension of ongoing or completed project, whether the project shows enhancement/improvement in different aspects such as cost effectiveness; mode or scope of recovery; quantity and type of recyclables; and diminishing reliance on the ECF funding support without compromising the performance of the project.

2.6.5 Corresponding to the competition-based vetting mechanism and in addition to the broad assessment criteria mentioned in 2.6.4 (a) to (k) above for vetting and evaluation of the merits of individual application, a merit-based ranking system is implemented to assess and select the most meritorious applications for funding support. Under the merit-based ranking system, applications will be assessed against the following aspects-

(a) Overall impact of the proposed project on community (40%)

Expected benefits to be brought by the project in promoting waste reduction and recovery in local communities and sustainability of the project

(b) Details of the proposed project (50%)

- (i) Project quality
- (ii) Overall budget
- (iii) Project schedule

(c) Capability of the applicant (10%)

Technical and project management capability of the applicant

## **2.7 Avoidance of conflict of interests**

To avoid any 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.

## **2.8 Invitation for funding applications**

Invitation for applications of projects would be arranged periodically and details will be announced through the ECF website - <http://www.ecf.gov.hk>

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

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

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

For unsuccessful applications, the applicants may revise and modify their applications for re-submission in subsequent invitation exercise. These applications, together with other new applications, will be considered on equal footing at the next round of invitation. If there are comments made by the Vetting Sub-committee in its earlier review, the re-submission shall have revision or produce new evidence to address such comments. 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.

### 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 should be typed or printed on both sides of the paper, and shall be duly signed by the project leader of the project (i.e. the Head or Deputy Head of the applicant organisation) and affixed with the seal of the applicant organisation. The completed application form should be submitted in both hard and soft copies (in word format).
- 3.1.3 Applicants should read this Guide carefully, and provide all details of the project in a clear and concise manner. Additional pages may be attached to the form if necessary. Please ensure that all required information is submitted with the application form.
- 3.1.4 Applicants are required to provide additional or supplementary information in relation to their applications upon request. It should be noted that applicants should provide the best and fullest information in their applications, and the Vetting Sub-committee is not obliged to request for additional information from applicants.
- 3.1.5 Upon receipt of an application, the Secretariat will send an acknowledgment letter to the applicant.

#### 3.2 Sections of project proposal

##### 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 website for public access. If the applicant does not wish certain information to be released, please forward its request and justifications upon submission of the application to the Secretariat.

##### 3.2.2 Content of Project Proposal

###### 3.2.2.1 *Project Title*

State the project title in both English and Chinese, starting with “ECF” and “環保基金” respectively.

**Note for Applicants: The applicant must ensure that the project title is not the same/similar to that of the project held by another organisations; the Vetting Sub-committee reserves the right to request the applicant/recipient organisation to change the project title as deemed necessary to avoid confusion on the source of funding.**

3.2.2.2 *Duration of Project*

Give the commencement and completion date, and duration of the project.

3.2.2.3 *Nature and Purpose of Project*

In clear and specific terms, state how the project will enhance awareness and ensure sustained participation of the public in waste prevention and recovery in local communities.

3.2.2.4 *Name of Applicant*

Give the name of the applicant, which must be a local non-profit making organisation or a group formed under a registered non-profit making organisation in Hong Kong, in Chinese and English.

3.2.2.5 *Scope of Work of Applicant of Applicant*

State the scope of work to be performed by the applicant in the Project. A Project of which the applicant does not make a major contribution will not be eligible for funding support.

3.2.2.6 *Details of other Assisting/Supporting/Sponsoring Bodies for Project*

Give details of other assisting/supporting/sponsoring bodies.

3.2.2.7 *Details of Project Implementation*

State clearly the implementation method to be employed and show how this could help achieve the purpose of the project. Please provide the following information in particular –

- (a) Target group and target district;

**Note for Applicants: For surplus food recovery projects, a written consent must be obtained from the owner(s) of the premises in advance if proposed recovery activities will be held in markets managed by parties other than the Food and Environmental Hygiene Department and HA.**

- (b) Workflow of recycling activities;

- (c) Implementation plan to ensure food safety (applicable to surplus food recovery projects)

Give the policy, proposed mechanism, procedural guidelines and criteria on handling surplus food recovery activities.



