



## **Guide to Application**



## **Research and Development Projects**

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## 1. INTRODUCTION

The Environment and Conservation Fund (ECF) was set up by the Government of the Hong Kong Special Administrative Region to provide funding support for educational, research and other projects and activities in relation to environmental and conservation matters. The objectives are to promote individual behavioural and lifestyle changes to achieve sustainable development, and develop or introduce innovative technologies and practices to improve the environment and conserve resources. The key funding schemes are Publicity and Education Projects, Practice and Action Projects and Research and Development (R&D) Projects.

To collaborate with the ECF in supporting R&D projects, the Wheelock & Co. set up the Woo Wheelock Green Fund (WWGF) in 1994 and select projects for joint funding support on an equal share basis.

### 1.1 Purpose of this Guide

This Guide provides information on R&D projects, guidance on completing the application form, and basic requirements and responsibilities for recipient organisations of the grant. Upon approval of the funding support by the ECF Committee<sup>1</sup>, the applicant organisation will sign an agreement with the Government undertaking to fulfil the conditions of approval specified in the approval letter as well as the Conditions of Grant in implementing the proposed project. Applicant organisations are advised to make reference to the General Conditions of Grant in **Appendix I** of this Guide when preparing the project proposal and proposed budget required in the application.

### 1.2 Nature of R&D Projects

1.2.1 R&D projects aim to encourage policy and technical studies for technology development and adoption of the project results, as well as knowledge exchanges through conferences, thereby promoting environmental protection and nature conservation. The projects cover three types of projects, namely research projects, technology development and demonstration projects, and conference projects. Each R&D project should normally last for not more than three years unless approved or required by the ECF Committee for specific reasons.

1.2.2 Research projects and technology development and demonstration projects should contribute in a direct and practical way towards environmental improvement and conservation of the local environment and should not be too theoretical in nature. They may include the introduction, development and demonstration of new technologies. The project results, benefits or deliverables must accrue to one or more sectors/industries, and not just to individual companies/organisations. The project results should be publicised, and the benefits or deliverables should be made available to relevant sectors/industries in an open and non-exclusive manner to encourage a wider adoption of the relevant technology in Hong Kong. Merits will be given to projects with outcomes that have the potential for general adoption or further technology development in the local environmental fields in Hong Kong.

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<sup>1</sup> A statutory body comprising mainly non-officials, which was set up in 1994 under the Environment and Conservation Fund Ordinance (Cap. 450) to advise the Government on the use of funds.

- 1.2.3 For each research project or technology development and demonstration project, the amount of funding sought should not normally exceed HK\$2,500,000, regardless of the duration of the proposed project. Exceptional consideration for a project exceeding HK\$2,500,000 may be given only if the Research and Development Projects Vetting Subcommittee (the Vetting Subcommittee), established under the ECF Committee to vet applications, is satisfied that the project is exceptionally meritorious with outcomes highly beneficial for improving the local environment.
- 1.2.4 Conference projects should be green and sustainable in nature, and facilitate exchange of best practices, expertise and experience in environmental protection and conservation, aiming to raise Hong Kong's profile as a leading green city. The ceiling on funding an international conference to be held in Hong Kong is HK\$500,000 or 70% of the total actual expenditure, whichever is the less.
- 1.2.5 Applicants, particularly those involving a large project sum, should engage the relevant stakeholders (e.g. potential sectors/industries or beneficiaries of project outcomes) to solicit their input, participation, or support for the project. For example, if the project involves demonstration of a technology that may be adopted in certain sectors or environmental industries, the applicants are advised to include an expression of interest or support from the relevant sectors/industries to illustrate that the project outcomes have the potential to be adopted. Where possible, the applicant should put in place a mechanism to continuously engage the stakeholders during the project to ensure applicability of the study results.

### **1.3 Priority Topics**

The Vetting Subcommittee recommends a list of priority topics (**Appendix II** of this Guide) on an annual basis so as to give directions to applicants in focusing more on areas relating to prevailing policy priorities and latest technological development trends in putting up their research, technology development and demonstration or conference project proposals in the applications. Applications for projects outside the scope of priority topics are still welcomed and would be considered and approved on individual merits.

### **1.4 Administration**

Administration for R&D Projects is undertaken by the Research and Development Projects Vetting Subcommittee Secretariat (the Secretariat) to the ECF Committee.

### **1.5 Assistance in Application**

For each round of application, the Secretariat will organise briefing session(s) for organisations to understand the application requirements. For any questions regarding the application, organisations may contact the Secretariat (Tel.: 2835 1234).

## 2. SAFEGUARDING NATIONAL SECURITY

2.1 By submitting an application for a ECF project, the applicant organisation shall acknowledge and undertake to comply with the following clauses:

- (a) notwithstanding anything to the contrary in this Guide and/or the agreement signed between the recipient organisation and the Government in respect of any ECF project, the Government reserves the right to disqualify the recipient organisation on the grounds that it has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of offences endangering national security or otherwise the exclusion of the organisation from future applications is necessary in the interest of national security, or is necessary to protect the public interest of Hong Kong, public morals, public order or public safety.
- (b) the Government may immediately terminate any agreement with the recipient organisation upon the occurrence of any of the following events:
  - (i) the recipient organisation has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
  - (ii) the continued engagement of the recipient organisation or the continued implementation of any ECF project is contrary to the interest of national security;  
or
  - (iii) the Government reasonably believes that any of the events mentioned above is about to occur.

2.2 Applicant organisation is required to sign an agreement on safeguarding national security by completing **Annex I** of the application form for each application. An application will be considered **invalid** if the Annex is not duly signed and submitted along with the application.

### 3. GUIDE TO APPLICATION

#### 3.1 Who may apply?

Local *non-profit making organisations* (e.g. schools and tertiary institutions, professional bodies, green groups, community bodies, etc.) are eligible to apply for R&D Projects.

Eligible applicant organisations should provide the following document(s), whichever is applicable, to support their eligibility as a local non-profit making organisation. Please refer to the following guidelines (if applicable) for the relevant supporting document requirements:

##### (a) Local tax-exempt charities

Local tax-exempt charities refer to organisations which are exempted from tax under section 88 of the Inland Revenue Ordinance (Cap. 112). When submitting an application, the applicant organisation must provide:

- (i) a copy of the letter issued by the Inland Revenue Department on tax-exemption under section 88 of the Inland Revenue Ordinance (Cap. 112);
- (ii) a copy of the organisation's registration document;
- (iii) a copy of the organisation's Articles of Association; and
- (iv) a list of the principal persons-in-charge and their positions.

##### (b) Local registered and non-profit-making organisations

When submitting an application, the applicant organisation must provide:

- (i) a copy of the certificate of incorporation issued by the Companies Registry pursuant to the Companies Ordinance (Cap. 622) or the former Companies Ordinance (Cap. 32); or a copy of the certificate of registration pursuant to the Societies Ordinance (Cap. 151);
- (ii) a copy of the organisation's Articles of Association (which must include clauses prohibiting the distribution of the organisation's profits or properties amongst its members upon dissolution; and its objects and powers shall not include the distribution of profits to members); and
- (iii) a list of the directors/office-bearers and their positions.

#### 3.2 How to apply?

3.2.1 The start and closing dates for receiving applications for each round of invitation will be announced on the ECF website (<https://www.ecf.gov.hk>). Applications can be submitted online, in person, by post or by email.

- (a) The person-in-charge of a project proposal should be the **Head or Deputy Head of the applicant organisation**. For proposed projects from universities/the Technological and Higher Education Institute of Hong Kong (THEi), the person-in-charge should be the principal investigator of the project (see section 5.2.1.2 of this Guide for more details).

(b) Applicant organisations may complete and submit an application by filling in the electronic application form at the GovHK website (<https://eform.cefs.gov.hk/form/epd006/>) **before 6:00 pm on the application closing date** as specified in the announcement of invitation. Applicant organisations are advised to download a soft copy of the application for record.

(c) Alternatively, applicant organisations may download or obtain the application form from –

- The ECF website (<https://www.ecf.gov.hk>)
- Research and Development Projects Vetting Subcommittee Secretariat  
Address : 5/F, Southorn Centre, 130 Hennessy Road,  
Wan Chai, Hong Kong  
Tel. : 2835 1234  
Fax. : 2827 8138  
Email : [ecf@eeb.gov.hk](mailto:ecf@eeb.gov.hk)
- By email (Email address: [ecf@eeb.gov.hk](mailto:ecf@eeb.gov.hk))

Duly completed application form together with any supplementary/supporting documents **must be submitted** to the Secretariat **before 6:00 pm on the application closing date** as specified in the announcement of invitation by the following means – In person, by email or by post (Address: 5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong)

For applications submitted by post, the postmark should be dated on or before the application closing date. Otherwise, it will be regarded as late application. In case Tropical Cyclone Warning Signal No. 8 or above is hoisted, or Black Rainstorm Warning Signal / Extreme Weather Condition announced by the Government is/are in force for any duration between 12:00 noon and 6:00 pm on the application closing date, the application closing time will be postponed to 6:00 pm on the next working day.

3.2.2 For electronic applications submitted via the GovHK website as specified in section 3.2.1(b) of this Guide or applications submitted by email as specified in section 3.2.1(c) of this Guide, submission of the hard copy of the duly completed application form is not required.

3.2.3 For paper-based applications, the application form should be typed or printed on both sides of the paper. Both original hard copy and soft copy (“Word” format) of the application form should be submitted.

3.2.4 If necessary, the applicant organisation should provide original copy of the supporting documents for verification upon request by the Secretariat, and provide additional information when necessary.

3.2.5 Late or incomplete applications, and applications not submitted in accordance with the format or requirements prescribed above **will not be processed**.

### 3.3 How long will the approval process normally take?

The application and approval processes will normally be **completed within 6 months** after the application deadline, which consists of the following key steps-

Step 1: Upon successful submission of the application, the applicant organisation will receive an acknowledgment notice. The Secretariat is not obliged to, contact the applicant organisation to obtain further details on missing documents or incomplete information, and any incomplete application forms will not be processed.

