

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

1. Introduction

As government funds involve public money, there is high public expectation on the recipient organizations 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 organization in relation to the funded project, the recipient organization shall:

- require its staff members, subcontractors, agents, co-organizers 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 Subcommittees 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 organization or its staff members, subcontractors, agents, co-organizers 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 organization 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 organization's duties to the ECF (or its trustee, or the ECF Committee or its Vetting Subcommittees, or the Secretariat to the ECF Committee or its Vetting Subcommittees) under the funding agreement, unless and to the extent the Secretariat of the ECF Committee or the relevant Vetting Subcommittee has been fully informed, and whose permission has been obtained, by the recipient organization 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 Subcommittee 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 organization or any of its directors, staff members, agents, co-organizers and contractors, or any of their respective associates or associated persons, conflict or compete, or may conflict or compete, with the recipient organization's duties to the ECF (or its trustee, or ECF Committee or its Vetting Committee, or the Secretariat to the ECF Committee or the relevant Vetting Subcommittee) under the funding agreement.

3. Staff Recruitment

- The recipient organization should maintain fairness and transparency in recruiting staff for the ECF-funded project, and ensure that all such staff members recruited with ECF grants are well qualified, suitably deployed, and properly remunerated.
- The recipient organization should be committed to eliminating all forms of discrimination against gender, age, disability, pregnancy, marital status and race in the recruitment process. The recruitment policy and process should also meet the relevant statutory requirements, including those stipulated in the Employment Ordinance (Chapter 57); Personal Data (Privacy) Ordinance (Cap 486); Sex Discrimination Ordinance (Cap. 480); Disability Discrimination Ordinance (Cap 487) and Family Status Discrimination Ordinance (Cap 527).
- For recruitments relating to ECF-funded projects, a standard Staff Recruitment Report should be completed and returned to the Secretariat of the Vetting Subcommittee for record and inspection.

4. Procurement

- In procuring goods and services in relation to the ECF-funded project and implementation of activities under the project, the recipient organization 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 Allocation and Use 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 Allocation and Use 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 contractor's/service provider's 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 organization should:
 - compile lists of suppliers/service providers for approval by the designated authority in the recipient organization 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 recipient organization 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 ECF grant for use of the project), including any movements or transfers of these items among users. The recipient organization 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. The recipient organization should also mark on each item to show that it is an asset of ECF.
- The recipient organization should conduct and record random and regular (e.g. yearly) physical checks on these assets.
- The recipient organization should report on any loss or damages to these assets, or any unserviceable assets, to the management of the recipient organization for necessary action. The recipient organization should also report to the police and the Secretariat for all assets which are lost or stolen.

6. Record Keeping

- The recipient organization should maintain, for a minimum period of 7 years after the completion of the project, full and proper books of accounts and records in respect of the project.
- The recipient organization should allow the Secretariat and its authorized representatives to access to all or any of the books and records for conducting audit, inspection, and verification whenever required.