Procedures for Vetting Funding Applications

Purpose

The purpose of this paper is to invite members to endorse the vetting procedures for funding applications.

Background

2. The objective of the Environment and Conservation Fund (ECF) as provided by S.4 of the ECF Ordinance (Cap. 450) is for the purpose of funding education, research and other projects and activities in relation to environment and conservation matters. The ECF Committee (the Committee) shall advise the Secretary for the Environment, Transport and Works (SETW) who is the trustee of the ECF on the use of funds. A parallel fund of $50 million - Woo Wheelock Green Fund (WWGF) – was set up by the Wheelock and Company Ltd in August 1994 to support environmental and conservation projects. A representative of the Wheelock and Company Ltd. is co-opted to the Research Projects Vetting Subcommittee and nominates projects he considers suitable for the WWGF’s support. The WWGF will bear 50% of the approved project value. Up to October 2004, a sum of $8.98 million has been approved from WWGF to 25 ECF projects.

Current Financial Position

3. In the financial year of 2003/04, a total of 94 projects, amounting to $14.94 million have been approved. Of these, 9 ($2.86 million) were research/technology demonstration projects, 10 ($3.2 million) were community waste recovery projects, and 75 ($8.87 million) were educational projects. The balance of the fund as at 8.10.2004 is $71.673 million of which $55.438 is uncommitted fund. Details are given in Annex A.

Criteria for Assessing Funding Applications

4. The broad criteria used in assessing the merits of individual applications are that the projects must contribute to the overall
environment of Hong Kong, to raise environmental awareness of the local community, or to mobilise the community to take action to improve the environment. The benefits must accrue to the local community as a whole, and not just to individuals, a single private organisation or a consortium of private companies. The projects must be non-profit making in nature. In considering a project proposal, due consideration will be given to:-

(a) the benefits that it will bring to Hong Kong’s environment, ecology, flora and fauna etc., or the extent to which it will enhance the environmental awareness of local community;

(b) whether there is a demonstrable need for the proposed project;

(c) the technical and project management capability of the applicant, as well as the past performance of the applicant, including the effectiveness of past projects, and the applicant’s ability to comply with the funding conditions;

(d) whether the proposed project’s schedule of implementation is well-planned and practicable, and the duration is reasonable;

(e) whether the proposed budget is 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;

(h) whether there is or likely to be a duplication of the work already or currently carried out by other groups; and

(i) if recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

Procedures for Vetting Funding Applications

5. The Committee has the overall authority in vetting funding
applications and advising SETW on the use of funds. The Committee has set up the following sub-committees –

(a) the Research Projects Vetting Sub-committee to vet and approve research and technology demonstration projects that cost $150,000 or less; and

(b) the Waste Recovery Projects Vetting Sub-committee to vet and approve community waste recovery project proposals that cost $500,000 or less.

Projects seeking funds above the limits of the respective Sub-committees’ approval ceiling will be vetted by the Sub-committee and referred to the Committee with its recommendations. The Committee has also authorized the Environmental Campaign Committee (ECC) which has a role in promotion of environmental protection to vet and approve educational/promotional and community involvement projects that cost $150,000 or less. The ECC has set up an Environmental Education and Community Action Subcommittee to perform this function. Projects seeking more than $150,000 have to be approved by the Committee. Funding applications are considered at the Committee’s meetings, held quarterly, or by circulation, as circumstances require.

6. According to the Standing Orders of the Committee, membership of a sub-committee may include those members who have signified interest and any other personalities who have been co-opted by the Committee. As the role of the Committee and its vetting sub-committees are to advise the trustee on the proper use of the ECF, sound and impartial advice would be of paramount importance. Hence it has been practice to invite other personalities as co-opted members of the vetting subcommittees to maintain a reasonable balanced representation (mainly academic, business, green groups) as far as possible. Co-opted members, however, have no voting rights in the vetting process. The chairman of a sub-committee is decided by the Committee. The terms of reference of the Research Projects Vetting Sub-committee (RPVSC) is at Annex B. Membership comprises interested Committee members and other co-opted members proposed by the Committee, representatives of the WWGF, EPD and AFCD.

7. Upon the set up of the Waste Recovery Projects Vetting
Sub-committee (WRPVSC) in March 2002, the Committee agreed that it is to be chaired by a non-official, and will comprise members of the Committee, ECC, Waste Reduction Committee (which was disbanded in December 2003 and replaced by the Advisory Council on Environment’s Waste Subcommittee), and representatives of Environment, Transport and Works Bureau and Environmental Protection Department. Other members may also be co-opted into the Sub-committee if such is considered necessary by the Committee. Its terms of reference is at Annex C.

Advice Sought

8. Members are invited to endorse the vetting criteria and procedures for vetting funding applications in paragraphs 4 to 7 above.

Secretariat, ECFC
October 2004
## Annex A

### Financial Position of the ECF as at 8.10.2004

<table>
<thead>
<tr>
<th>Fund Balance as at 8.10.2004</th>
<th>$M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>71.673</td>
</tr>
</tbody>
</table>

Less:

(a) Committed expenditure on Research Projects  
(b) Committed expenditure on ECC and Waste Recovery Projects

<table>
<thead>
<tr>
<th></th>
<th>$M</th>
<th>$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>(2.092)</td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td>(14.143)</td>
<td>(16.235)</td>
</tr>
</tbody>
</table>

**Uncommitted Fund Balance as at 8.10.2004**  

<table>
<thead>
<tr>
<th>Uncommitted Fund Balance as at 8.10.2004</th>
<th>$M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55.438</td>
</tr>
</tbody>
</table>
Research Projects Vetting Sub-Committee

Terms of Reference

1. To vet applications seeking funding support for $150,000 or below from local non-profit making organisations to undertake environmental research and technology demonstration projects and advise on their relative priorities for funding support.

2. To make recommendations to the Environment and Conservation Fund Committee on the exact amount of fund to be allocated for each project supported if the grant is over $150,000.

3. To advise the trustee on the exact amount of fund to be allocated for each project supported if the grant is $150,000 or below and report back to the Environment and Conservation Fund Committee.
Annex C

Waste Recovery Projects Vetting Sub-Committee

Terms of Reference

1. To vet applications seeking funding support for $500,000 or below from local non-profit making organizations to undertake community waste recovery projects and advise on their relative priorities for funding support;

2. To make recommendations to the ECF Committee on the exact amount of fund to be allocated for each project supported if the grant is over $500,000;

3. To advise the trustee on the exact amount of fund to be allocated for each project supported if the grant is less than or equal to $500,000 and report back to the ECF Committee;

4. To monitor progress of funded projects; and

5. To review completed projects to see if they have achieved the project objectives set out in the proposal.