Step 2: Before the Vetting Subcommittee considers the applications, the Secretariat will seek views from relevant government departments and/or external assessor(s) on the project proposals as appropriate.

- The principal investigator may be invited to provide responses to any requests for clarifications or supplementary information on the proposed project.
- For applications with a proposed budget of over HK\$500,000, at least one external assessor will be invited to assess the project proposal. A “double-blind” system (i.e. the identities of both the assessor and the applicant will not be disclosed to each other) for external assessment of funding applications is adopted.
- For applications with a proposed budget of over HK\$2,000,000, the identity and experience of the principal investigator and co-investigator(s) responsible for the project will be presented to the external assessor(s) to facilitate the assessment of the capability of the project team while the identity of the external assessor(s) will not be disclosed.

Step 3: The applications will be vetted by the Vetting Subcommittee and be recommended to the ECF Committee. The applicant organisation may be requested to provide further information as appropriate. Conference projects are considered separately from the research projects and technology development and demonstration projects. For applications with a proposed budget of over HK\$2,000,000, the principal investigator may be invited to make a presentation of the project proposal to the Vetting Subcommittee.

Step 4: The ECF Committee will approve / reject applications and decide the amount of grants. The ECF Committee may adjust the budget proposed by the applicant organisation, set ceilings for individual expenditure items and prescribe approval conditions when approving the amount of grants for the project.

Step 5: The Secretariat will notify applicant organisations of the decisions of ECF Committee in respect of project approval and conditions of grant which **shall be final**.

### 3.4 How many applications can an applicant submit each round?

In each round of application, any individual person can submit no more than one application for research project or technology development and demonstration project and one application for conference project in the capacity of the principal investigator of an applicant organisation.



**3.5 Is there a limit to the number of projects I may undertake?**

Under normal circumstances, application(s) submitted by the principal investigator who is already undertaking two approved on-going research projects and/or technology development and demonstration projects and one on-going conference project will not be approved.

**3.6 Can I withdraw my application after submission?**

Yes, the applicant organisation may write to the Secretariat to withdraw an application at any time before an agreement is signed with the Government.

**3.7 Can I re-submit my application for the next round of application?**

Yes, the applicant organisation may revise and improve their project proposal submitted in previous unsuccessful application, and re-submit it subsequently. In the re-submission, the applicant organisation shall set out the differences between the revised project proposal and the previous one for consideration. All applications, including resubmitted applications and new applications, received during any round of applications will be considered on an equal footing.

## 4. GUIDE TO PREPARE PROJECT PROPOSAL

### 4.1 General

The following factors should be considered in preparing a project proposal for the funding application –

4.1.1 The project must contribute to the overall environment of Hong Kong, to raise environmental awareness of the local community, and/or to mobilise the community to take action to improve the environment.

4.1.2 The benefits must accrue to the local community, and not limited to individuals, a single private organisation or a consortium of private companies.

4.1.3 The project must be non-profit making in nature.

4.1.4 The project proposal should demonstrate the following –

- (a) the project is targeted at promoting policy and technical studies, and also exchanges, in the areas of environmental protection and nature conservation;
- (b) the project echoes the Government's policies and programmes in environmental protection;
- (c) the technology and other products to be delivered under the project have the potential to be widely adopted or utilised by the trade or by the relevant government department(s);
- (d) the benefits that the project will bring to Hong Kong's environment, ecology, flora and fauna, etc., or the extent to which it will enhance the environmental awareness of the local community;
- (e) there is a demonstrable need for the project and the programmes of the project proposal process innovative elements;
- (f) for conference projects, that the proposed conference can effectively facilitate exchange of best practices, expertise and experience on environmental and conservation issues and raise Hong Kong's profile as a leading green city;
- (g) the planned deliverables and publicity/technology transfer plan for dissemination and promotion of the project deliverables are implementable with high practical value;
- (h) the projects adopt specific indicators as performance indicators;
- (i) the technical and project management capability of the applicant organisations and/or the principal investigators, including the effectiveness of their past

project(s), timely submission of reports, and their ability to comply with the funding conditions;

- (j) the project duration is reasonable and the schedule of implementation is well-planned and practicable;
- (k) the proposed budget is prudent, realistic and cost-effective, with every expenditure item well justified;
- (l) whether the project has received other sources of funding support;
- (m) whether the project should more appropriately be funded by other sources; and
- (n) whether there is or likely to be duplication of the work already or currently being carried out by other organisations or government departments.

## 4.2 How applications are assessed?

Based upon the criteria stipulated in section 4.1.4 (a) to (n) above, the Secretariat adopts the following marking scheme to evaluate the merits of the applications and sort the applications according to their marks attained for consideration of the Vetting Sub-committee.

Assessment Criteria	Scoring Weight (Percentage of Total)#		
	Applied Amount of Funding		
	<=HK\$500,000	>HK\$500,000 <=HK\$2,000,000	>HK\$2,000,000
Quality of the proposed project	60%	55%	50%
Effectiveness of the proposed project	25%	25%	25%
Capability and track record of the applicant organisation*	15%	20%	25%

# If the proposed project fails to score half or more of the relevant scoring weight in any of the assessment criteria (e.g. a project applying for a funding amount of HK\$2,500,000 fails to get 25% of the total score in "Quality of the proposed project"), then the application will not be considered for funding.

\* Including capability and track record of the organisation itself and/or the principal investigator/project team.

## 5. GUIDE FOR COMPLETING THE APPLICATION FORM

### 5.1 General

- 5.1.1 All sections of the application form should be completed. Where the information sought is not applicable or not available, please fill in “NA”. Additional pages may be attached to the application form if necessary. Incomplete applications or applications not submitted in accordance with the format/requirements as prescribed in section 3.2 will not be processed.
- 5.1.2 Where supporting documents are required in the application form, please ensure that all required information is submitted with the application form in the fullest manner. The Secretariat is not obligated to contact the applicant organisations for missing information or clarification, and would arrange the vetting on the basis of the information submitted by the applicant organisations.
- 5.1.3 Applicant organisations are welcome to contact the Secretariat if they are not clear about any of the information or document required in the application form before submitting the applications.
- 5.1.4 **Applications from universities and THEi must be submitted through the Research Office of the respective institutions, i.e. there should be a covering letter from the Research Office to the Secretariat for paper-based applications, or the electronic application forms must be submitted by the Research Office. There should be the official chop of the relevant academic faculty/department/research office where appropriate.**
- 5.1.5 Applicant organisations should make reference to the General Conditions of Grant in **Appendix I** of this Guide when preparing the project proposal and proposed budget required in the application.

### 5.2 Sections of the Application Form

#### 5.2.1 Section A – Data Sheet

5.2.1.1 This section serves as a summary of an application. Once approval is granted to an application, and the ECF Committee considers it necessary, the information given by the applicant organisation in this section will be put on the ECF website for public access. If the applicant organisation does not want any of the information in this section to be released, please provide justifications to the Secretariat with the application.

5.2.1.2 *Name of Applicant Organisation and Particulars of the Person-in-charge*

**For proposed projects from universities and THEi, the person-in-charge should either be the principal investigator of the project or the head of the relevant academic faculty/department/office.**

**The Research Office should ensure that only academic staff members whose conditions of employment meet all the following requirements would serve as principal investigators of R&D projects –**

- (a) they have a full-time<sup>2</sup> appointment in the institution proper<sup>3</sup>;
- (b) they are in Staff Grades equivalent to Academic Staff Grades “A” to “I” (i.e. from “Professor” to “Assistant Lecturer”) under the University Grants Committee scale;
- (c) they are primarily engaged in and spend at least 80% of their time in degree or higher degree work at the institution proper; and
- (d) their salary is wholly funded<sup>4</sup> by the institution proper.

Visiting staff will only be eligible if they have a full-time appointment in the institution proper covering the duration of the project. Staff supported by external research grants<sup>5</sup> are not eligible.

If the current appointment of a principal investigator cannot cover the whole project period, the project must include at least one eligible co-investigator from the same institution proper who can take over the project upon the retirement or departure of the principal investigator.

The Research Office should, in submitting the applications and accepting the grants, confirm the eligibility of their principal investigators and the need to include co-investigator(s) in relation to the above.

The Research Office should inform the Secretariat as soon as the principal investigator ceases to be a full-time employee with the institution, or ceases to be eligible to serve as principal investigator as detailed above.

#### 5.2.1.3 *Project Title*

State the project title in both English and Chinese, starting with “Environment and Conservation Fund” and “環境及自然保育基金資助” respectively.

**Note:** The ECF Committee reserves the right to request a recipient organisation to change the project title of an ECF-funded project as deemed necessary to avoid duplication and confusion in the source of funding.

#### 5.2.1.4 *Brief Description of the Project*

Give a brief account of the project in not more than 200 words.

<sup>2</sup> Part-time staff and staff holding honorary appointments are excluded.

<sup>3</sup> Excluding schools/arms of continuing education and professional training and other analogous outfits.

<sup>4</sup> Staff who are receiving income from paid appointments outside the institution do not satisfy this requirement.

<sup>5</sup> These grants are normally awarded for a designated purpose.

## 5.2.2 Section B – Project Proposal

### 5.2.2.1 *Type of the Project*

Indicate the type of project (i.e. research project, technology development and demonstration project or conference project).

### 5.2.2.2 *Duration of the Project*

State the commencement and completion dates and the project duration. For conference projects, please also provide the planned dates when the conference would be held.

### 5.2.2.3 *Research Topic*

Indicate the research topic of project.

### 5.2.2.4 *Objectives of the Project*

In clear and specific terms, state the project's direct and practical contributions to environmental improvement and conservation of the local environment.

For technology development and demonstration projects, indicate clearly how the specific environment-related technologies could be promoted or demonstrated to the relevant sector(s) in Hong Kong for adoption.

