

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 set out in section 4 of the Environment and Conservation Fund Ordinance (Cap. 450), is to provide funding support for 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 (SEN), being the trustee of the ECF, on the use of funds. A parallel fund of \$50 million (i.e. the Woo Wheelock Green Fund (WWGF)) was set up by the Wheelock and Company Ltd in August 1994 to support environmental and conservation projects. The WWGF will bear 50% of the approved project value for research projects that WWGF considers suitable for the WWGF's support. Up to November 2014, a sum of \$16.55 million has been approved from WWGF to 47 ECF projects.

Invitation of Funding Applications

3. As a long-term commitment to environmental protection and conservation, we obtained the approval of the Finance Committee of the Legislative Council in June 2013 for a capital injection of \$5,000 million into the ECF, so that investment returns of the fund could provide long-term and sustained support for community green actions. To further enhance transparency and accountability in the deployment of fund subsequent to the injection, the ECF Committee has agreed to adopt a new set of assessment mechanism for handling funding applications. Under the new arrangements which have become effective since early 2014, open invitations for applications under individual funding scheme will be called at scheduled intervals. All applications received by the application deadline will be considered on a competition basis and the most meritorious applications will be selected for funding support.

Criteria for Assessing Funding Applications

4. Generally, local non-profit making organizations and community groups are eligible to apply for funding support from the ECF. Applications to be considered for ECF support should fulfill the following basic requirements:

- (a) the project must contribute to the overall environment of Hong Kong, or raise environmental awareness of the local community, or mobilize the community to take action to improve the environment;
- (b) the benefits of the project must accrue to the local community as a whole, and not just to individuals, a single private organization or a consortium of private companies; and
- (c) the project must be non-profit making in nature.

5. On top of the above basic requirements, each funding scheme has a set of vetting criteria developed on the basis of the nature of projects involved, as well as the outcomes and deliverables expected to be derived from these projects. The past performance of project proponents in implementing ECF-supported projects, where appropriate, will also be considered. The best worthy applications will be selected for full or partial funding support. Details of the assessment mechanism and vetting criteria are set out in the Guide to Application for the respective funding schemes. For continuity, we recommend that the above funding principles and broad assessment criteria would continue to be adopted.

Procedures for Vetting Funding Applications

6. The ECF Committee has the overall authority in vetting funding applications and advising SEN on the use of funds. According to the Standing Orders, the Committee shall decide on the number of Vetting Subcommittees to be formed, the terms of reference and chairmen of the Vetting Subcommittees. To maintain continuity in the vetting of applications of different categories of projects, we recommend setting up the following Vetting Subcommittees under the present term of the Committee -

- (a) the Energy Conservation Projects Vetting Subcommittee (ECPVSC), for

vetting and approving projects to promote energy efficiency and conservation that cost \$2,000,000 or less;

- (b) the Research Projects Vetting Subcommittee (RPVSC), for vetting and approving research, technology demonstration and conference projects that cost \$2,000,000 or less;
- (c) the Waste Reduction Projects Vetting Subcommittee (WRPVSC), for vetting and approving community waste reduction projects, on-site meal portioning in schools, food waste recycling projects for housing estates and applications under the Source Separation of Waste Programme that cost \$2,000,000 or less; and
- (d) authorizing the Environmental Education and Community Action Projects Vetting Subcommittee (EE&CAPVSC) under the Environmental Campaign Committee (ECC), which has a role in promotion of environmental protection, to vet and approve educational / promotional and community involvement projects including demonstration projects (previously named as minor works projects) that cost \$2,000,000 or less.

7. Projects seeking funds exceeding the approval ceiling of the respective Vetting Subcommittees will continue to be vetted by the respective Vetting Subcommittees and referred to the ECF Committee with their recommendations for consideration. Funding applications are considered at the Committee's meetings, or by circulation, as circumstances require.

8. According to the Standing Orders of the Committee, membership of a Vetting Subcommittee 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 Subcommittees 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 a 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. The chairman of a Vetting Subcommittee is decided by the Committee.

9. The proposed terms of reference and Membership List of the ECPVSC, RPVSC and WRPVSC are at Annexes A to C respectively. Membership comprises interested Committee members and other co-opted members

proposed by the Committee as well as representatives of relevant government departments.

Advice Sought

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

**Secretariat, Environment and Conservation Fund Committee
November 2014**