Please refer to the updated “Food Safety Guidelines for Food Recovery” promulgated by the Centre for Food Safety ([http://www.cfs.gov.hk/english/programme/programme\\_haccp/files/Food\\_Safety\\_Guidelines\\_for\\_Food\\_Recovery\\_e.pdf](http://www.cfs.gov.hk/english/programme/programme_haccp/files/Food_Safety_Guidelines_for_Food_Recovery_e.pdf)). Applicants may also seek advice from relevant Government department(s) regarding their proposed food handling procedures prior to application;

- (d) Methods in promoting activities and recruiting participants;
- (e) Workplan and timetable

Present, chronologically, with a table to show the date, venue and content of activities that will be carried out under the project and the respective expected number of participants; and

**Note for Applicants: The applicant must ensure that the activity name is not the same/similar to that of the activity held by another organisation; the Vetting Sub-committee reserves the right to request the applicant/recipient organisation to change the activity name as deemed necessary to avoid confusion on the source of funding. Normally, no funding will be supported for activities which start before approval is given by the Vetting Sub-committee.**

- (f) Description and distribution of educational materials (if any).

#### 3.2.2.8 *Expected Benefits of Project*

- (a) Deliverables - Give quantitative and qualitative results of the project, including types and quantity/weight of waste to be reduced and recyclables to be collected, expected benefits of the project and a plan for the publicity of the project findings.
- (b) Sustainability - Give a timetable setting out how long the project will take to become self-sustained.
- (c) Outlet of recyclables - Give the details about the outlet of the recyclables to be recovered. The recyclables should not be disposed of as waste at landfills or other waste treatment facilities.

Upon completion of project, evaluation should be made to assess the effectiveness of the project, where applicable, against performance indicators including, but not be limited to –

- (a) the number of headcounts, schools, students, companies, buildings or households participating in the programmes;
- (b) the number of volunteers recruited or trained;

- (c) the number of local community organisations involved;
- (d) the types and quantities of recyclables collected;
- (e) the quantities of refuse reduced or electricity saved;
- (f) the number of research papers published;
- (g) the technologies transferred to practitioners;
- (h) the media coverage on the programmes; and
- (i) the increase in environmental awareness (by conducting pre- and post- project questionnaire surveys with participants).

#### 3.2.2.9 *Budget of Project*

The applicant should provide a detailed budget for the project. Each income and expenditure item should be reasonable and realistic, and with detailed breakdown. All expenditure items must be incurred between the commencement and completion dates of the project with supporting receipts in original.

**Note for Applicants: Any increase in cost arising from inflation or unforeseen requirements will be the responsibility of the applicant. Request of budget variation for additional funding after project approval will normally not be considered.**

Please also study carefully the following funding criteria when preparing the budget.

##### (a) Manpower

- (i) The applicant is expected to have the ability to supervise and the expertise to undertake the project. Hence, no funding support will be given for additional supervisory/administrative staff, hiring of professional advisor or provision of training course for staff of the recipient organisation for undertaking the project.
- (ii) Funding for project coordinators/assistants may be supported, the salaries of which will be considered on a case-by-case basis. The total amount for covering the cost of project coordinators/assistants should normally be below 50% of the total approved budget or the actual expenditure, whichever is the less.

(iii) Direct labour cost involved in waste collection, separation, recycling and so on is supported. The actual amount to be granted will depend on the modus operandi of the project.

(b) Minor Works and Equipment

(i) Funding for minor works (such as installation of waste recycling facilities, demonstration set-up, etc.) will be considered on a case-by-case basis.

(ii) Funding for equipment (e.g. purchase of composting machinery, waste recycling equipment, etc.) will be considered on a case-by-case basis.

(iii) Maintenance costs of the approved minor works and equipment up to the initial two years upon installation/purchase will be considered.

(c) Rental Payment

(i) Funding support for renting premises necessary for the project (e.g. establishment of a recyclables collection centre) will be considered. The actual amount will depend on the size and location of the selected venue. This does not apply to premises under the possession of the applicant.

(d) Production of Publications and Website

(i) Funding for production of practical and promotional guides such as that on green lifestyle will be considered. Details of publication arrangements and relevant budget should be provided in the project proposal for overall assessment.

(ii) Funding for website design and maintenance costs will be considered.

(e) Purchase of Educational Materials and Computer Software

(i) Expenses on educational materials and computer software will be considered on the condition that the educational materials and computer software are essential.

(f) Others

(i) All applications are considered on their individual merit. For projects involving recurrent expenditure, the applicant has to demonstrate that such expenses will be of a specified finite duration or that the project will become self-financing after a certain period of time.

