



ENVIRONMENT AND CONSERVATION FUND

環境及自然保育基金



Guide to Application



Resource Smart

(Latest version in June 2017)

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1. INTRODUCTION

Under *Hong Kong: Blueprint for Sustainable Use of Resources 2013-2022* (“*The Blueprint*”) published in May 2013, the Government has pledged to roll out targeted territory-wide waste reduction campaigns as part of the programme to reduce the per capita disposal rate of municipal solid waste (“MSW”) by 40% by 2022, with 2011 as the reference year. As at 2015, the per capita MSW disposal rate stood at 1.39 kilogram per day, slightly increased from 1.27 kilogram per day in 2011. While it is envisaged that the disposal figure can be brought down as the impact of the various initiatives for waste reduction and recycling kicks in, the current landfill burden suggests that there is room for more extensive community participation.

The Environment and Conservation Fund (ECF) has been providing funding to support a wide range of programmes in support of the Government’s waste reduction and recycling efforts. For better utilisation of the funding support, it will be useful to find ways to facilitate the development of new programmes in areas where previous funding support has been limited.

On this basis, the ECF Committee¹ has earmarked \$10 million in 2017-18 to support a new programme of “Resource Smart” projects. The purpose of this programme is to deepen the public’s understanding about “sustainable use of resource” and accordingly mobilise actions that may ultimately achieve the objective of reducing waste. It will provide funding for innovative projects that help boost community participation in waste reduction and recycling thus promoting a “save money and reduce trash” perspective among different stakeholders that is required for the successful implementation of the upcoming MSW charging system.

At present, the Government is developing Community Green Stations (CGS) to enhance environmental education and help collect different types of recyclables in the local community. By end 2017, five CGSs would have been commissioned in Shatin, Eastern District, Kwun Tong, Yuen Long and Sham Shui Po. It is considered possible to enhance the reach of the existing CGS public place collection services by proactive collection. On the other hand, for districts without CGS at the moment, there are merits to hire a collection fleet to enhance the logistics support to the upcycling, reuse or recycling in the area. For details of the CGSs, please refer to the EPD website:
https://www.wastereduction.gov.hk/en/community/cgs_intro.htm.

1.1 Purpose of this Guide

This Guide provides guidance on application for funding under “*Resource Smart*” (*the Projects*) and describes the basic requirements and responsibilities of recipient organisations. Upon approval of the fund by the ECF Committee, the applicant will sign an agreement with the Government undertaking to observe the conditions of using the allocated grant and the approved budget.

¹ A statutory body, which comprises mainly non-officials, was set up in 1994 under the Environment and Conservation Fund Ordinance to advise the Secretary for the Environment on the use of funds. Under the Ordinance, the Secretary for the Environment is the trustee responsible for the administration of the Fund.

1.2 Nature of Projects

The aim of the *Projects* is to boost the recovery rate of recyclables by maximising the reach of the public place collection services organised by the existing CGSs; and to diversify the types of recyclables by including materials currently not regularly collected by the existing CGSs. Divided into two funding categories namely “Proactive Collection” and “Collection Vehicles”, the *Projects* can provide funding support for hiring personnel and vehicles necessary for mobilising different sectors of the community to participate in recycling.

1.3 Administration

Administration of grants for the *Projects* is undertaken by the Waste Reduction Projects Vetting Sub-committee Secretariat (the Secretariat) under the ECF Committee.

2. BASIC INFORMATION

2.1 Who may apply?

Local non-profit making organisations (e.g. community bodies, green groups, etc.) are eligible to apply. Please note that joint-application by two or more organisations will not be accepted for the *Projects*.

2.2 What is the funding limit?

The fund may be granted for full or partial support of a *Project*. Funding applications for the *Projects* are subject to certain budget caps, that is \$1,000,000 for “Proactive Collection” and \$2,000,000 for “Collection Vehicles”. Please see paragraph 2.5 below.

2.3 What is the duration of each project?

The duration of the *Project* shall be at least **6 months** but not exceed **12 months**.