For conference projects, state clearly the purpose of the conference, including in what ways the knowledge, technology or trade practice, etc. covered in the conference would benefit Hong Kong and how it could help raise Hong Kong's profile as a leading green city.

### 5.2.2.5 *Details of the Project*

State the target group(s)/sector(s), the estimated size of the sector and the study scope. For technology development and demonstration projects, state the target sector(s) in Hong Kong and the estimated size of the sector(s).

For conference projects, specify the theme, detailed activities, proposed/invited speakers and planned number of people involved.

For **studies being carried out in phases**, the results and findings of the earlier phase(s) should be included in the application if the application is seeking funding support for the subsequent phases. **The benefits and contributions of the earlier phase(s) to environmental protection and conservation will be taken into account in considering the current funding application.** The ECF Committee is not obliged to approve funding for any subsequent phases, notwithstanding that the earlier phases were funded by the ECF.

#### 5.2.2.6 *Method of Implementation of the Project*

As a separate attachment to the application form, state clearly the implementation method to be employed and explain how this could achieve the project's objectives.

If questionnaire surveys will be performed to collect information or data, a copy of the questionnaire(s) to be adopted, or a detailed framework of such questionnaire(s), should be provided together with the application.

The applicant organisation should avoid experiments on living animal(s) in the proposed project as far as possible and should consider alternative methods to achieve project objectives. If animal testing forms an essential part of the proposed project, the applicant organisation must provide full justification(s) on the necessity to conduct such experiments. The applicant organisation should ensure that persons performing such experiments have obtained an Animal Experiment Licence if it falls under the control of the Animals (Control of Experiments) Ordinance (Cap. 340) and present the relevant licence, permit or endorsement(s) upon request by the Secretariat. Details on the application for animal experiment licence can be found at the link below –

[https://www.dh.gov.hk/english/useful/useful\\_alo/useful\\_alo.html](https://www.dh.gov.hk/english/useful/useful_alo/useful_alo.html)

The applicant organisation should also follow the “Code of Practice - Care and Use of Animals for Experimental Purposes” which can be found at the link below –

[https://www.afcd.gov.hk/english/aboutus/abt\\_adv/files/Code\\_of\\_Practice\\_Care\\_and\\_Use\\_of\\_Animals\\_for\\_Experimental\\_Purposes\\_English.pdf](https://www.afcd.gov.hk/english/aboutus/abt_adv/files/Code_of_Practice_Care_and_Use_of_Animals_for_Experimental_Purposes_English.pdf)

#### 5.2.2.7 *Details of Implementation Plan and Timetable of Core Tasks*

Give a detailed workplan describing the various activities that will be carried out under the project with a time-table showing the duration and sequence of the various activities in the project.

#### 5.2.2.8 *Details of the Project Team*

Include the curriculum vitae of the principal investigator (limited to two pages) as a separate attachment to the application form.

Give details of co-investigator(s) and other supporting staff as appropriate.

#### 5.2.2.9 *Details of other Co-organising/Sponsoring/Supporting/Assisting Bodies of the Project*

Give details of other co-organising/sponsoring/supporting/assisting bodies.

#### 5.2.2.10 *Demonstrable Needs of the Project*

Explain the need to implement the project.

List out the similar type of project(s) undertaken and/or all related research (both planned and completed) in the past or at present and provide the details.

List out the innovative element(s) of the proposed project and difference(s) compared to similar projects (e.g. research method, methodology, target group, study scope, or deliverables etc.) (*e.g. the proposed project will present a novel contribution to the waste management field through investigating the application and integration of microbial electrochemical cells (MECs) with existing waste treatment processes or resource recovery technologies for municipal solid waste in Hong Kong. No previous research has been conducted in Hong Kong.*)

#### 5.2.2.11 *Expected Benefits of the Project*

State the planned deliverables and performance indicators and a detailed plan for the deliverables' and performance indicators' dissemination and/or knowledge and technology transfer.

- (a) Deliverables and performance indicators of the project – Give targeted quantitative and qualitative outcomes of the project, as well as performance indicators as appropriate (e.g. the effectiveness of the research prototype).
- (b) Dissemination and/or knowledge and technology transfer – For the project deliverables and performance indicators, give a detailed plan on dissemination and/or knowledge and technology transfer, including but not limited to disseminating the results and findings of the project through physical and/or online workshop(s), seminar(s), or website(s), and where appropriate, against performance indicators including, but not limited to –
  - (i) the number of journals, papers, manuscripts to be submitted or presented. Dissemination of the project findings and results through e-newsletters, websites, social media platforms, exhibitions, online seminars/workshops, etc.;
  - (ii) the number of media coverage on the programmes;
  - (iii) the technologies transferred to stakeholders.

#### 5.2.2.12 *Overall Effectiveness of the Project*

State the overall effectiveness of the project.

#### For Research Projects and Technology Development and Demonstration Projects

- (a) State how the deliverables and performance indicators of the project can be applied to environmental improvement and conservation of the local environment (including its direct and indirect contributions/merits) (*e.g. the deliverables of the project*



*can be directly applied to the reduction in exhaust emissions from local restaurants, which can also improve the health of citizens.);*

- (b) State how the project makes contribution(s) to academic advancement in the field of environmental improvement and conservation (*e.g. the project could establish a foundation for the development of know-how for future studies on alternatives to microplastics, thereby driving further technological advancement.*) ; and
- (c) For priority topic relating to “Biodiversity and Conservation”, the applicant organisation shall specify whether the project involves any collection of species occurrence data (location coordinates).

Upon completion of the project, the successful applicant organisation is required to submit the species occurrence data in a standardised data requisition form, together with the completion report and statement of accounts. The Agriculture, Fisheries and Conservation Department will use the submitted data for conservation and educational purposes, such as uploading the full dataset or a subset onto its Biodiversity Geographic Information System in appropriate location resolutions for public viewing. The data requisition form can be downloaded from the ECF website.

#### For Conference projects

- (a) State how the project facilitates the exchange of practices, expertise and experience on environmental protection and nature conservation among relevant practitioners, academia and professionals (*e.g. the conference project will provide both face-to-face and online platform for experts from different countries to provide insights and exchange technologies on waste management in Hong Kong. Panel discussions will also be conducted to understand the waste management strategies of various countries.*).

#### 5.2.2.13 *Plan to sustain impacts upon project completion and Sustainability*

- (a) State the plan to sustain impacts upon project completion including but not limited to –
  - (i) state whether the project findings were adopted / utilised by government departments / relevant sector in Hong Kong. (*e.g. the system demonstration project was adopted by the government department to remove algal biomass from reservoirs in Hong Kong*);
  - (ii) the project findings attracted other source of fundings for further development or developing a new research project (*e.g. a bus company was interested in the waste heat recovery system developed under a research project and would collaborate with the PI to refine the system for trial use in its fleet*);

- (iii) share the database of the project findings with relevant research institutions to sustain its impacts.
- (b) Specify whether there is a possibility that the funded project output may generate significant income after project completion. If so, –
  - confirm the project is not commissioned by a commercial body to conduct the or part of the study for deriving an income and no such agreement has been signed with any commercial body; and
  - confirm and justify how the proposed project could meet the non-profit making nature and satisfy the related requirements as prescribed in this Guide.

The applicant organisation is required to grant unconditionally and irrevocably to the Government and/or Wheelock & Co. the right to publish results and findings, and, if applicable, to ensure widespread adoption of the technologies by relevant sectors. The project results, benefits or deliverables must accrue to one or more sectors/industries, and not just to individual companies/organisations.

#### 5.2.2.14 *Budget of the Project*

The applicant organisation should provide a detailed budget for the project proposal. Each income and expenditure item should be reasonable and realistic, and with detailed breakdowns. All expenditure items incurred before the commencement and/or after the completion dates of the project will not be supported and should not be included.

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

Please study carefully the following funding criteria for various expenditure items when preparing the budget.

#### (a) Staffing

- (i) The applicant organisation is expected to have the necessary human resources and expertise to supervise and undertake the project. Hence, no funding support will be provided for hiring additional supervisory staff, administrative staff, professional advisor(s), or provision of training course(s) for staff working for the project, and the costs brought about by deployment of existing staff of the applicant organisation for duties relating to the project.
- (ii) Funding will **not** be given for remunerating the principal investigator or co-investigators.

- (iii) Funding for newly employed research assistants working specifically for the project may be supported. Justifications for applying for funding for other non-research project staff should be provided and will be considered on a case-by-case basis. Please refer to **Appendix III** of this Guide for the maximum funding scale.
  - (iv) The requirements of statutory minimum wage, Mandatory Provident Fund (MPF), employees' compensation insurance, and other employment legislations must be complied with. Funding for MPF and employee insurance for the project will be supported.
- (b) Equipment and Consumables
- Funding for purchase of equipment and consumables will be considered on a case-by-case basis.
- (c) Others
- (i) Funding support for representative(s) of the project team to attend overseas conference(s) and/or online conference(s) to present the results/findings of the project will be considered. Please refer to **Appendix IV** of this Guide for the funding scale, coverage and reporting requirement.
  - (ii) Funding for publication of results will **not** be supported, unless this forms an essential part of the project. Use of e-channels to release the publication is encouraged to reach out to a wider number of people and to minimise the use of papers through printed materials.
  - (iii) Funding for patent fees will **not** be supported, unless this forms an essential part of the project.
  - (iv) Funding for production of printed promotion materials, for example, posters and printing of existing leaflets or educational materials will **not** be supported.
  - (v) Funding for travelling and accommodation costs for overseas co-investigators coming to Hong Kong will **not** be supported. The applicant organisation or the overseas co-investigators are expected to pay for their own travelling and living expenses.
  - (vi) A recipient organisation must effect and keep in force appropriate insurance policies for the projects throughout the project period(s), including but not limited to employees' compensation insurance, third party insurance, public liability insurance, group personal accident insurance, etc. Under no circumstances shall the ECF (and the Wheelock & Co. *for jointly funded projects*) or the Vetting Subcommittee or Secretariat be held liable for any loss or damage or liabilities arising from the funded project.