- (ii) Funding for public education activities in connection with the project, hire of transport, light meals for unpaid voluntary workers and premium for public liability insurance will be supported.
- (iii) Opening/closing ceremonies may be supported, subject to a cap of 20% of the total approved budget or actual expenditure, whichever is the less. However, no funding support will be given to an opening ceremony for an extension project. Applicants are encouraged to seek private sponsorship for organising the events.
- (iv) For applications from NGOs (including green groups) without receiving any Government subvention, general administrative and overhead costs incurred from the project will be considered, subject to a cap of 10% of the total approved budget or actual expenditure, whichever is the less. (Note: the applicant should declare in the application form whether it receives any government subvention.)
- (v) Funding for unspecified miscellaneous and contingency items is not supported.
- (vi) Funding for renting or purchasing materials already in the applicant's stock is not supported.
- (vii) Funding for payments to individuals as a reward for their participation in the project is not supported.
- (viii) Funding for souvenirs presented to officiating guests, guests and judges is not supported.
- (ix) Honoraria for speakers who are staff employed for the project will not normally be supported.

(Please refer to **Appendix I** for existing levels of funding support for expenses.)

#### 3.2.2.10 *Procurement of Capital Items*

In case an applicant intends to procure capital items (including minor works and equipment) from a specified company/organisation/individual without following the open procurement process as stated in paragraph 4.11.1 below, it has to provide details of the proposed procurement, justifications for the special procurement arrangement and its relationship with the company/organisation/individual concerned.

3.2.2.11 *Estimated Revenue Generated from Project*

State how income (including recurrent income) derived from the project will be used to further the aims of the project.

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

3.2.2.12 *Other Sources of Funds*

The availability of alternative funds (both confirmed and being applied for) will be taken into account when an application is considered. In case the applicant has sought/obtained other sponsorship to cover the budget items not to be funded by the ECF, the applicant should include details of the sponsorship in the Application Form (Section A Item 3 under Declaration and Section B Item 12) for Vetting Sub-committee's consideration. In case there are any changes to the sponsorship after the project approval, for example when the recipient organisation has sought/obtained other sponsorship to support items not funded by the ECF or to top up items that are partly funded by the ECF, the changes have to be submitted to the Vetting Sub-committee for consideration. The Vetting Sub-committee would consider whether the sponsorship would constitute any conflict of interest, cause any potential liability or damage to the image of the ECF and so on. It would be up to the recipient organisations to agree with their sponsors on how to use the sponsorship and how to handle the unspent balance of the sponsorship.

3.2.2.13 *Details of Applicant*

State the following –

- (a) Information of Project Team – Composition and number of staff involved in the project, their positions in the organisation, their roles to be in the project and the amount of time to be contributed to the project (in terms of number of days per month). The project team structure/organisation chart should also be provided;
- (b) Details of Project Leader;
- (c) Record of previous applications which are either supported or rejected by the ECF; and
- (d) Experience and record of applicant in organising related activities other than projects under the ECF.

3.2.2.14 *Other Relevant Information in Support of Application*

Please provide other information as considered relevant. For example, the experience of the project leader or assisting organisation in organising similar projects.

3.2.2.15 *Supplementary Sheet for Applicants*

An applicant is required to provide the following information in the Supplementary Sheet –

- (a) the background information of the organisation;
- (b) the registration status of the organisation;
- (c) whether the organisation is charitable;
- (d) whether the organisation receives any Government subvention;
- (e) the information about the key members of the organisation and the project leader of the project; and
- (f) the documentary proof of the organisation's non-profit making status.

## **4 CONDITIONS FOR THE USE AND ALLOCATION OF FUND**

### **4.1 Contractual requirements**

For each approved project, the applicant 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 member 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 district/local community 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 Depending on the cash flow requirement and nature of the project, the recipient organisation will receive between 25-50% of the grant upon approval of the application. Upon submission of a progress report, the recipient organisation may apply for a further disbursement if it proves that the previous payment has been mostly spent or that further disbursement is required for undertaking the project as scheduled. The last 10% of the grant will normally only be released after completion of the project and subject to submission of a completion report together with a statement of accounts for the project endorsed by the Vetting Sub-committee in accordance with the requirements specified in paragraphs 4.5 and 4.6 below. The 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 project proposal, must be defrayed against the actual expenditure before calculating the amount to be reimbursed as the final payment.

4.3.3 Amount to be reimbursed for an individual item of the budget will not exceed the approved amount for that item. However, the Secretariat may approve the budget increase 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 recyclables) is fewer than that proposed;

4.3.4.3 the number of participants is fewer than that proposed and the grant allocated is according to the number of participants;

4.3.4.4 the number of publications (e.g. leaflets) is fewer 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, revenue generated from activities and interest income generated from cash in hand for the project, should be ploughed back into the project account, for offsetting part or whole of the funded amount. Failure to report and return such income to the ECF will render the recipient organisation ineligible for future funding support.

