

Applications Assessment Mechanism of the Research Projects Vetting Subcommittee

Purpose

At the meeting of the Environment and Conservation Fund (ECF) Research Projects Vetting Subcommittee (RPVSC) held on 27 September 2013, Members discussed the future applications assessment mechanism, implementation as well as budgetary management arrangements for the Environmental Research, Technology Demonstration and Conference Projects (RTDC) funding scheme based on the broad principles and framework agreed by the ECF Committee (RPVSC Paper 16/2013-14). This paper reports to Members subsequent developments and seeks Members' views on certain revised assessment and implementation arrangements proposed.

Background

2. With the adoption of a new budgetary management approach for the ECF after the capital injection of \$5,000 million in June 2013, the ECF Committee met on 4 September 2013 to consider the budgetary allocations in 2013-14. With the capital injection providing a seed money to generate annual investment returns for funding support made under the ECF, the ECF Committee also considered that there was a need to revise the current mode of handling funding applications. After discussion, the ECF Committee agreed that in future, **invitations for applications** for each funding scheme should be called at scheduled intervals, so that the received applications could be considered on a **competition basis** on account of the **merits** of individual applications. The frequency of invitations would be determined based on the nature of projects of each funding scheme, but there should be **no less than one round of invitation each year**. Based on the above principles, the ECF Committee had agreed to revise the applications assessment framework including broad principles and key issues for each funding scheme. The major changes for the **applications assessment mechanism for the RTDC funding scheme** as endorsed by the ECF Committee are set out at **Appendix 1**. For 2013-14, the ECF Committee allocated a budget of \$14 million for use by RTDC projects under RPVSC's purview.

3. The ECF Committee was aware that a good number of funding applications received by the Secretariat under the various funding schemes had yet

to be considered by the respective Vetting Subcommittees. Since funds were available after the injection, the ECF Committee agreed that the respective Vetting Subcommittees should immediately consider these applications in hand according to the existing assessment arrangements. For management purposes, the ECF Committee had adopted the date of **4 September 2013** as a **cut-off date** for applications received under the existing mechanism. Applications received after the cut-off date should be considered together with applications received under the invitations to be scheduled under individual funding schemes.

4. After discussion, the ECF Committee decided to task the various Vetting Subcommittees (including RPVSC) to further consider the **detailed assessment and implementation arrangements** for the assessment mechanism for funding schemes within their purview, based on the broad principles mentioned in paragraphs 2 and 3 above and the endorsed assessment framework (i.e. Appendix 1 for RTDC projects), and to finalize the implementation details for their funding schemes. The Vetting Subcommittees were also tasked to manage the deployment of the budget allocated for funding schemes within their purview.

5. To follow up with the ECF Committee's decision, RPVSC met on 27 September 2013 to work out details of the revised assessment mechanism for RTDC projects, and agreed to adopt the following arrangements:

(a) Programme approach

The existing arrangements for identifying and promulgating priority research themes would continue to be adopted. To allow greater flexibility for RTDC projects to meet the prevailing needs of the community, in future if RPVSC considers that there is a need to review and revise the list of priority themes before its expiry, or to revise the validity duration of the list, RPVSC could discuss and reach a decision, after consulting ENB and EPD.

(b) Project duration

The project duration for each project should normally be not more than three years, unless with very strong justifications.

(c) Funding cap for individual applications

A funding cap of \$2.5 million for each research and/or technology demonstration project, regardless of the project duration, should be

introduced. Exceptional consideration for a budget exceeding \$2.5 million may be given, if only RPSVSC and the ECF Committee are satisfied that the proposed project is exceptionally meritorious with outcomes highly beneficial for improvement of the local environment. For conference projects, the existing funding cap, i.e. \$500,000, or 70% of the total actual expenditure, whichever is the less, should continue to apply.

(d) Assessment of applications

The existing three-level vetting arrangements for applications according to the requested budget, including the double-blind and single-blind system for independent review of applications exceeding \$500,000 and \$2 million respectively, would continue to be adopted. To ensure that only the most meritorious projects would be granted funding support, in assessing individual applications in future, RPSVSC should critically review the merits of each project proposal having regard to the enhanced list of assessment criteria, and to consider supporting only applications which were considered agreeable in all aspects.

To facilitate RPSVSC in considering proposed projects on a competition basis on account of their merits, relevant departments and external assessors should be invited to provide, on top of the existing preliminary review arrangements, an overall rating for each application, which would be used for reference by RPSVSC. A budget for deployment at each meeting should be determined, and RPSVSC should screen out those projects not worth supporting. In case the budget allocated for a particular meeting was insufficient to fully meet the funding requirements of supported projects assessed at the meeting, RPSVSC could then consider further screening out the relatively less meritorious projects or marginal cases. In addition, partial funding support could also be considered having regard to the merits of individual applications.