2.4 How to apply?

Applicants have to fill out an application form for the *Projects*, which can be obtained from -

- Waste Reduction Projects Vetting Sub-committee Secretariat
5/F Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong
- The ECF website – <http://www.ecf.gov.hk>

The person-in-charge of the *Project* should be the **Head or Deputy Head of the applicant organisation**. Completed application form **shall be personally signed by the person-in-charge and affixed with an original seal of the applicant organisation** and returned to the Secretariat (5/F Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong) **before 6:00 pm on the invitation closing date** as specified in each round of the invitation exercise. If the application is submitted by mail, the postmark should be dated on or before the invitation closing date. In case the Black Rainstorm Warning Signal or Tropical Cyclone Warning Signal No. 8 or above is in force for any duration between 12:00 noon and 6:00 pm on the invitation closing date, the invitation closing time will be extended to 6:00 pm on the next working day.

Late or incomplete applications or applications not submitted in accordance with the format prescribed above, including an application submitted by facsimile or e-mail or without submission of the original hard copy of the application form, or an application form not personally signed by the person-in-charge of the *Project* or affixed with an original seal of the applicant organisation, **will not be processed**.

2.5 What are the vetting procedures?

A Waste Reduction Projects Vetting Sub-committee (the Vetting Sub-committee) has been established under the ECF Committee to consider the applicant’s *Project*.

The following steps will be taken after an application is received:-

- Step 1: Upon receipt of an application, the Secretariat will send an acknowledgement letter to the applicant. Where necessary, the applicant will be required to provide clarification or supplementary information. However, it should be noted that applicants should provide the best and fullest information in their applications, and the Vetting Sub-committee is not obliged to request for additional information from applicants.
- Step 2: The application will be considered at the Vetting Sub-committee meeting.
- Step 3: Funding applications for the *Projects* are subject to certain budget caps, that is **\$1,000,000 for “Proactive Collection” and \$2,000,000 for “Collection Vehicles”**. For funding applications within the applicable budget cap, the Vetting Sub-committee will approve or reject the application. The Vetting Sub-committee will also consider the budget, and where necessary, amend the budget details and set ceilings for individual expenditure items. The Secretariat will inform the applicant of the Vetting Sub-committee’s decision. The Secretariat will also upload information of the approved *Projects* on the ECF website.

For funding applications exceeding the applicable budget cap, the Vetting Sub-committee will **reject** the application.

Note for Applicants: Decisions of the Vetting Sub-committee in respect of project approvals and conditions of grants will be final.

2.6 What are the vetting criteria?

The following broad criteria are used in assessing the merits of individual applications –

- 2.6.1** The *Project* must contribute to waste reduction by raising the recovery rate of recyclables.
- 2.6.2** The benefits must accrue to the community of the target sector, and not to individuals, a single private organisation or a consortium of private companies.
- 2.6.3** The *Project* must be non-profit making in nature.
- 2.6.4** In vetting a project proposal, due consideration will be given to –
- (a) the expected benefits that it will bring to the efforts in achieving waste reduction in the target sector, and the extent to which it will achieve the goals mentioned in paragraph 2.6.1 above;
 - (b) whether the proposed budget is prudent, realistic and cost-effective (*in terms of the applicant’s expense per tonne of recyclables collected under the Project*), and with full justification for every expenditure item;
 - (c) whether the *Project* echoes the Government's initiatives in waste reduction and recovery;

- (d) whether the project schedule of implementation is well-planned and practicable, and the duration is reasonable;
- (e) the technical and project management capability and commitment of the applicant, as well as the past performance of the applicant, including the effectiveness of past projects, and the applicant's ability to comply with the funding conditions;
- (f) whether the positive impacts, e.g. behavioural change on recovering recyclables, brought about by the **Project** in the participating units can be sustained in the long run;
- (g) whether the **Project** has alternative sources of funding support;
- (h) whether the **Project** should more appropriately be funded by other sources; and
- (i) whether there is or likely to be a duplication of the work already or currently carried out by other organisations or government departments.

2.6.5 Corresponding to the competition-based vetting mechanism and in addition to the broad assessment criteria mentioned in 2.6.4 (a) to (i) above for vetting and evaluation of the merits of individual applications, a merit-based ranking system is implemented to assess and select the most meritorious applications for funding support. Under the merit-based ranking system, applications will be assessed against the following aspects-

- (a) Overall impact of the proposed **Project** on community (40%)

Expected benefits to be brought by the **Project** in promoting waste reduction and recovery in local communities and sustainability of the **Project**

- (b) Details of the proposed **Project** (50%)

- (i) **Project** Quality

- (ii) Overall budget

- (iii) **Project** schedule

- (c) Capability of the applicant (10%)

Technical and project management capability of the applicant

2.7 Avoidance of Conflict of Interests

To avoid any conflict of interest, members of the Vetting Sub-committee and the ECF Committee who are directly or indirectly related to an application will be required to declare interest and refrain from taking part in the discussion of that application by leaving the venue where the deliberation takes place. This will apply to members who are part of the project team and/or members who belong to the same organisation.