4.3.7 Any unspent balance of the grant shall be returned to the ECF within two months after completion of the project.

#### **4.4 Project interest**

4.4.1 The ECF fund shall be paid into a risk-free interest-bearing account opened with a licensed bank.

4.4.2 Interest income generated from the ECF fund 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 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 any 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 Reporting requirements**

4.5.1 Ongoing projects are monitored and completed projects are reviewed by the Secretariat. The recipient organisation has to submit progress reports with information on financial position of their projects together with original receipts for the expenses at least once every six months to the Secretariat. The progress report should be submitted within one month following the end date of the corresponding reporting period. Except for the first disbursement, all disbursements will be subject to satisfactory performance and progress of the project. The Vetting Sub-committee or the Secretariat may carry out site inspections and surprise 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 as specified in the agreement, the recipient organisation has to submit a completion report with the attachment of a statement of accounts to the Secretariat (for projects over HK\$300,000, the statement of accounts in association with the receipts concerned should be audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap. 50)). 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 project leader of the recipient organisation and submitted in the format as requested.



- 4.5.4 If an extension of the submission deadline for the progress/completion reports is required, prior approval should be obtained from the Secretariat.
- 4.5.5 Unsatisfactory performance will affect the recipient organisation's future chance of getting funding support, and the recipient 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 as specified in the agreement, the recipient organisation has to submit a complete statement of accounts, attached to the completion report, to the Secretariat. If an extension of the submission deadline is required, prior approval should be obtained from the Secretariat.
- 4.6.2 For projects receiving a grant of HK\$300,000 or below, the grant received must be shown in a complete statement of accounts, together with the original copies of invoices and receipts. Auditing will not be required, but the 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\$300,000, the following should be noted –
  - 4.6.3.1 The fund should be kept in a separate account opened with a licensed bank and all income and expenditure on the project should be clearly marked 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 the grant are met; and
  - 4.6.3.3 For projects lasting more than eighteen months, recipient organisations are also required to submit a statement of accounts audited by certified public accountants (practising) to the Secretariat once every twelve months and within two months of completion of the project.
- 4.6.4 The statement of accounts as required above must be submitted in prescribed format as specified by the Secretariat. Essentially the actual expenses, reference numbers of individual receipt and elaborations on individual transaction under each approved budget item should be clearly indicated.
- 4.6.5 For universities, the funds should be kept by the finance offices and there is no need to open a separate account with a licensed bank. Regardless of the amount of the grant involved in a project, a statement of accounts certified by the finance office of the university will be acceptable.

#### **4.7 Intellectual property rights arising from projects and use of project results**

- 4.7.1 Unless negotiated otherwise between the 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 reports, completion report and other publications or publicity materials.

#### **4.8 Publicity of project events and results**

- 4.8.1 Recipient organisations should try to publicise the project results or any events related to the projects through publications, seminars, workshops, conferences, exhibitions and so on, and provide details in progress/completion reports. They should also provide information about the events such that the Secretariat might conduct spot checks on the proposed activities.
- 4.8.2 Recipient organisations should notify the Secretariat of the project results before publicising them. Copies of publications or publicity materials produced under the project must be made available to the Secretariat within one month after the completion of the project.
- 4.8.3 Projects which receive funding support from the ECF, including the activities, publicity and other events organised under the projects, as well as their related educational, publicity and other related materials, should not be used for purposes of personal, political, commercial or religious publicity of any individual or organisation. Nor should any such activities, events or materials arising from an ECF-funded project be presented in a way as to induce public perception of any personal, political, commercial or religious publicity of any kind, or misrepresent any association of any individual or organisation with the ECF. In addition, activities and events organised and materials produced under the projects should not be implemented or distributed in a way which may adversely affect the ECF's image, or cause any liability to the ECF.
- 4.8.4 Project findings may be uploaded to the websites of EPD for public access.
- 4.8.5 For the purpose of identification, the recipient organisation should issue suitable work identity cards for staff and/or volunteers carrying out activities under the approved project. Staff and/or volunteers should not wear other uniforms apart from those of the recipient organisation. Where other means of identification is proposed, prior approval should be obtained from the Secretariat.
- 4.8.6 The recipient organisation is obliged to submit a/an copy/sample/artwork of all publicity materials proposed, produced or used for the project or its activities for review by the Secretariat as and when required, and should follow the advice of the Secretariat on the format and presentation of such materials whenever required.