- (vii) For applications from non-governmental organisations (including green groups) without receiving any Government subventions, general administrative and overhead cost 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. Breakdowns with justifications should be provided. The applicant organisation should declare in the application form whether it receives any government subventions.
  - (viii) Recurrent expenditure after the completion of the project, including but not limited to website maintenance costs, will not be supported.
- (d) For proposed **conference project** to be held in Hong Kong, please refer to **Appendix V** of this Guide for the acceptable expenditure items. Funding for purchase of equipment will normally not be considered. **The funding cap is HK\$500,000 or 70% of the total actual expenditure, whichever would be the less.** Please refer to **Appendix VI** of this Guide for the calculations of reimbursable expenditure under different scenarios.

5.2.2.15 *Procurement of Capital Items, Goods and Services (if applicable)*

The applicant organisation should state clearly what equipment, machinery and other capital items will need to be procured for use in the project. The procurement of these capital items will be considered case-by-case, and only items absolutely necessary and solely for the delivery of the project will be supported. If these items are approved, the applicant organisation shall follow the procurement process as stated in section 11 of **Appendix I** of this Guide, otherwise, details of the proposed procurement, justification(s) for the special procurement arrangement and its relationship with the designated supplier concerned must be provided.

5.2.2.16 *Estimated Revenue Generated from the Project (included recurrent income)*

The applicant organisation should state how the revenue (including recurrent income) derived from the project will be used to further the objectives of the project. Estimated revenue expected to be gained from the project shall be taken into account when formulating the amount of grant applied for. Details on how the income will be used to offset the cost of the project should be provided. If this is not possible, full explanation should be given.

5.2.2.17 *Track Record*

The applicant organisation should list out the project(s) supported and application(s) not supported by the ECF in the past five years. If the project is a resubmitted application, the applicant organisation should set out clearly the differences between this resubmitted application and the previous one.

#### 5.2.2.18 *Other Relevant Supporting Information*

The applicant organisation should provide other information as considered relevant. For example, the experience of the person-in-charge or assisting organisation(s) in organising similar projects.

#### 5.2.2.19 *Other Sources of Funds (both confirmed and being applied for)*

The applicant organisation should clearly list out the availability of other sources of sponsorship(s), both confirmed and being applied, for the project, and state clearly which parts of the project will be funded by these sources of other sponsorship(s) and how these parts are related to the parts to be funded by the ECF.

Prior approval shall be obtained from the Vetting Subcommittee for any changes to the sponsorship(s) during project implementation, for example when the recipient organisation intends to seek other sponsorship(s) to support other related items of the project not funded by the ECF or to top up items that are partly or jointly funded by the ECF, etc. The Vetting Subcommittee will consider whether the sponsorship(s) will constitute any conflict of interest or cause any potential liabilities or damages to the image of the ECF, etc. before making a decision to approve, reject or approve the proposed changes with conditions e.g. on how the ECF funding support should be adjusted. It will then be up to the recipient organisations to agree with their sponsor(s) on details of the sponsorships in accordance with the decisions of the Vetting Subcommittee.

### 5.2.3 **Section C – Nomination of External Experts as Assessors**

For applications seeking a budget of over HK\$500,000, it is required to nominate **five external experts as assessors** in the project proposal for consideration by the Vetting Subcommittee. The nominated list of external assessors will be helpful in assisting the Secretariat in identifying independent experts to evaluate the project proposals. In nominating external assessors, the principal investigators and co-investigators are required to declare their relationship and any potential conflict of interest with the nominated assessors, for fairness and transparency. Any undeclared relationships that have existed between the principal investigators/co-investigators and the external assessors, and subsequently come to the attention of the Vetting Subcommittee will be treated seriously and will affect the principal investigators' and co-investigators' future chance of getting funding support from ECF.

### 5.2.4 **Supplementary Sheet for First-time Applicant Organisation**

For first-time applicant organisation of R&D Projects, or an organisation applied for funding support from the ECF before but the organisation's information and/or Memorandum of Association and/or Articles of Association has/have been changed, the following information must be provided in the Supplementary Sheet –

- (a) Whether the applicant organisation is exempted from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112);

- (b) Registration status of the applicant organisation;
- (c) Information on the principal persons-in-charge/directors/office bearers of the applicant organisation;
- (d) Whether the applicant organisation has amended any clauses relevant to profits or properties in its Articles of Association in the past one year;
- (e) Whether the applicant organisation receives any Government subventions; and
- (f) Background information about the applicant organisation.

**Note: Documentary proof of the applicant organisation’s non-profit making status is required to be submitted together with the application form.**

#### 5.2.5 Agreement on Safeguarding National Security

Applicant organisation is required to sign an agreement on safeguarding national security by completing **Annex I** of the application form for each application. An application will be considered invalid if the Annex is not duly signed and submitted along with the application.

## **GENERAL CONDITIONS OF GRANT**

### **1. Agreement**

- 1.1 For each approved project, the recipient organisation has to sign an agreement with the Government and comply with all the terms and conditions of the agreement therein.

### **2. Use of grant**

- 2.1 The benefits of the project must accrue to the local community as a whole, and not just an individual, a single private organisation or a consortium of private companies.
- 2.2 The allocated grant shall be used for the approved project only and shall not be used as payments to any individual member of the public as a financial reward for participation in the activities associated with the project.

### **3. Disbursement and reimbursement of funds**

- 3.1 Depending on the content of implementation plan for the approved project, the recipient organisation will receive the first payment with a maximum of 50% of the total grant upon signing of the funding agreement and submission of the completed auditor undertaking form (if applicable). Upon submission of a progress report with information on satisfactory performance and financial position of the project, the recipient organisation may be eligible for a further disbursement if the financial position of the project submitted justifies that not less than 80% of the previous payment(s) has/have been/will soon be spent such that a further disbursement is required for undertaking the project as scheduled. The last 10% of the grant will normally only be released after the completion of the project, submission of a completion report together with a statement of accounts for the project and auditor's report (if applicable) and subject to the endorsement by the Vetting Subcommittee in accordance with the requirements specified in sections 5 and 6 below.

The ECF Committee, the Vetting Subcommittee or the Secretariat will decide the percentage of project disbursements in accordance with the financial position and the quantitative results of the project.

**Note: The final payment will normally be released within three months upon the endorsement of the completion report by the Vetting Subcommittee, in addition to the receipt of all necessary reports and/or documents as appropriate and when required; settlement of all subsequent necessary clarifications as requested by the Vetting Subcommittee and/or the Secretariat; and fulfilment of the auditing requirement, as applicable.**

- 3.2 In the case of unsatisfactory performance or for any reason that the recipient organisation is unable to attain the project targets with no reasonable justification, the Vetting Subcommittee reserves the right to reduce the amount of the funding disbursement based on the performance of the recipient organisation, by taking into account of the percentage of the quantifiable targets achieved and/or other factors which deemed relevant.

- 3.3 Amount to be reimbursed for an individual item of the budget will normally not exceed the approved amount for that item. However, the Secretariat may approve budget increase of an individual budget item for a project by up to 20% provided that the total approved grant for the project will remain unchanged. In addition, flexible use of approved funds among the budget items under the same category as defined by the Vetting Subcommittee will be allowed with justifications provided that the total approved amount for the individual budget items within the same category will not be increased.
- 3.4 The grant may be reduced on a pro-rata basis in the following circumstances –
- (a) the scope and/or activities of the project is/are changed;
  - (b) the actual frequency of activities (e.g. seminars) is fewer than that proposed and the grant is allocated according to the number of activities;
  - (c) the number of publications (e.g. leaflets) is less than that proposed; or
  - (d) the duration of project is reduced.
- 3.5 Any item not included in the approved budget will normally not be reimbursed.
- 3.6 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.
- 3.7 Income derived from the project during and after the project period, including but not limited to sales of output, revenue generated from activities and bank interest generated from the grant for the project, should be ploughed back into the project account for offsetting part or whole of the actual expenditure. Failure to report and return such income to the ECF and/or WWGF may render the recipient organisation ineligible for future funding support from the ECF.
- 3.8 Any unspent balance of the grant shall be returned to the ECF and/or WWGF within two months after completion of the project or on or before the date as specified in a letter issued by the Secretariat requesting for the return of unspent grant.
- 3.9 If there is a possibility that the funded project output may generate significant income after project completion, the recipient organisation should demonstrate to the ECF in the application that –
- (a) the project is not commissioned by a commercial body to conduct the study for deriving an income and it has not signed any deal with any commercial body; and
  - (b) confirm and justify how it could meet the non-profit making nature and satisfy the requirements as prescribed in this Guide, for example, the recipient organisation is required to grant unconditionally and irrevocably to the Government and/or Wheelock & Co. the right to publish results, findings and to ensure widespread adoption of the technologies by relevant sectors. The benefits must accrue to one or more industries, and not just to individual companies, etc.



#### **4. Project account and interest**

- 4.1 All ECF and/or WWGF grant paid to the recipient organisation shall be deposited into and appropriately kept in a risk-free interest-bearing account opened with a licensed bank in the name of the recipient organisation, except when the recipient organisation is one of the 22 degree-awarding higher education institutions<sup>1</sup> in Hong Kong who may keep the funds by their finance offices under a separate ledger. The recipient organisation should write to the Secretariat in case they have difficulties in opening a risk-free interest-bearing account and/or a separate account with a licensed bank for the project.
- 4.2 For a project receiving a grant of HK\$300,000 or above, the grant should be kept in a separate account with a licensed bank for the project. All income and expenditure should be clearly book-kept to facilitate the checking of all financial records by the Government and auditors as and when necessary.
- 4.3 Interest income generated from the ECF and/or WWGF grant, if any, and other monetary receipts for the project have to be reasonably apportioned to the project and no negative interest shall be charged to the project. The interest earned shall be used to off-set the project costs and shall not be used for other purposes outside the project without the prior approval of the Vetting Subcommittee and/or Wheelock & Co..
- 4.4 The recipient organisation may be required to compensate the Government for any loss of interest income if the ECF and/or WWGF grant is not properly handled. Where necessary, the Government and/or Wheelock & Co. may initiate legal action for suitable remedies.