2.8 Invitation for Funding Applications

Invitation for applications of *Projects* would be arranged periodically and details will be announced through the ECF website - <http://www.ecf.gov.hk>.

2.9 Can I withdraw my application?

The applicant can write to the Secretariat to withdraw an application at any time before an agreement is signed with the Government.

2.10 Can I resubmit my application?

For unsuccessful applications, the applicants may revise and modify their applications for re-submission in subsequent invitation exercise (if any). These applications, together with other new applications, will be considered on equal footing at the next round of invitation. If there are comments made by the Vetting Sub-committee in its earlier review, the re-submission shall have revision or produce new evidence to address such comments. In completing the application form for a resubmitted application, the applicant should set out clearly the differences of the resubmitted application vis-à-vis the previous one.

3. APPLICATION FORM

3.1 General

- 3.1.1** All sections of the application form should be completed with supporting documents wherever required. Where the information sought is not applicable or not available, please fill in “NA”.
- 3.1.2** The application form should be typed or printed on both sides of the paper and shall be duly signed by the person-in-charge of the *Project* (i.e. the Head or Deputy Head of the applicant organisation) and affixed with a seal of the applicant organisation. The completed application form should be submitted in both hard and soft copies (in word format).
- 3.1.3** Applicants should read this Guide carefully, and provide all details of the *Project* in a clear and concise manner.
- 3.1.4** Applicants are required to provide additional or supplementary information in relation to their applications upon request. It should be noted that applicants should provide the best and fullest information in their applications, and the Vetting Sub-committee is not obliged to request for additional information from applicants.
- 3.1.5** An acknowledgment letter will be sent to the applicant after receipt of an application by the Secretariat.

3.2 Sections of Application Form

3.2.1 Data Sheet (Section A of Application Form)

This section serves as a summary of an application. Once approval is granted to an application, the information given by the applicant in this section will be put on the ECF website for public access. If the applicant does not wish certain information to be released, please forward its request and justifications upon submission of the application to the Secretariat.

3.2.1.1 Project Title

State the project title in both English and Chinese, starting with “ECF” and 「環保基金」 respectively.

Note for Applicants: The applicant must ensure that the project title is not the same/similar to project held by other organisations; the Vetting Sub-committee reserves the right to request the applicant/recipient organisation to change the project title as deemed necessary to avoid confusion on the source of funding.

3.2.1.2 Project Period

The duration of the *Project* shall be at least **6 months** but not exceed **12 months**. The exact commencement date of any approved *Project* shall be agreed with the EPD. The amount of grant requested shall be the same as the budget of the *Project* under Section B item 3 of the application form.

3.2.2 Content of Project Proposal (Section B of Application Form)

To apply for funding under “Resource Smart – Proactive Collection”, applicants should fill in the corresponding application form with the aid of paragraphs 3.2.2.1 to 3.2.2.5 below.

To apply for funding under “Resource Smart – Collection Vehicles”, applicants should fill in the corresponding application form with the aid of paragraphs 3.2.2.6 to 3.2.2.10 below.

3.2.2.1 Project details for “Proactive Collection”

(a) Collection Points to be served

State the target location of the public place collection points that would be served by the proactive collection under the **Project**.

Priority will be given to **Projects** which collaborate with CGS. If the applicants propose a public place collection point other than those set up by the CGS operator, the proposed location should have a minimum of 3 m² space within a purpose-built building in any district² managed by the applicant (or a non-profit partner organisation nominated by the applicant), AND agreed by the EPD.

(b) Target Sectors

Indicate the proposed target sectors (i.e. waste producers in the proximity of the public place collection points) that are intended to be served under the **Project**:

- Street-level shops
- Food and beverage establishments or restaurants
- Single-block buildings
- Rural and other low-density residential buildings
- Commercial and industrial buildings
- Institutional and community services units

Note for Applicants: The proposed collection service should avoid competing with the existing waste recovery services (private or public) in the same district.