#### **4.10 Renting of premises under management of HA/Housing Society**

- 4.10.1 For projects that require the use of premises under management of the HA (e.g. for setting up recyclables collection centres), applications for leasing premises should be submitted to the Housing Department (HD) upon the Vetting Sub-committee's approval of the project.
- 4.10.2 Recipient organisations should provide the following details for consideration by Estate Management Division of the HD –
- (a) the type of activities to be carried out at the premises;
  - (b) the location, size and headroom of the premises;
  - (c) the technical requirements such as electricity loading, drainage for foul water discharge, etc.
- 4.10.3 The HD will positively consider each application on individual merits and subject to the following criteria –
- (a) All lettings be confined to converted/vacant bays or shops under domestic blocks not at prime location or factory units. Premises in shopping centres will normally not be considered;
  - (b) Support from the Mutual Aid Committee (MAC) of the respective estate is required. (The HD will help arrange for the recipient organisation to brief the MAC on the project);
  - (c) Operation of the recycling activities should not cause any environmental impact such as noise nuisance, unpleasant smell, toxic gas, hygienic problems, obstructions, effluent discharge, potential fire hazards and so on in the neighbourhood (unless mitigated to acceptable level);
  - (d) No inflammable goods are stored inside the premises;
  - (e) The premises is suitable for the intended purposes after the HD has examined site conditions; and
  - (f) Operation at the premises should comply with the laws of Hong Kong Special Administrative Region.
- 4.10.4 The premises, if approved, will be let on a monthly licence at fair market or a concessionary rent to be determined by the HD.
- 4.10.5 For projects that require the use of premises under management of the Housing Society, recipient organisations should follow procedures applicable to the Housing Society.

## 4.11 Procurement of capital items, goods and services

Important Notice: The recipient organisation is obliged to adhere to a high standard of integrity and spend the fund in an open, fair and accountable manner. Recipient organisation is advised to observe the Best Practice Checklist issued by the Corruption Prevention Department of the Hong Kong Independent Commission Against Corruption (ICAC) namely “Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook” as well as the “Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants” which can be downloaded from the following hyperlinks of the ICAC website –

[http://www.icac.org.hk/filemanager/en/content\\_218/GranteeBPC.pdf](http://www.icac.org.hk/filemanager/en/content_218/GranteeBPC.pdf)

[http://www.icac.org.hk/filemanager/en/Content\\_216/ps.pdf](http://www.icac.org.hk/filemanager/en/Content_216/ps.pdf)

4.11.1 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 I*.
- (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\$500,000, quotations from at least three suppliers should be obtained.
- (d) For every procurement the aggregate value of which is HK\$500,000 or more, open tendering should be used.

4.11.2 The recipient organisation should select the supplier that has submitted the lowest conforming bid. If the lowest conforming bid is not selected, full justifications must be given and prior agreement must be obtained from the Vetting Sub-committee.

4.11.3 In case a recipient organisation intends to procure capital items from a specified company/organisation/individual without following the open procurement process as stated in paragraph 4.11.1 above, it has to provide details of the proposed procurement, justifications for the special procurement arrangement, and its relationship with the company/organisation/individual concerned in the application form. If such application including the proposed special procurement arrangement is approved, subsequent approval from the Vetting Sub-committee will not be required.

4.11.4 For universities, they may adhere to their established/current standard procurement procedures.

4.11.5 All quotations and tendering documents should be kept for inspection by the Secretariat.

4.11.6 Recruitment of staff and procurement of goods/services must be conducted in an open and fair manner. A mechanism should be put in place for staff/workers to declare any conflict of interest and to prohibit staff/workers from soliciting or accepting any advantage when handling the ECF-funded projects. All records of declaration of interest should be properly documented and submitted to the Secretariat for inspection. Please refer to *Appendix II* for the probity requirements for recipient organisations of grants from the ECF.

#### **4.12 Title to capital items, educational materials and computer software**

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

#### **4.13 Suspension/termination of funding support**

4.13.1 The Vetting Sub-committee may suspend/terminate funding support of a project under the following circumstances -

- (a) the project does not commence within six 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 the project leader; or
- (d) 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.

4.13.2 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 the case of suspension, the recipient organisation should demonstrate that measures have been taken to rectify the problems and improve the unsatisfactory situation before the Vetting Sub-committee lifts the suspension. In the case 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 software acquired for the project.