#### **5. Reporting requirement**

##### **5.1 Progress Report**

Recipient organisations shall submit a progress report together with a statement of accounts for the project expenses at least once every six months to the Secretariat. The progress report shall be submitted within one month following the end date of the corresponding reporting period. In addition, the ECF Committee, Vetting Subcommittee or Secretariat may carry out site inspections and/or surprise checks to examine the progress of a project at any time without prior notice to the recipient organisation. Recipient organisations should provide information about the project activities upon request by the Secretariat to facilitate spot checks on the activities.

- (a) For a project receiving a grant below HK\$150,000, submission of original invoices and receipts for the expenses of the project together with the progress report is required.

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<sup>1</sup> The 22 degree-awarding higher education institutions are: Centennial College, City University of Hong Kong, Gratia Christian College, HKCT Institute of Higher Education, Hong Kong Academy for Performing Arts, Hong Kong Baptist University, Hong Kong Chu Hai College, Hong Kong Metropolitan University, Hong Kong Nang Yan College of Higher Education, Hong Kong Shue Yan University, Lingnan University, Saint Francis University, Technological and Higher Education Institute of Hong Kong, The Chinese University of Hong Kong, The Education University of Hong Kong, The Hang Seng University of Hong Kong, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology, The University of Hong Kong, Tung Wah College, UOW College Hong Kong and Yew Chung College of Early Childhood Education.

- (b) For a project receiving a grant of HK\$150,000 or above and below HK\$300,000, submission of invoices and receipts for the expenses of the project together with the progress report may be required depending on the auditing arrangement for the project opted by the recipient organisation as stipulated in paragraph 6.2(b) below.
- (c) For a project receiving a grant of HK\$300,000 or above, submission of invoices and receipts for the expenses of the project together with the progress report is not required.
- (d) To keep track of the project progress for disbursement/ reimbursement, the recipient organisations may be required to report project outputs regularly (for example, attendance of activities, etc.) to the Secretariat via smart electronic means.

## 5.2 Completion Report

The recipient organisation has to submit a completion report together with a statement of accounts to the Secretariat within two months upon completion of the project. The recipient organisation has to assess the effectiveness of the project by comparing the project results/benefits/outcomes/impacts against its original objectives and targets as set out in the project proposal.

- 5.3 All progress reports and completion reports should be signed off by the person-in-charge of the recipient organisation and submitted in the formats as requested.
- 5.4 The principal investigators or the recipient organisations will be required to report the usage or further development of project results for reviewing the applicability and effectiveness of the projects.
- 5.5 Unsatisfactory performance and delay in report(s) submission will affect the recipient organisation's future chance of getting funding support from the ECF. In particular, the past record of a recipient organisation's punctuality in report(s) and/or related document(s) submission will be taken into account when considering new application(s) from the recipient organisation. The new application(s) will in general not be considered by the Vetting sub-committee if the applicant organisation has completed project(s) under the same funding scheme and the required report(s) and document(s) are still overdue.
- 5.6 For research projects and technology development and demonstration projects receiving a grant over HK\$500,000, the Secretariat would invite one independent evaluator upon completion of the project. The independent evaluator will be provided with the completion report, any related paper(s) arising from the project, and the project proposal for evaluation on the overall effectiveness of the project. After that, for projects receiving a grant of more than HK\$1,500,000, the principal investigator will be invited to present the project findings to the Vetting Subcommittee. For projects receiving a grant less than HK\$1,500,000, the principal investigator will be invited to present the project findings upon the Vetting Subcommittee's request. The Vetting Subcommittee will assess the success or effectiveness of the project by comparing the project results against its original objectives, planned deliverables and publicity and/or technology transfer plan as set out in the project proposal.

## **6. Statement of accounts**

- 6.1 For the 22 degree-awarding higher education institutions in Hong Kong, regardless of the amount of the grant involved in a project, a statement of accounts certified by the finance office of the university is acceptable, and there is no need to follow the auditing requirements as stated in section 7 below.
- 6.2 The recipient organisation has to submit a complete statement of accounts together with the progress, completion and/or installation report(s) to the Secretariat within two months upon completion of the project. If an extension of the submission deadline is required, prior approval should be obtained from the Vetting Subcommittee.
- (a) For a project receiving a grant below HK\$150,000, the grant received must be shown in the complete statement of accounts together with the original copies of invoices, receipts, quotations and so on. 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.
- (b) For a project receiving a grant of HK\$150,000 or above and below HK\$300,000, the recipient organisation may opt for showing the grant received in the complete statement of accounts together with the original copies of invoices, receipts, quotations and so on which auditing will not be required, or for the statement of accounts be audited by a Certified Public Accountant (Practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50) in accordance with the auditing requirements as provided in paragraph 7 below. Submission of copies of invoices, receipts, quotations and so on will not be required if the auditing requirements are adequately fulfilled.
- (c) For a project receiving a grant of HK\$300,000 or above, the statement of accounts must be audited by a certified public accountant (practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50) in accordance with the auditing requirements as provided in paragraph 7 of this Guide. Submission of copies of invoices, receipts, quotations and so on will not be required if the auditing requirements are adequately fulfilled. For projects lasting more than 18 months, recipient organisations are required to submit a statement of accounts in accordance with the auditing requirements as provided in paragraph 7 below to the Secretariat once every 12 months and within two months upon completion of the project.
- 6.3 The statement of accounts as required above must be submitted in prescribed format as specified by the Secretariat. The actual expenses and elaborations on individual transactions under each approved budget item should be clearly indicated. It should be noted that recipient organisations should provide all necessary details in the completed statement of accounts, and the Secretariat is not obligated to request for additional information from recipient organisations

## **7. Auditing requirements**

- 7.1 For projects receiving a grant of more than HK\$150,000, depending on the auditing arrangement opted by the recipient organisations, the statement of accounts submitted in accordance with paragraph 4.6 of this Guide to the Secretariat is required to be audited by a certified public accountant (practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50) to provide reasonable assurance that the audited accounts have properly presented the financial position and that the conditions

of the grant are met, with these conclusions explicitly stated in the auditor's report. Recipient organisations should take note of and ensure that the auditors engaged by them to perform the reasonable assurance audit must comply with the requirements provided in the documents titled "Notes for Auditors of Recipient Organisations" and "Sample Auditor's Report" in **Appendices VII and VIII** of this Guide respectively.

- 7.2 Recipient organisations are not required to attach copies of invoices, receipts, quotations and so on to the audited statement of accounts, unless specifically requested by the Secretariat to do so. However, recipient organisations should still keep the original copies of invoices, receipts, quotations and so on for record and checking by the Secretariat if necessary for at least seven years after submission of the completion/auditor's report, or release of the final payment, or in accordance with prevailing statutory requirements, whichever is the longer.
- 7.3 Recipient organisations are required to make available to the auditors all information, documents and explanations relating to their projects funded by the ECF for audit purposes.
- 7.4 Recipient organisations may visit the ECF website for reference to "the List of Audit Service Providers for Environment and Conservation Fund Projects" ("the List") when they seek audit services for their approved projects. "The List" can be viewed at the following link:

[https://www.ecf.gov.hk/doc/List\\_of\\_Audit\\_Service\\_Providers\\_for\\_ECF\\_Projects.pdf](https://www.ecf.gov.hk/doc/List_of_Audit_Service_Providers_for_ECF_Projects.pdf)

"The List" is for reference only and inclusion of audit service providers should not be taken as endorsement or recommendation of such service providers by the Government or the Secretariat for the provision of any kinds of services to the recipient organisations.

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

- 8.1 Unless negotiated otherwise between the Secretariat and/or Wheelock & Co. and the recipient organisation, the recipient organisation will solely own all intellectual property rights arising from the project.
- 8.2 The recipient organisation is required to grant unconditionally and irrevocably to the Government and/or Wheelock & Co. the right to publish or use the results, findings and any other information provided in the application form, progress reports, completion report and other publications or publicity materials of the project.

## **9. Acknowledgement of support and publicity**

- 9.1 For all ECF-funded projects, the words "Environment and Conservation Fund" should be added at the beginning of their project titles.
- 9.2 When using the ECF logo, a complete logo consisting of the words "環境及自然保育基金 Environment and Conservation Fund" (i.e. the Chinese and English full names of the ECF) shall be used. The words 「資助」 or "Funded by" should be clearly marked on the top left position of the logo under general circumstances.
- 9.3 When it is necessary to display the logos and/or names of organisations other than the ECF, the ECF logo (and the WWGF logo *for jointly funded projects*) should be placed

in a prominent position. The logos and/or names of the recipient organisations or organisers and/or co-organising/sponsoring/supporting/ assisting and any other bodies should not be larger in size, or placed in a more prominent position, than those of the ECF (and the WWGF *for jointly funded projects*); the roles of each organisation should be clearly indicated in words as well.