(c) Recyclables and Targets

Recyclables currently collected by CGSs include paper, metals, plastic bottles, electrical appliances, computers, glass beverage bottles, fluorescent lamps and tubes, rechargeable batteries. Applicants are encouraged to explore other recyclables that can be collected, but only those **with credible**

² However, in case the point is outside a CGS-served district, the applicant must ensure that logistics support can be arranged through CGS or other means. No additional resource will be provided under “Proactive Collection”.

outlet for upcycling, reuse or recycling (see item (d) below) would be accepted and the collection of such recyclables shall be subject to the agreement by the EPD.

State the collection targets per month for each type of recyclables. The target shall be quantitative (i.e. kg per month).

The recipient organisation has to take daily record of proactive collection carried out and report the recyclables data to the EPD on a monthly basis (Please refer to paragraph 4.5 for the reporting requirements).

Note for Applicants: The capacity of CGSs is limited and collaborative effort of the applicant with the CGSs is required to maximise the efficiency of the available resources.

(d) *Additional Outlets*

The applicant is encouraged to make use of the EPD's CGS in the relevant District as the outlet. The applicant should consult the CGS operators in drawing up the actual operation plan before delivering any materials to CGSs. To allow more flexibility, the recyclables are also allowed to be channeled to other ECF-funded projects or government contractors.

Note for Applicants: Without any credible outlet, the recyclables shall *not* be collected. The recyclables should *not* be disposed of as waste, including but not limited to, at landfills or other waste treatment facilities.

(e) *Frequency, Duration and Manpower*

State the proposed frequency (session/mth), duration (hr/session) and manpower (helper/session) of proactive collection.

$$\text{Man-hour per month} = \text{frequency} \times \text{duration} \times \text{manpower}$$

Note for Applicants: The stated arrangement should match with the quantitative assessment of the budget of the *Project* under Section B item 3 of the application form. Also, further details of the applicant's plan have to be provided as specified under 3.2.2.2 below.

3.2.2.2 Strategy of proposed proactive collection

(a) *Explain in detail how the proposed proactive collection service can effectively strengthen the recycling service of public collection points.*

Review the current recycling arrangements of public place collection points and describe in detail the potential service gaps. Give details on the plan of proactive collection which should be complementary to the existing recycling service, and the plan to collaborate with the existing CGSs (if any) to enhance the recyclables collection service.

Provide the details of assisting/supporting/sponsoring bodies, if any, for the

Project, including but not limited to the name, contact details, role, duties and relevant written consent of that organisation.

- (b) *Explain how the proposed cost effectiveness/collection targets above can be achieved.*

Describe in detail the plan to enroll the participation of different waste producers in the proximity of the collection points in order to achieve the proposed cost effectiveness/collection targets.

The proposed collection service should avoid competing with the existing waste recovery services (private or public) in the same district.

3.2.2.3 **Budget of Project**

Funding applications for **Projects** under “Resource Smart – Proactive Collection” are subject to a budget cap of not more than **\$1,000,000 per Project**. For funding applications exceeding the applicable budget cap, the Vetting Sub-committee will **reject** the application.

The applicant should provide a detailed budget list for the **Project**. Each income and expenditure item should be reasonable, realistic and sufficiently broken down. Income derived from sale of recyclables in the **Project**, if any, is required to be ploughed back into the project account. All expenditure items must be incurred between the commencement and completion dates of the **Project**, with supporting receipts in original. All applications are considered on their individual merits.

For the proposed budget of the **Project**, the applicant shall follow the format as prescribed in the Application Form. Please also study carefully the following funding criteria when preparing the budget. For existing levels of funding support for expenses, please refer to **Appendix A**.

Any item not on the approved list of budget items will not be reimbursed. Prior approval must be obtained from the Secretariat should there be any changes in the approved items. The total amount to be reimbursed for the **Project** will not exceed the approved budget.

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

- (a) *Staff cost*

- (i) The applicant is expected to have the ability to supervise and the expertise to undertake the **Project**. Hence funding support will **not** be provided for additional supervisory/administrative staff, hiring of professional advisor or trainers, provision of training course for staff of the recipient organisation for undertaking the **Project**, the costs brought about by the deployment of the existing staff of the recipient organisation for duties relating to the **Project** such as supervision,

administration, promotion, training, editorial and advisory work for the *Project* and so on.

- (ii) Funding for hiring a part-time project coordinator may be supported if the proposed collection service has attained a scale of **an average of at least 250 man-hours of labour per month** (or a full-time project coordinator if the proposed scale of operation attained an average of at least 500 man-hours of labour per month). The calculation method of the proposed budget for staff cost should be provided.
- (iii) The statutory minimum wage, MPF and insurance requirements, as well as other employment legislations must be complied with.