- 4.13.3 Any suspension or termination of a project will affect the recipient organisation's future chance of getting financial support from the ECF, and the recipient organisation's management will be informed.
- 4.13.4 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.
- 4.13.5 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) change of the project leader;
  - (c) transfer of the project to another organisation;
  - (d) deferral of the submission date of the progress report/completion report/statement of accounts; or
  - (e) change in sponsorship.
- 4.13.6 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.
- 4.13.7 Any proposed minor change to a project should be submitted to the Secretariat for approval in advance.

#### **4.14 Others**

- 4.14.1 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.
- 4.14.2 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.
- 4.14.3 If personal information of participants was to be collected for any purpose of the project, the information should be properly handled according to the requirements of the Personal Data (Privacy) Ordinance. If in doubt, advice from the Office of the Privacy Commissioner for Personal Data should be sought.

**Levels of funding support for expenses of  
Community Waste Reduction Projects  
(with effect from 7 September 2017)**

<b>Items</b>	<b>Levels of funding support (HK\$)</b>
1. <b>Publicity</b> - including items such as banners, posters, leaflets, postage, etc.	<ul style="list-style-type: none"> <li>• Maximum 20% of the total approved budget.</li> <li>• The applicant/recipient organisation is free to manoeuvre the grant among the various approved “publicity” items.</li> </ul>
2. <b>Opening/Closing Ceremony</b> - including invitation, set up and decoration, backdrop, rental payment of venue, PA system, etc.	<ul style="list-style-type: none"> <li>• Maximum 20% of the total approved budget.</li> <li>• The applicant/recipient organisation is free to manoeuvre the grant among the various approved “opening/closing ceremony” items.</li> <li>• No funding for opening ceremonies would be given for extension projects</li> </ul>
3. <b>Venue Setup</b> (for all activities other than opening/closing ceremony) – including set up and decoration, backdrop, rental payment of venue, PA system, etc.	<ul style="list-style-type: none"> <li>• Maximum 30% of the total approved budget.</li> <li>• Quotations must be provided.</li> <li>• Request of funding to cover charges for use of in-house equipment/facilities of the applicant/recipient organisation is normally not supported. If such support is necessary due to special reasons, prior agreement from the Secretariat must be secured and the expenditure for rental is set at 20% of the current market price.</li> </ul>
4. <b>Booths</b> – including rental payment, decoration and prizes for game booths	<ul style="list-style-type: none"> <li>• Maximum \$650 per booth.</li> </ul>
5. <b>Production of Exhibition Panels</b>	<ul style="list-style-type: none"> <li>• Maximum \$21,000 per project; \$2,100 per panel.</li> <li>• The applicant/recipient organisation is encouraged to borrow exhibition panels from the Environmental Protection Department (Hotline: 2835 1012).</li> </ul>
6. <b>Prizes for Competition</b>	<ul style="list-style-type: none"> <li>• Maximum \$1,500 per set of trophies and prizes for each sub-category of competition. Cash or cashable items must not be given.</li> </ul>
7. <b>Hire of Speakers/Instructors</b>	<ul style="list-style-type: none"> <li>• Maximum \$250 per hour per speaker/instructor.</li> </ul>



	<ul style="list-style-type: none"> <li>• Maximum \$800 per hour per speaker/instructor for functions which require speakers/instructors holding teaching positions in tertiary institutions or doctorate degrees in relevant fields (qualification should be supported by certificates issued by relevant authorities). Prior agreement of the Vetting Sub-committee must be secured.</li> <li>• Fees to be counted on a half-hourly basis.</li> <li>• The funding support may be adjusted upwards on the merit of each case.</li> <li>• Honoraria for speakers who are staff employed for the project are normally not supported.</li> </ul>
8. <b>Light Refreshments for Ceremonies</b>	<ul style="list-style-type: none"> <li>• Maximum \$10,000 per project; \$10 per head.</li> </ul>
9. <b>Meal Allowances</b> (for volunteers only)	<ul style="list-style-type: none"> <li>• Maximum \$40 per volunteer for activities lasting 3-5 hours (excluding preparation/travelling time).</li> <li>• Maximum \$70 per volunteer for activities lasting more than 5 hours (excluding preparation/travelling time).</li> </ul>
10. <b>Travel Allowances</b> (for staff and volunteers) Note: for staff, only allowed for travelling from workplace to workplace, both under the project	<ul style="list-style-type: none"> <li>• Maximum \$15 per journey.</li> <li>• The funding support may be adjusted upwards on the merit of each case; prior agreement from the Secretariat must be secured.</li> </ul>
11. <b>Insurance for Third Party Liabilities</b>	<ul style="list-style-type: none"> <li>• Funding support will be based on the basic requirements.</li> <li>• Quotations must be provided.</li> </ul>
12. <b>Transportation</b> – including hire of coach, hire of van/lorry for transportation of materials and hire of launch	<ul style="list-style-type: none"> <li>• Maximum \$2,000 per coach (round trip).</li> <li>• For hire of launch, 40% of the charge should be paid by the participants.</li> <li>• The amount of funding support is based on the actual expenditure with the proof of receipts.</li> <li>• Quotations must be provided.</li> </ul>
13. <b>Souvenirs</b> (for participants of waste collection)	<ul style="list-style-type: none"> <li>• Maximum 30% of the total approved budget or actual expenditure, whichever is the less; \$600 per day; \$3 per unit.</li> <li>• Reliance on souvenirs should be gradually reduced and linked to income generated from sales of recyclables.</li> </ul>