- 9.4 Apart from the logos and/or names of the ECF (and the WWGF *for jointly funded projects*), recipient organisations or organisers, as well as co-organising/sponsoring/supporting/assisting and any other bodies approved by the ECF, display of any additional logos and/or names of other individuals or organisations, if needed, are subject to the prior approval of the ECF Committee.
- 9.5 Apart from the project title, the ECF logo (and the WWGF logo *for jointly funded projects*) should be clearly marked on all publications and publicity materials related to the project and project activities as appropriate. Publications and publicity materials include but not limited to envelopes, letters, invitation cards, labels, notices, leaflets, posters, brochures, programme booklets, academic journals/papers, exhibition panels, banners, easy-mount frames, webpages, short videos, paper advertisements, website/social media posts and/or images.
- 9.6 For all publications and publicity materials for projects and/or project activities which are produced with grants from the ECF, their content and design have to be reviewed by the Secretariat, and the Secretariat has the right to make amendments to them. Subject to the site constraints, the Secretariat may request the recipient organisations to change the presentation, locations and positions for the display of publications and publicity materials for the activities. Recipient organisations are required to submit copies/samples including artwork of all publicity materials proposed to the Secretariat for review before the materials are produced or used for the projects or the projects' activities, and should follow the advice of the Secretariat on revising the format and presentation of such materials whenever required.
- 9.7 When considering the location and arrangement for displaying publicity materials, the recipient organisations should comply with the relevant legislation and regulations, and obtain the endorsement from all relevant authorities, government departments and other parties concerned, including consultation with the parties affected, as appropriate. The funding support from ECF for the projects should in no way be construed as support for the proposed display location and arrangement of such publicity materials.
- 9.8 For project premises with rental subsidies from the ECF, signboards containing the ECF logo and project title and specifying that the projects are "Funded by Environment and Conservation Fund" have to be installed at a conspicuous location of the front entrance of the premises, irrespective of whether the premises will be open to the public/participants for use or carrying out project activities (such as workshops). The signboards should be reasonably conspicuous in size. If the project premises have more than one entrance, the same signboard should be installed at all entrances taking into account the physical environment. Under no circumstances shall the signboards for project premises with rental subsidies be smaller than A3 size. Besides, publications or publicity materials that are unrelated to the ECF-funded projects shall not be openly displayed at the frontage of the project premises with rental fees solely subsidised by the ECF.
- 9.9 For the purpose of identification, recipient organisations should issue suitable work identity cards and/or provide uniforms to staff and/or volunteers carrying out activities

under the projects. If staff members and/or volunteers of the project and/or project activities receive funding support from the ECF to cover expenses for their uniforms, the ECF logo and the project title should be clearly printed on the uniforms for the project and/or project activities. Staff members and/or volunteers of the projects should not wear other uniforms apart from those of the recipient organisations and/or those produced for the project and/or project activities. Where other means of identification is proposed, prior approval should be obtained from the Secretariat.

- 9.10 Recipient organisations should notify the Secretariat of the project results before publicising them. Copies of publications or publicity materials produced under the projects must be submitted along with the progress/completion report(s) to the Secretariat.
- 9.11 Recipient organisations should try to publicise the project results or any events related to the projects through e-newsletters, websites, social media platforms, seminars, workshops, exhibitions, etc. and provide the relevant details in the progress/completion report(s).
- 9.12 Information of the projects (including photographs and project results) may be uploaded to the websites of the ECF or EPD for public access.

## **10. Disclaimer and Terms**

- 10.1 In no circumstances shall the logo, emblem and name of the ECF and/or WWGF be used for commercial publicity or other purposes which may damage the image of and/or cause any liabilities to the ECF and/or WWGF.
- 10.2 A disclaimer reading *“Any opinions, findings, conclusions or recommendations expressed in this material/event do not necessarily reflect the views of the Government of the Hong Kong Special Administrative Region and the Environment and Conservation Fund and the ‘Woo Wheelock Green Fund’ (for jointly funded project).”* should be added to all publications and media briefs relating to all ECF-funded projects.
- 10.3 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 individuals or organisations. 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 associations of any individuals or organisations with the ECF. In addition, activities/events organised and materials produced under the projects should not be implemented or distributed in a way which may adversely affect the image of and/or cause any liabilities to the ECF.
- 10.4 Under no circumstances shall the ECF Committee, its Subcommittees, the relevant secretariats and/or the Government be held liable for any loss or damages or liabilities arising from the funded project.
- 10.5 The ECF Committee, its Subcommittees, the relevant secretariats, and/or the Government shall have no responsibility, financial or otherwise, for expenditure or other liabilities arising from the projects.

## 11. Procurement of capital items, goods and services

- 11.1 Recipient organisations are obligated to adhere to a high standard of integrity and spend the grants in an open, fair and accountable manner. Recipient organisations are advised to observe the best practice checklists issued by the Hong Kong Independent Commission Against Corruption (ICAC) titled, “Strengthening Integrity and Accountability - Government Funding Schemes Grantee’s Guidebook” and the “Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants” which can be downloaded from the ICAC website or the link as below –

[https://cpas.icac.hk/UploadImages/InfoFile/cate\\_43/2017/43903a1c-f8c9-4bac-b4f8-e7ed80b9a004.pdf](https://cpas.icac.hk/UploadImages/InfoFile/cate_43/2017/43903a1c-f8c9-4bac-b4f8-e7ed80b9a004.pdf)  
[https://www.icac.org.hk/icac/pb/download/reference/cpg\\_managing\\_relationship\\_with\\_public\\_servants\\_en.pdf](https://www.icac.org.hk/icac/pb/download/reference/cpg_managing_relationship_with_public_servants_en.pdf)

- 11.2 Recipient organisations should exercise utmost prudence in procuring capital items, goods or services for their projects and must adhere to the following procedures unless the Vetting Subcommittee agrees otherwise –
- (a) For every procurement of an aggregate value of HK\$5,000 or below, quotations from suppliers are not required.
  - (b) For every procurement of an aggregate value of more than HK\$5,000 but less than HK\$10,000, quotations from at least two suppliers should be obtained.
  - (c) For every procurement of an aggregate value of HK\$10,000 or more but less than HK\$500,000, quotations from at least three suppliers should be obtained.
  - (d) For every procurement of an aggregate value of HK\$500,000 or more, open tendering should be conducted.
- 11.3 Recipient organisations should select the supplier that has submitted the lowest conforming bid in a quotation exercise. If the lowest conforming bid is not selected, full justifications and assessment criteria (e.g. use of marking schemes) must be given and prior approval must be obtained from the Vetting Subcommittee.
- 11.4 In case a recipient organisation intends to procure capital items from a specified company/organisation/individual without following the procurement process as stated in paragraph 11.2 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 special procurement arrangement is not proposed in the application form and approved, subsequent prior approval from the Vetting Subcommittee will be required.
- 11.5 For the 22 degree-awarding higher education institutions in Hong Kong, they may adhere to their established/current standard procurement procedures.
- 11.6 All quotations/tendering documents should be kept for inspection by the Secretariat if necessary for at least seven years after submission of the completion/auditor’s report, or release of the final payment, or in accordance with prevailing statutory requirements, whichever is the longer.
- 11.7 Recruitment of staff and procurement of goods/services for all ECF-funded projects 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 advantages when handling the ECF-funded projects.

All records of declaration of interest should be properly documented and submitted to the Secretariat for record. Please refer to **Appendix IX** of this Guide for the probity requirements for recipient organisations.

## **12. Title of capital items, educational materials and computer software**

- 12.1 The title of capital items (including minor works, facilities and equipment), educational materials and computer software procured with an ECF project will remain with the Government (and/or WWGF *for jointly funded projects*) during the project period. Upon satisfactory completion of the project and subject to the approval of the Vetting Subcommittee, the title of the items may be transferred to the recipient organisations on a case-by-case basis.

## **13. Suspension/termination of funding support**

- 13.1 The Vetting Subcommittee may suspend/terminate funding support of a project under the following circumstances, but not limited to –
- (a) the project does not commence within one year of the approval of the grant and no reasonable explanation has been given;
  - (b) the Vetting Subcommittee considers that the project has not progressed satisfactorily and no reasonable explanation has been given;
  - (c) the principal investigator 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 Subcommittee to take over the role of principal investigator;
  - (d) the recipient organisation fails to submit the required report and/or achieve the deliverables and performance indicators by the deadline stipulated;
  - (e) the recipient organisation fails to make proper acknowledgment of the ECF; or
  - (f) the recipient organisation fails to comply with the funding conditions as set out in this Guide and the approval letter and no reasonable explanation has been given.
- 13.2 In each of the above cases of suspension/termination of funding support, the Vetting Subcommittee shall give a one-month notice to the recipient organisation, stating the reason(s) for the suspension/termination. In the case of suspension, the recipient organisation should demonstrate that measures have been taken to improve the unsatisfactory situation and rectify the problems before the Vetting Subcommittee considers lifting the suspension. In the case of termination, the balance of the grant or any funding given in advance shall be returned to the ECF (and the WWGF *for jointly funded projects*). The Vetting Subcommittee will consider possible redeployment of the capital items, educational materials and computer software acquired for the project.
- 13.3 Any suspension or termination of a project will affect the recipient organisation's future chance of getting financial support from the ECF. If the termination is due to failure in submission of the completion report(s) and/or the associated document(s), the recipient organisation/principal investigator will not be allowed to apply for ECF funding for a period of not less than one year, counting from the date of the termination notice, as a penalty and the recipient organisation's management will be informed.



- 13.4 The ECF (and the WWGF *for jointly funded project*) 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.
- 13.5 Any major changes to the project must be approved by the Vetting Subcommittee. Such major changes include –
- (a) revision to the objectives and/or content and/or budget;
  - (b) change of the principal investigator;
  - (c) transfer of the project to another organisation;
  - (d) deferral of project completion date; or
  - (e) change in sponsorship.
- 13.6 The Vetting Subcommittee (and/or the Wheelock & Co. *for jointly funded project*) may suspend/terminate funding support for a project if the project is being carried out under any of the above circumstances without prior approval by the Vetting Subcommittee.
- 13.7 Any minor changes to a project such as change of activity date, venue, and activity mode etc., should be submitted to the Secretariat for approval in advance.

#### **14. Others**

- 14.1 The ECF Committee, its subcommittees, the relevant secretariats and/or the Government and the Wheelock & Co. may at any time, if consider fit, amend or add to the above conditions, without prior notice to the recipient organisations.
- 14.2 If personal information of participants was to be collected for any purposes 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.