(b) *Labour cost*

- (i) The fund for engaging direct labour as helpers and workers for proactive collection of recyclables are supported. The actual amount to be granted will depend on the modus operandi of the *Project*. The calculation method of the proposed budget for labour cost should be provided.
- (ii) The statutory minimum wage, MPF and insurance requirements, as well as other employment legislations must be complied with.

(c) *Audit fee*

- (i) The requirements as detailed in paragraph 4.6 – “Statement of Accounts” must be complied with.
- (ii) Funding for the auditor’s reports or any documentation to fulfill the requirements of paragraph 4.6 will be supported. Quotations must be obtained.

(d) *Insurance fee*

- (i) Insurance expense for third party liabilities and employees’ compensation insurance based on the legal basic requirements will be supported. Quotations must be obtained.

(e) *General expense*

- (i) Applicants are expected to have complied with regulations of Hong Kong and apply to all authorities concerned for licences to conduct the *Project*. Funding for such licences fee is *not* supported.
- (ii) Transportation cost for staff or materials is *not* supported. The recovered materials can be brought back to the CGS public place collection points from which delivery will be arranged by the CGS operators.

- (iii) General administrative and overhead expenses, including but not limited to stationery, tools, personal protective equipment, miscellaneous materials, computers, software, etc., are **not** supported
 - (iv) Funding for payments to individuals as a reward for their participation in the **Project** is **not** supported.
 - (v) Funding for unspecified miscellaneous and contingency items is **not** supported.
- (f) *Total estimated expenditure*
- (i) The estimated expenditure of all items (in HK\$) for the whole project duration shall be summed up. The same shall be carried over to Section A of the application form.
 - (ii) The above total expenditure together with the total recycling targets for the whole project duration, as derived from Section B of the application form, will be used to assess the cost effectiveness (in terms of HK\$/tonne) of the **Project**, which is one of the vetting criteria of the proposal. Without prejudice to the Vetting Sub-committee's decision to adopt a more stringent benchmark, the cost effectiveness shall be within HK\$5,000 per tonne.

Note for Applicants: The availability of alternative funds (both confirmed and being applied for) will be taken into account when an application is considered. In case the applicant has sought/obtained private sponsorship to cover the budget items not to be funded by the ECF, the applicant should include details of the sponsorship in the Application Form (Section A Item 3 under Declaration and Section B Item 6) for Vetting Sub-committee's consideration. In case there are any changes to the sponsorship after the project approval, for example when the recipient organisation has sought/obtained private sponsorship to support items not funded by the ECF or to top up items that are partly funded by the ECF, the changes have to be submitted as soon as practicable to the Vetting Sub-committee for consideration. The Vetting Sub-committee would consider whether the sponsorship would constitute any conflict of interest, cause any potential liability or damage to the image of the ECF and so on. It would be up to the organisations to agree with their sponsor(s) on how to use the sponsorship and how to handle the unspent balance of the sponsorship.

3.2.2.4 Project experience

State the following –

- (a) experience of the applicant and the project team in implementing similar projects; and
- (b) record of previous applications which are either supported or rejected by the ECF.

3.2.2.5 *Other relevant information in support of application*

Please provide other information as considered relevant.

3.2.2.6 *Project details for “Collection Vehicles”*

(a) *Regions to be served*

Select the target regions among the nine available options that would be served by the collection vehicles under the **Project**.

Note for Applicants: There are limits on the number of vehicles to be engaged in the following main districts:

- Hong Kong Island - up to 3 vehicles for Central & Western, Southern and Wan Chai
- Kowloon East - up to 2 vehicles for Kowloon City and Wong Tai Sin
- Kowloon West and New Territories West - up to 2 vehicles for Yau Tsim Mong and Tsuen Wan
- New Territories East - up to 2 vehicles for North and Sai Kung

(b) *Recyclables and Targets*

Recyclables currently collected by CGSs include paper, metals, plastic bottles, electrical appliances, computers, glass beverage bottles, fluorescent lamps and tubes, rechargeable batteries. Applicants are encouraged to explore other recyclables that can be collected, but only those **with credible outlet** for upcycling, reuse or recycling (see item (c) below) would be accepted by the EPD. For instance, (i) materials that can be upcycled by local workshops to become products instead of being recycled as raw materials, (ii) materials that can be reused by proper planning and (iii) materials that can only be recycled at local community level but not yet at industrial scale. Hereinafter we refer these materials with upcycling, reuse or recycling (“URR”) potentials to “local community resources”.