(e) Open invitations

For 2013-14, Members agreed that the processing and assessment of the 44 applications already received by 4 September should be completed within the financial year. The budget of \$14 million allocated by the ECF Committee for RTDC projects in 2013-14 should be reserved solely for use of these applications. From 2014-15 onwards, an open

invitation for applications for the RTDC funding scheme should be issued once every year, say, around February / March, after the budget allocation for RTDC projects in the coming year was decided by the ECF Committee. The cut-off / closing date for the invitation should fall on 31 October of the year. Taking into consideration the timeframe required for completing the assessment of applications in hand, the first invitation for RTDC projects should be issued around February / March 2014.

The budget allocated for RTDC projects would also be announced together with the invitation. Applications would continue to be accepted after 31 October; however, these would only be considered together with applications received in response to the invitation issued in the subsequent year. The budget for RTDC projects allocated by the ECF Committee early each year would be reserved for use of projects received under the invitation issued around February / March that year (including those applications received after the cut-off / closing date of the previous round of invitation, i.e. 31 October in the previous year). Any unused allocation for the year should be returned to the ECF for re-allocation.

Meetings of RPVSC would be convened every three to four months to consider applications for which preliminary review by relevant departments and external assessors (as appropriate) is completed. Processing of all applications (including assessment by RPVSC) received by the cut-off / closing date of 31 October in a year should be completed within that financial year (i.e. by 31 March in the subsequent year).

- (f) The existing arrangements for evaluation of project results and effectiveness through review of the planned and achieved deliverables as well as publicity or technology transfer plans should continue to be adopted.

Relevant extracts of the minutes of the RPVSC meeting held on 27 September 2013 are at **Appendix 2** for ease of reference.

Subsequent Developments

6. Subsequent to RPVSC's discussion on the revised assessment

framework, the ECF Secretariat has passed the revised assessment mechanism of the various ECF funding schemes as a whole (including the RTDC funding scheme) to the Independent Commission Against Corruption (ICAC) for review from the corruption-prevention angle. For the RTDC funding scheme in particular, the ICAC opined, inter alia, that a marking scheme could be adopted to enhance objectivity and consistency in the assessment process, whereas assessment guidelines could be drawn up as far as practicable to assist all parties in assessing the applications. In addition, noting that successful applications might be fully or partially funded, the ICAC opined that detailed arrangements such as the criteria for grant of full or partial funding, calculation of funding amount, etc. should be drawn up and disclosed to applicants as far as practicable. A number of other comments were also made by the ICAC on the logistics for handling of applications by the Secretariat, with a view to preventing possible manipulation of the handling process. Taking into account the ICAC's suggestions, the ECF Secretariat would like to propose revising the assessment mechanism as set out at **Appendix 3** for Members' consideration. The major changes are summarized below:

(a) Closing / cut-off date for submission of applications and consideration by RPVSC

In order that all applications received in response to an invitation could be processed and assessed at the same time, instead of the original closing date of 31 October, it is now suggested that 3 months should be given for applicants to submit their applications. Hence, under the present proposal, applications would be invited around March every year after the budget for the year is decided on by the ECF Committee, with the closing date falling in June in the year. In addition, instead of convening RPVSC meetings every three to four months to consider applications for which preliminary review by relevant departments and external assessors (as appropriate) is completed, it is now suggested that RPVSC should meet around November each year to assess all applications in one go.

(b) Marking scheme and assessment guidelines

With regard to the ICAC's suggestion for use of a marking scheme and provision of assessment guidelines, we propose that RPVSC may consider assessing and rating each application based on four assessment criteria, viz., "Merits and contributions to environmental protection and conservation"; "Project feasibility", "Deliverables and

outcomes", and "Suitability for ECF support", with the use of the assessment guidelines set out in the Assessment Form for RPVSC at **Annex C to Appendix 3**. We propose that only applications given a rating of "Pass" or "Suitable" in all four assessment aspects would be eligible for consideration of funding support by RPVSC or for recommendation to the ECF Committee (for applications seeking funding of over \$2 million) for consideration. In the event the budget for year is insufficient to support all eligible projects, funding will only be granted for those projects which could score better ratings.

(c) Interviewing of project team representatives

At present, when an application is considered by RPVSC, the project team will be invited to stand by and given the opportunity to answer Members' questions where necessary. However, this is not a compulsory requirement and the project team may decide not to stand by for the meeting. Taking into account the ICAC's concern over fairness and equal treatment for all applicants, we propose that the standby arrangements shall henceforth cease. As regards the existing requirement for project teams of applications seeking funding of over \$2 million to provide a presentation on the proposal for Members' consideration, in view of the substantial amount involved, we suggest that this requirement shall continue to be adopted.

Advice Sought

7. Members' views are now sought on the proposed changes to the assessment mechanism set out in **paragraph 6 (a) to (c)** above and the revised assessment arrangements proposed at **Appendix 3**. Subject to Members' views, the Secretariat would follow up to amend the Guide to Application and application form for RTDC projects, and to make arrangements for issuing the first invitation for application around March 2014.

**Secretariat, ECF Research Projects Vetting Subcommittee
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