### Priority Topics

#### (a) Air Quality

- Development and application of technologies for Greenhouse gas monitoring
- Development and application of Internet of Things (IoT) sensors with prediction models for monitoring indoor air quality (IAQ) and integration with building management systems for improving IAQ
- Fixed sniffing system for monitoring real-time emissions from vessels and thereby analysing the sulphur content of marine fuel used
- Air quality monitoring and emission measurements using remote sensing devices and technology
- VOCs monitoring technology
- Cohort study on the long-term health impact of exposure to air pollution in Hong Kong

#### (b) Biodiversity and Conservation

- Nature-based solutions and their local applicability
- Nature-based management approach of wetland for public appreciation
- Baseline studies on understudied taxa groups of potential conservation concern
- Studies on conserving threatened species
- Studies on invasive alien species
- Impact of climate change on local ecosystems
- Development of smart technologies, tools or systems that facilitate monitoring and / or management of wildlife or habitat, aid enforcement against wildlife crime, or promote sharing of ecological knowledge
- Use of molecular tools (e.g. eDNA) in monitoring of biodiversity
- Assessment and valuation of ecosystem services provided by natural habitats or green and blue spaces in urban settings

#### (c) Climate Change – Mitigation, Adaptation and Resilience

- Technologies and policy instruments for promoting cost effective applications of net-zero electricity generation, renewable energy, energy conservation and green building, green transport and waste reduction and management
- Smart technologies which promote adoption of low-carbon living in Hong Kong
- Use of smart technologies to compile carbon emission data of companies / organisations in certain sectors (e.g. financial services industry or property management sector etc.)
- Innovative education technology (EdTech) to promote public education on climate change and low-carbon lifestyle or to provide capacity building

**(d) Construction and Traffic Noise - Prevention and Mitigation**

- Mobile construction noise barriers
- Quieter construction equipment; quieter methods for general construction, road resurfacing and building demolition works
- Domestic renovation noise reduction (e.g. quieter equipment or method to dismantle tiles)
- Traffic noise mitigation designs and measures for incorporation in residential developments
- Acoustic metamaterials and active noise cancellation devices to enhance the performance of noise mitigation design
- Light-weight and / or ventilated design for noise barriers / enclosures on existing / new road or boundary structures of building developments
- Low noise road surfacing for local roads
- Application of AI technology in sound recognition of domestic noise, domestic renovation noise and construction noise
- Smartphone application with self-calibration capability for reasonably accurate measurement of sound level and its frequency spectrum

**(e) Waste Management, Reduction and Recycling**

- Reduction waste at source
- Animal waste treatment technologies
- Reduction of printed circuit board (PCB) waste
- Optimised design for improved reparability of electrical appliances
- Innovative technology for reuse, recycling, or treatment of large amount of dredged / excavated sediment
- Handling and recycling mixed non-inert construction waste
- Solution to enhance at source separation of construction waste
- Green construction materials
- Handling and recycling mixed plastic waste with low recycling values
- Bulk collection of the plastic beverage containers
- Food waste and yard waste management
- Economic studies on the effectiveness of Product Responsibility Scheme on waste reduction and recycling
- Environmentally-friendly packaging materials
- Circular Economy and Reverse Logistics, application of big data and AI
- Innovative recyclables collection and management system

**(f) Water Quality and Water Pollution**

- Innovative technology for on-site sewage treatment in remote area (e.g. eco-smart toilet in countryside)
- Innovative techniques for use in sewer condition survey and rehabilitation
- Smart technologies for 3D visualisation and asset management of underground sewerage and storm-drain networks

- Innovative technology for Leachate treatment
- Odour mitigation technology for sewerage facilities and sewage-polluted storm drains
- Advanced technology to improve sewage treatment efficiency to reduce energy consumption
- Innovative technologies for preventing microplastics from entering the water environment
- Assessment of ecological and human health risks of microplastics present in the aquatic environment
- Risk assessment of antibiotics, anti-microbial resistance and antibiotic-resistant genes in the environment and sewage
- Smart technologies in the recognition, monitoring, tracking, capturing and / or mapping of floating / marine refuse in watercourses and coastal region
- Real-time water quality measurement and analysis system for nutrient and bacteriological parameters at inland, near-shore and open waters
- Satellite imagery and remote sensing applications for wide-area marine water monitoring and environmental incident remediation
- Big data analysis of water quality, meteorological and other data for deriving deeper understanding of the correlation and dynamics of different parameters
- Innovative technologies for cost-effective removal of phosphorus in wastewater and environmental waters
- Innovative treatment technology for oily wastewater from restaurants in Hong Kong

**Funding Scale for Research Supporting Staff  
(Section 5.2.2.14 (a) (iii))**

<b>Senior Research Assistant</b> (Master's degree holder with working experience or above)	<u>Maximum</u> HK\$34,220 per month (full-time) Or HK\$200 per hour (part-time)
<b>Research Assistant I</b> (First degree graduate with some experience or master's degree holder with no working experience)	<u>Maximum</u> HK\$23,000 per month (full-time) Or HK\$130 per hour (part-time)
<b>Research Assistant II</b> (Recent first degree graduate with little or no working experience)	<u>Maximum</u> HK\$18,000 per month (full-time) Or HK\$105 per hour (part-time)
<b>Student Research Assistant</b> (Undergraduate)	<u>Maximum</u> HK\$63 per hour

Remarks: The funding scale may be adjusted as and when necessary. Please refer to the Internet homepage of the Environment and Conservation Fund (<http://www.ecf.gov.hk>).

**Coverage and Eligibility for Researcher to Attend Overseas Conference  
(Section 5.2.2.14 (c) (i))**

1. **Eligibility** – For each ECF supported research project or technology development and demonstration project, representative(s) from the project team would be funded to attend overseas international conference and/or online conference **for presenting the results of the project** throughout the whole project period irrespective of the duration of the project. If there are more than one representative attending the same conference, each representative should present the results of the project separately.
2. **Coverage** – A ceiling of **HK\$20,000 per project** would cover the airfare (economy class) direct to and from the conference held outside Hong Kong (including airport taxes), conference registration fees, subsistence allowance including accommodation (for a period beginning one day before the start of the conference and ending one day after the end of the conference, up to a maximum number of seven days), and public means of transport during the period.
3. **Principle of no double-benefit** – Academics with conference grants from local universities or research institutes or conferences organisers/sponsors would not be funded by ECF for attending the same conference.
4. **Application procedures** – The proposed attendance to overseas international conferences shall be included in the project proposal in the project application to the Secretariat.
5. **Disbursement of funds** – Funds will be granted only on **reimbursement basis** according to actual payments made. Expense claims, accompanied by original receipts and supporting documents, must be submitted together with the next progress report or completion report as appropriate.
6. **Supporting documents for funds disbursement** – Supporting documents include documentary evidence issued by the conference organiser(s) confirming the acceptance of paper or poster for presentation at the conference; official conference announcement or invitation letter indicating the dates and venue of the conference and the amount of the registration fees.
7. **Reporting** – A brief report on the conference and a copy of the paper or poster (with the title clearly stated) which has been presented at the conference must be submitted to the Secretariat together with the next progress report or completion report as appropriate.
8. **Absence from funded conference trips** – Grant holders who are subsequently unable to attend the conference due to change of personal circumstances (except for medical reasons with medical certificates) or visa delay/denial will not be reimbursed for the pre-paid conference fees or other associated cancellation charges.

**Funding Cap and List of Acceptable Expenditure Items for Conference Projects  
to be Held in Hong Kong  
(Section 5.2.2.14 (d))**

**1. Funding cap –**

The funding cap per conference is **\$500,000 or 70% of the total actual expenditure, whichever is the less**. The Vetting Subcommittee may consider applications above the ceiling that are exceptionally meritorious.

**2. Acceptable expenditure items –**

- (a) **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.
- (b) **Subsidy to invited speakers** – Expenditure on accommodation and airfares (economy class) for invited speakers. In exceptional circumstances where a higher service class of air passage is proposed, full justifications must be given in the application.
- (c) **Registration fees** – Full subsidy may be considered for local post-graduate/student presenters.
- (d) **Production of exhibition panels**
- (e) **Engagement of project coordinators/assistants for the conference**
- (f) **Opening/closing ceremony** – Including the setup and decoration, backdrop, rental payment of venue, PA system, etc.
- (g) **Transportation** – Including hire of coach, hire of van for transportation of materials and hire of launch.
- (h) **Insurance for third party liabilities** – Funding support will be based on the basic requirements.
- (i) **General expenses** – Including engagements of event management consultants, stationery, films and film development, video tapes, website development and maintenance, simultaneous interpretation/translation services, light refreshment for ceremonies and conferences, and so on.

**Calculations of the Reimbursable Expenditure for Conferences Projects  
to be Held in Hong Kong  
(Section 5.2.2.14 (d))**

The recipient organisations should note that for calculating the reimbursable expenditure for International Conferences to be held in Hong Kong –

- (a) the funding cap is \$500,000 or 70% of the **total actual expenditure**<sup>(i)</sup>, whichever would be the less;
- (b) **total income**<sup>(ii)</sup> received must be defrayed against the actual expenditure before calculating the amount to be reimbursed as the final payment; and
- (c) income derived from the project during the project period, such as sales of publications and registration fees, should be ploughed back into the project account.
  - (i) **“Total actual expenditure”** refers to the total actual expenses incurred for organising a conference project. The expenditure on budget items not supported by ECF may be included whereas expenditure on sponsored/donated items in kind (e.g. sponsored accommodation which the recipient organisation does not need to pay) should not be included.
  - (ii) **“Total income”** refers to all the revenue received outside of the ECF grant, including donation/sponsorship in money terms, interest income; and all the income derived from the project, for example, sales of publications and registration fees, etc.