State the collection targets per month for each type of recyclables. The target shall be quantitative (i.e. kg per month).

The recipient organisation has to take daily record of collection vehicles service carried out and report the recyclables data to the EPD on a monthly basis (Please refer to paragraph 4.5 for the reporting requirements).

(c) *CGSs as Outlets and Additional Outlets*

The applicant is encouraged to make use of the EPD’s CGS in the relevant District as the outlet. Priority will be given to **Projects** which collaborate with CGS. The applicant should consult the CGS operators in drawing up the actual operation plan before delivering any materials to CGSs. To allow more flexibility, the recyclables are also allowed to be channeled to other ECF-funded projects or government contractors.

Note for Applicants: Without any credible outlet, the recyclables shall **not**

be collected. The recyclables should **not** be disposed of as waste, including but not limited to, at landfills or other waste treatment facilities.

(d) *Frequency, Duration and No. of Vehicles*

State the number of collection vehicles that will provide services and the proposed frequency (day/mth) and duration (hr/day) of the vehicle service. Each vehicle shall include at least a 5.5-tonne lorry with a driver and a worker.

Service-hour per month = Frequency × Duration × No. of Vehicles

Note for Applicants: The stated arrangement should match with the quantitative assessment of the budget of the **Project** under Section B item 3 of the application form. Also, further details of the applicant's plan have to be provided as specified under 3.2.2.7 below.

3.2.2.7 Strategy of proposed collection vehicles

(a) *Explain in detail how the proposed collection vehicles can effectively strengthen the support to other recycling projects.*

Review the URR potentials of local community resources in the region concerned and describe in detail the potential service gaps. Give details on the plan of collection which should be complementary to the existing recycling service, and the plan to collaborate with the existing CGSs to enhance the recyclables collection service.

Provide the details of assisting/supporting/sponsoring bodies, if any, for the **Project**, including but not limited to the name, contact details, role, duties and relevant written consent of that organisation.

(b) *Explain how the proposed cost effectiveness/collection targets above can be achieved.*

Describe in detail the plan to enroll the participation of different waste producers in the target region and use the spare collection capacity gainfully in order to achieve the proposed cost effectiveness/collection targets.

The proposed collection service should avoid competing with the existing waste recovery services (private or public) in the same district.

3.2.2.8 Budget of Project

Funding applications for **Projects** under “Resource Smart – Collection Vehicles” are subject to a budget cap of not more than **\$2,000,000 per Project**. For funding applications exceeding the applicable budget cap, the Vetting Sub-committee will **reject** the application.

The applicant should provide a detailed budget list for the **Project**. Each income and expenditure item should be reasonable, realistic and sufficiently broken down.

Income derived from sale of recyclables in the **Project**, if any, is required to be ploughed back into the project account. All expenditure items must be incurred between the commencement and completion dates of the **Project**, with supporting receipts in original. All applications are considered on their individual merits.

For the proposed budget of the **Project**, the applicant shall follow the format as prescribed in the Application Form. Please also study carefully the following funding criteria when preparing the budget. For existing levels of funding support for expenses, please refer to **Appendix A**.

Any item not on the approved list of budget items will not be reimbursed. Prior approval must be obtained from the Secretariat shall there be any changes in the approved items. The total amount to be reimbursed for the **Project** will not exceed the approved budget.

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

(a) *Staff cost*

- (i) The applicant is expected to have the ability to supervise and the expertise to undertake the **Project**. Hence funding support will **not** be provided for additional supervisory/administrative staff, hiring of professional advisor or trainers/provision of training course for staff of the recipient organisation for undertaking the **Project**, the costs brought about by the deployment of the existing staff of the recipient organisation for duties relating to the **Project** such as supervision, administration, promotion, training, editorial and advisory work for the **Project** and so on.
- (ii) Funding for hiring a full-time project coordinator may be supported if the proposed service to be provided by the collection vehicle has attained **an average of at least 120 service-hours per month**. The calculation method of the proposed budget for staff cost should be provided. No part-time project coordinator will be supported.
- (iii) The statutory minimum wage, MPF and insurance requirements, as well as other employment legislations must be complied with.

(b) *Transportation cost*

- (i) The fund for engaging a 5.5-tonne or above lorry with a driver and a worker for the collection vehicle service in each target region will be supported. The actual amount to be granted will depend on the modus operandi of the **Project**. The calculation method of the proposed budget for transportation cost should be provided.
- (ii) The statutory minimum wage, MPF and insurance requirements, as well as other employment legislations must be complied with.