14. <b>General Expenses</b> – including stationery, films and film development, video tapes, etc.	<ul style="list-style-type: none"> <li>• Maximum 10% of the total approved budget or actual expenditure, whichever is the less.</li> <li>• The detailed breakdown on items to be charged to general expenses must be provided in the application for assessment.</li> </ul>
15. <b>Admission Fees</b> (for environmental visits)	<ul style="list-style-type: none"> <li>• 40% of the admission fee should be paid by the participants.</li> </ul>
16. <b>Package Tours</b>	<ul style="list-style-type: none"> <li>• For hire of package tours, 40% of the charge should be paid by the participants.</li> </ul>
17. <b>Project Coordinators and Assistants</b>	<ul style="list-style-type: none"> <li>• Maximum 50% of the total approved budget or actual expenditure whichever is the less.</li> </ul>
18. <b>Direct Labour Costs</b> (involved in waste collection, separation, recycling, etc.)	<ul style="list-style-type: none"> <li>• Maximum \$52 per hour for each labour.</li> </ul>
19. <b>Rental Payments</b>	<ul style="list-style-type: none"> <li>• Not applicable to premises under the possession of the applicant.</li> </ul>
20. <b>Licence Fees</b>	<ul style="list-style-type: none"> <li>• The applicant is requested to comply with regulations of Hong Kong and apply to all authorities concerned for licences to conduct the project.</li> </ul>
21. <b>Administrative and Overhead Costs</b> Note : only applicable to NGOs (including green groups) without any Government subvention	<ul style="list-style-type: none"> <li>• Maximum 10% of the total approved budget or actual expenditure, whichever is the less.</li> <li>• The detailed breakdown on items to be charged to the administrative and overhead costs must be provided in the application for assessment.</li> </ul>
22. <b>Contingency Items</b>	<ul style="list-style-type: none"> <li>• Not supported.</li> </ul>

Remarks: The level of funding support may be adjusted by the Waste Reduction Projects Vetting Sub-committee as and when necessary. For the latest version, please refer to the website of the ECF – <http://www.ecf.gov.hk>.

**Probity Requirements for Recipient Organisations of Grants from the Environment and Conservation Fund**

**1. Introduction**

As Government funds involve public money, there is high public expectation on the recipient organisations of grants from the Environment and Conservation Fund (ECF) to adhere to a high standard of integrity and spend the funds in an open, fair and accountable manner.

**2. Probity Provisions**

To uphold the integrity of staff members and agents of the recipient organisation in relation to the funded project, the recipient organisation shall:

- require its staff members, subcontractors, agents, assisting/sponsoring organisers and other personnel who are in any way involved in the ECF-funded project, not to offer, solicit or accept from any person any money, gifts or advantages as defined in the Prevention of Bribery Ordinance (Cap. 201) in relation to the project;
- be liable for any loss or damage to the ECF, or its trustee, or the Secretariat of the ECF Committee or its Vetting Sub-committees arising from the termination of the funding agreement, where the termination is attributed to the commitment of any offence under the Prevention of Bribery Ordinance in relation to the funded project by the recipient organisation or its staff members, subcontractors, agents, assisting/sponsoring organisers or other personnel who are in any way involved in the project;
- ensure, during the period of the project, that it (including its staff members, subcontractors, agents or other personnel) shall not undertake any service, task or job or do anything whatsoever for or on behalf of the recipient organisation or any third party (other than in the performance of the funding agreement) which conflicts, or which may be seen to conflict, with the recipient organisation's duties to the ECF (or its trustee, or the ECF Committee or its Vetting Sub-committees, or the Secretariat to the ECF Committee or its Vetting Sub-committees) under the funding agreement, unless and to the extent the Secretariat of the ECF Committee or the relevant Vetting Sub-committee has been fully informed, and whose permission has been obtained, by the recipient organisation in a timely fashion of all the circumstances in which the permission is sought; and
- notify the Secretariat of the ECF Committee or the relevant Vetting Sub-committee in writing of all or any facts which may reasonably be considered to give rise to a situation where the financial, professional, commercial, personal, or other interests of the recipient organisation or any of its directors, staff members, agents, assisting/sponsoring organisers, contractors, or any of their respective associates or associated persons, conflict or compete, or may conflict or compete, with the recipient organisation's duties to the ECF (or its trustee, or the ECF Committee or its Vetting Sub-committees, or the Secretariat to the ECF Committee or its Vetting Sub-committees) under the funding agreement.

### **3. Staff Recruitment**

- The recipient organisation or the project leader should maintain fairness and transparency in recruiting staff for the ECF-funded project, and ensure that all such staff members recruited with the ECF grant are well qualified, suitably deployed, and properly remunerated.

### **4. Procurement**

- In procuring goods and services in relation to the ECF-funded project and implementation of activities under the project, the recipient organisation or the project leader should:
  - adopt a set of standard procurement procedures to procure all goods and services in an open, fair and competitive basis, which should be no less stringent than the requirements set out in the ECF's Guide to Application, Terms & Conditions for the Use and Allocation of Fund, and other relevant conditions prescribed for the grant of fund, to ensure consistency in practice.
  - segregate the duties in the procurement process as far as possible, e.g. assign different staff members to source suppliers/contractors for invitation of quotations/tenders, approve quotations/tenders, and certify the goods/services received.
  - specify the approving authorities and the procurement methods for purchases of different values (e.g. open tendering for purchases of significant value or restricted tendering for minor purchases of a specified amount), which should be no less stringent than the requirements set out in the ECF's Guide to Application, Terms & Conditions for the Use and Allocation of Fund, and other relevant conditions prescribed for the grant of fund.
  - state the approving authorities for purchases by single source quotation or tender (preferably by a panel in case of high value purchases) and require the staff concerned to give justifications in writing.
  - include in the tender/quotation invitation documents probity clauses to prohibit all bidders from offering or soliciting bribes in relation to the bidding exercise.
  - incorporate anti-collusion clauses in the tender/quotation invitation document, and require the bidders to submit, together with their bids, a declaration pledging compliance with the anti-collusion clause.
  - add probity clauses to prohibit all contractors'/service providers' staff from offering, soliciting or accepting bribes, in the contracts to be awarded.
  - Seek ICAC's tailor-made advice, if necessary, on procurement in relation to the ECF-funded projects.

- In sourcing suppliers and service providers, the recipient organisation should:
  - compile lists of suppliers/service providers for approval by the designated authority in the recipient organisation to facilitate sourcing of suppliers/service providers for the goods or services that are required frequently.
  - invite the required number of suitable suppliers/service providers on the respective approved lists to bid on a fair-share basis (e.g. by rotation).
  - add other suppliers nominated, with justifications for their nominations and approval by designated authority, by the users or other staff.
  - source, for those without any approved list, suitable suppliers/service providers for invitations to bid, taking into account their company size, experience and past performance records, if any, through the Internet and nominations by the users and other staff, and include the current supplier/service provider as appropriate.

## **5. Handling of Project Assets**

- The project leader should be responsible for the overall control and management of project assets (i.e. all capital items and equipment, minor works installations, educational materials and computer software procured with the ECF grant for use of the project), including any movements or transfers of these items among users. He should keep a register to record the movements of each item, such as the date of issue and the recipient, date and cost of acquisition, detailed description of the equipment and its physical location. He should also mark on each item to show that it is an asset of the ECF.
- The project leader should conduct and record random and regular (e.g. yearly) physical checks on these assets.
- The project leader should report on any loss or damages to these assets, or any unserviceable assets, to the management of the recipient organisation for necessary action. He should also report to the police and the Secretariat for all assets which are lost or stolen.

## **6. Record Keeping**

- The recipient organisation should maintain, for a minimum period of seven years after the completion of the project, full and proper books of accounts and records in respect of the project.
- The recipient organisation should allow the Secretariat and its authorised representatives to access to all or any of the books and records for conducting audit, inspection, and verification whenever required.