The reimbursable expenditure varies depending on different combinations of total actual expenditure and total income of a conference project, as illustrated in the following five examples (all with approved amount at \$500,000 or 70% of total actual expenditure, whichever would be the less) –

Scenario	Total actual expenditure (\$)	Total income (\$)	Total income deducted from total actual expenditure (\$)	70% of total actual expenditure (\$)	Reimbursable expenditure (\$)	Remarks
1	700,000	150,000	550,000	490,000 (less than 500,000)	490,000 (70% of total actual expenditure)	Total income has all been defrayed against the actual expenditure
2	700,000	300,000	400,000	490,000 (less than 500,000)	400,000 (Total income deducted from total actual expenditure)	Total income should all be defrayed against the actual expenditure
3	1,000,000	200,000	800,000	700,000 (more than 500,000)	500,000 (Approved amount)	Total income has all been defrayed against the actual expenditure



<b>Scenario</b>	<b>Total actual expenditure (\$)</b>	<b>Total income (\$)</b>	<b>Total income deducted from total actual expenditure (\$)</b>	<b>70% of total actual expenditure (\$)</b>	<b>Reimbursable expenditure (\$)</b>	<b>Remarks</b>
4	1,000,000	600,000	400,000	700,000 ( <u>more</u> than 500,000)	400,000 (Total income deducted from total actual expenditure)	Total income should be defrayed against the actual expenditure
5	1,000,000	350,000	650,000	700,000 ( <u>more</u> than 500,000)	500,000 (Approved amount)	Total income has all been defrayed against the actual expenditure

**Environment and Conservation Fund (ECF)  
Notes for Auditors of Recipient Organisations**

1. Pursuant to the project agreement made between the Environment and Conservation Fund (ECF) and the Recipient Organisations (ROs) in respect of each ECF project and the relevant ECF guidelines<sup>1</sup>, ROs are required to submit annual and final “audited accounts”<sup>2</sup> of each ECF project to the Secretariat of the Environment and Conservation Fund (the Secretariat) according to a stipulated timeframe. The requirement to submit “audited accounts” is to assure the ECF that –
  - (a) the project funds were fully and properly applied to the project for which they were paid, received and expensed in accordance with the approved project budget; and
  - (b) the RO complied with the funding terms and conditions in the administration, management and usage of the ECF project.

These notes aim to provide guidance for auditors of ROs in conducting reasonable assurance engagements and in preparing auditor’s reports for each ECF project.

2. In conducting a reasonable assurance engagement, the auditors should perform audit procedures as they consider necessary in the circumstances and obtain all the information and explanations which they consider necessary in order to provide them with sufficient evidence to give their conclusion as to whether the ROs have complied with, in all material respects, the requirements set by the ECF (including the requirements to keep proper books and records and to prepare annual/final audited accounts of the project), and all the terms and conditions of ECF funding, as specified in the following documents –
  - (a) the project agreements made between the ECF and the ROs in respect of the projects and the appendices thereto (which includes the project proposals);
  - (b) relevant ECF guidelines<sup>1</sup> referred to in the project agreements<sup>3</sup>; and
  - (c) all applicable instructions and correspondences issued by the Secretariat to the ROs in respect of the projects.
3. The auditors should comply with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants. The following information is required in an auditor’s report prepared by the auditors to be submitted by the ROs to the Secretariat –

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<sup>1</sup> This means the funding and administrative guidelines of respective programme as referred to in the project agreement.

<sup>2</sup> The annual and final “audited accounts” comprise income and expenditure statement, balance sheet, notes to the accounts and the auditor’s report and mean annual and final accounts of the project which have been reported on by Auditors under a reasonable assurance engagement conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants.

<sup>3</sup> In case there are written agreements to the otherwise, such agreements shall prevail to the extent where the context so permits.

- (a) the auditors should state in their conclusion whether the ROs have complied with, in all material respects, the requirements set by the ECF (including the requirements to keep proper books and records and to prepare annual/final audited accounts of the project), and all the terms and conditions of ECF funding as specified in documents mentioned in paragraph 2 above, and that the audited accounts properly presented the financial position of the project;
  - (b) if the auditors are of the opinion that there exist any material non-compliances as identified in paragraph 3(a) above, they should make full disclosure and quantify the effects of such non-compliance in the auditor's reports; and
  - (c) if the auditors are of the opinion that a proper and separate set of books and records has not been kept by the ROs for the projects, or the project accounts have not been properly prepared, or if the auditors fail to obtain all the information and explanations which are necessary for the purpose of their reasonable assurance engagements, they should make appropriate qualifications in their auditor's reports.
4. The auditors should plan and conduct the reasonable assurance engagement to satisfy paragraphs 2 and 3 above. In case of any ambiguities regarding the terms and conditions contained in the project agreements and rules and regulations governing ECF projects, auditors should seek clarifications from the ROs and the Secretariat. Any auditor's report that contains unreasonable reservation or denial of conclusion, for example, comments about ambiguities of ECF guidelines or requirements, expressed by auditors in the auditor's report, will be returned to the ROs for rectification before re-submission to the Secretariat.
5. When the auditors come across weaknesses/breakdowns in internal control on the part of the ROs which are considered material during the course of their reasonable assurance engagements, they should bring to the ROs' attention the details of such weaknesses/breakdowns and provide the ROs with their recommendations for improvement by setting them out in writing to the ROs, with a copy to the Secretariat for reference and follow-up action as appropriate.
6. Auditors are expected to follow the sample auditor's report attached in the **Appendix VIII** when preparing their auditor's reports.

**SAMPLE AUDITOR'S REPORT ON  
THE ANNUAL/FINAL ACCOUNTS UNDER THE  
ENVIRONMENT AND CONSERVATION FUND**

**UNQUALIFIED CONCLUSION**

**[ABC PROJECT]  
[FOR THE PERIOD FROM DD/MM/YY (Date/Commencement Date) TO DD/MM/YY  
(Date/Completion Date)]**

**Auditor's Report to [XYZ Organisation]**

Pursuant to the project agreement made between the Environment and Conservation Fund (ECF) and [XYZ Organisation] and the relevant ECF guidelines referred to in the project agreement in respect of the [ABC project] funded by the ECF, we have performed a reasonable assurance engagement to report on whether [XYZ Organisation] has complied with, in all material respects, the requirements set by the ECF (including the requirements to keep proper books and records and to prepare proper [annual/final] accounts of [ABC Project] (the project) for the period from [DD/MM/YY to DD/MM/YY] on pages .... to .... (the project accounts) in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), and all the terms and conditions of ECF funding, as specified in the following documents –

- (a) the project agreement made between ECF and [XYZ Organisation] in respect of the Project and the appendices thereto (which includes the project proposal);
- (b) the relevant ECF guidelines referred to in the project agreement; and
- (c) all applicable instructions and correspondences issued by ECF to [XYZ Organisation] in respect of the project.

**Respective responsibilities of XYZ Organisation and auditors**

The ECF requires [XYZ Organisation] to comply with its requirements (including the requirements to keep proper books and records and to prepare proper project accounts), and all the terms and conditions of ECF funding, as specified in the documents mentioned in the above paragraph.

It is our responsibility to form an independent conclusion, based on our reasonable assurance engagement, and to report our conclusion to you.

**Quality Control and Independence**

Our firm applies Hong Kong Standard on Quality Control (HKSQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants

(HKICPA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### **Basis of conclusion**

We conducted our reasonable assurance engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA and the latest Notes for Auditors of ROs issued by the Secretariat of ECF.

Our reasonable assurance engagement includes examination, on a test basis, of evidences relevant to [XYZ Organisation’s] compliance with the requirements set by the EPD/ECF (including the requirements to keep proper books and records and to prepare proper project accounts), and all the terms and conditions of ECF funding, as specified in the documents mentioned in the above first paragraph. It also includes an assessment of the significant estimates and judgements made by XYZ Organisation in the preparation of the project accounts, and of whether the accounting policies have followed the requirements of ECF, and are consistently applied and adequately disclosed.

We planned and performed our reasonable assurance engagement and have obtained all the information and explanations from [XYZ Organisation] which we considered necessary in order to provide us with sufficient evidences to give our conclusion as to whether [XYZ Organisation] has complied with, in all material respects, all applicable HKFRSs issued by the HKICPA and the requirements set by the ECF (including the requirements to keep proper books and records and to prepare proper project accounts), and all the terms and conditions of ECF funding, as specified in the documents mentioned in the above first paragraph. In forming our conclusion, we have also evaluated the overall adequacy of the presentation of information in the project accounts. We believe that our reasonable assurance engagement provides a reasonable basis for our conclusion.

### **Conclusion**

Based on the foregoing, in our opinion, [XYZ Organisation] has complied with, in all material respects, all applicable HKFRSs issued by the HKICPA, the requirements set by the ECF (including the requirements to keep proper books and records and to prepare proper project accounts), and all the terms and conditions of ECF funding, as specified in the documents mentioned in the above first paragraph, and that the audited accounts properly presented the financial position of the project.

### **Use of this report**

This report is intended for filing by [XYZ Organisation] with the ECF, and is not intended to be, and should not be, used by anyone except the above two parties for any other purposes.

{Signed.....}

ABC & Co.

**Certified Public Accountants (Practising) [or Certified Public Accountants] Hong Kong**

**Date**

**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 expectations 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 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 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 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 organisation in a timely fashion of all the circumstances; 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 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 Subcommittees, or the Secretariat to the ECF Committee or its Vetting Subcommittees) under the funding agreement.

**3. Staff Recruitment**

- The recipient organisation or the person-in-charge 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 person-in-charge 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, for example, 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 person-in-charge 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 person-in-charge should conduct and record random and regular (e.g. yearly) physical checks on these assets.
- The person-in-charge 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 keep the original copies of invoices, receipts, quotations and so on in respect of the project for record and checking by the Secretariat and its authorised representatives for at least seven years after submission of the completion/auditor's report or release of the final payment or in accordance with prevailing statutory requirements whichever the longer.