(c) *Audit fee*

- (i) The requirements as detailed in paragraph 4.6 – “Statement of Accounts” must be complied with.
- (ii) Funding for the auditor’s reports or any documentation to fulfill the requirements of paragraph 4.6 will be supported. Quotations must be obtained.

(d) *Insurance fee*

- (i) Insurance expense for third party liabilities and employees’ compensation insurance based on the legal basic requirements will be supported. Quotations must be obtained.

(e) *General expense*

- (i) Applicants are expected to have complied with regulations of Hong Kong and apply to all authorities concerned for licences to conduct the **Project**. Funding for such licences fee is **not** supported.
- (ii) General administrative and overhead expenses, including but not limited to stationery, tools, personal protective equipment, miscellaneous materials, computers, software, etc., are **not** supported
- (iii) Funding for payments to individuals as a reward for their participation in the **Project** is **not** supported.
- (iv) Funding for unspecified miscellaneous and contingency items is **not** supported.

(f) *Total estimated expenditure*

- (i) The estimated expenditure of all items (in HK\$) for the whole project duration shall be summed up. The same shall be carried over to Section A of the application form.
- (ii) The above total expenditure together with the total recycling targets for the whole project duration, as derived from Section B of the application form, will be used to calculate the cost effectiveness (in terms of HK\$/tonne) of the **Project**, which is one of the vetting criteria of the proposal. Without prejudice to the Vetting Sub-committee’s decision to adopt a more stringent benchmark, the cost effectiveness shall be within HK\$5,000 per tonne.

Note for Applicants: The availability of alternative funds (both confirmed and being applied for) will be taken into account when an application is considered. In case the applicant has sought/obtained private sponsorship to cover the budget items not to be funded by the ECF, the applicant should include details of the sponsorship in the Application Form (Section

A Item 3 under Declaration and Section B Item 6) for Vetting Sub-committee's consideration. In case there are any changes to the sponsorship after the project approval, for example when the recipient organisation has sought/obtained private sponsorship to support items not funded by the ECF or to top up items that are partly funded by the ECF, the changes have to be submitted as soon as practicable to the Vetting Sub-committee for consideration. The Vetting Sub-committee would consider whether the sponsorship would constitute any conflict of interest, cause any potential liability or damage to the image of the ECF and so on. It would be up to the organisations to agree with their sponsor(s) on how to use the sponsorship and how to handle the unspent balance of the sponsorship.

3.2.2.9 Project experience

State the following –

- (a) experience of the applicant and the project team in implementing similar projects; and
- (b) record of previous applications which are either supported or rejected by the ECF.

3.2.2.10 Other relevant information in support of application

Please provide other information as considered relevant.

4. CONDITIONS FOR THE USE AND ALLOCATION OF FUND

4.1 Contractual Requirements

For each approved *Project*, the applicant has to sign an agreement with the Government and comply with all the terms of the agreement.

4.2 Use of Funds

4.2.1 The allocated funds shall not be used as payments to individual members of the public as a financial reward for their participation in the activities associated with the *Project*.

4.2.2 The benefits must accrue to the participating target sectors as a whole, and not just an individual, a single private organisation or a consortium of private companies.

4.3 Disbursement and Reimbursement of Funds

4.3.1 Depending on the cash flow requirement and nature of the *Project*, the recipient organisation will receive up to 50% of the grant upon approval of the application. Upon the submission of a half-yearly progress report as detailed under paragraph 4.5, the recipient organisation may apply for a disbursement of expenses if it proves that their recycling target has been met quantitatively and the previous payment has been mostly spent or that further disbursement is required for undertaking the project as scheduled. The last 10% of the grant will normally only be released after completion of the *Project* and subject to submission of a completion report together with a statement of accounts for the *Project* endorsed by the Vetting Subcommittee in accordance with the requirements specified in paragraphs 4.5 and 4.6 below. The Secretariat will agree with the recipient organisation a schedule of payment.

4.3.2 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.

4.3.3 Amount to be reimbursed for individual items of the budget will not exceed the approved amount for that item. However, the Secretariat may approve the budget increase of an individual item by up to 20% provided that the total amount to be paid will not exceed the total approved grant.

4.3.4 The grant could be reduced on a pro-rata basis in the following circumstances -

4.3.4.1 the scope and/or activities of the *Project* are changed;

4.3.4.2 the actual frequency of activities (e.g. collection of recyclables) is fewer than that proposed;

4.3.4.3 the number of participants is fewer than that proposed and the grant allocated is according to the number of participants;

4.3.4.4 the number of publications (e.g. leaflets) is fewer than that proposed; or

4.3.4.5 the duration of *Project* is reduced.

4.3.5 Any item not on the approved list of budget items will not be reimbursed.

4.3.6 Income derived from the *Project* during the project period, including revenue generated from activities and interest income generated from cash in hand for the *Project*, should be ploughed back into the project account, for offsetting part or whole of the funded amount. Failure to report and return such income to the ECF will render the recipient organisation ineligible for future funding support.

4.3.7 Any unspent balance of the grant shall be returned to the ECF within two months after the completion of the *Project*.

4.4 Project Interest

4.4.1 The ECF fund shall be paid into a risk-free interest-bearing account opened with a licensed bank.

4.4.2 Interest income generated from the ECF fund and other receipts for a *Project* have to be reasonably apportioned to the *Project* and no negative interest should be charged to the *Project*. The use of interest is subject to the approval of the Secretariat and in no circumstances should the interest earned be applied for other uses outside the *Project*.

4.4.3 The recipient organisation may be required to compensate the Government for any loss of interest income if the ECF fund is not properly handled. Where necessary, the Government will initiate legal action for suitable remedies.

4.5 Reporting Requirements

4.5.1 Ongoing projects are monitored and completed projects are reviewed by the Secretariat. The recipient organisation has to submit once every six months a half-yearly progress report of its *Project* (within one month following the end date of the corresponding reporting period) attached with information on financial position of their *Projects* together with original receipts for the expenses to the Secretariat. Moreover, the recipient organisation has to submit a monthly performance report (within two weeks following the end date of the corresponding reporting period) detailing the daily record of work done, attendance of staff/workers/volunteers and quantitative achievement in recycling with respect to the approved plan and target for EPD's vetting through the Secretariat. The template of the progress and performance reports provided shall be adopted. All quantitative data of recyclables shall be measured by method agreed and observable by staff of the EPD. Except for the first disbursement, all disbursements will be subject to satisfactory performance and progress of the *Project*. The Vetting Sub-committee or the Secretariat may carry out site inspections and surprise checks to examine the progress of a *Project* at any time.

4.5.2 Within two months of completion of the *Project* or before the date as specified in the agreement, the recipient organisation has to submit a completion report with the attachment of a statement of accounts to the Secretariat (for *Projects* over \$300,000, the statement of accounts in association with the receipts concerned should

be audited by certified public accountants (practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50)). The Vetting Sub-committee will assess the success or effectiveness of the *Project* by comparing the project results against its original objectives and targets as set out in the proposal.

- 4.5.3 All progress and completion reports should be signed off by the person-in-charge of the recipient organisation and submitted in the format as requested.
- 4.5.4 If an extension of the submission deadline for the progress/completion reports is required, prior approval should be obtained from the Secretariat.
- 4.5.5 Unsatisfactory performance will affect the recipient organisation's future chance of getting funding support, and the recipient organisation's management will be informed.

4.6 Statement of Accounts

- 4.6.1 Within two months of completion of the *Project* or before the date as specified in the agreement, the recipient organisation has to submit a complete statement of accounts, attached to the completion report, to the Secretariat. If an extension of the submission deadline is required, prior approval should be obtained from the Secretariat.
- 4.6.2 For *Projects* receiving a grant of \$300,000 or below, the grant received must be shown in a complete statement of accounts, together with the original copies of invoices and receipts. 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.
- 4.6.3 For *Projects* receiving a grant more than \$300,000, the following should be noted -
 - (a) The fund should be kept in a separate account opened with a licensed bank and all income and expenditure on the *Project* should be clearly marked to facilitate the checking of all financial records by the Government and auditors as and when necessary.
 - (b) The statement of accounts attached to the completion report must be audited by certified public accountants (practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50), providing assurance that the audited accounts properly presented the financial position and that the conditions of the grant are met.
- 4.6.4 A statement of accounts must be submitted in a prescribed format as specified by the Secretariat, together with the original copy of invoices and receipts. Essentially the actual expenses, reference numbers of individual receipts and elaborations on individual transactions under each approved budget item should be clearly indicated.
- 4.6.5 For universities, the funds should be kept by the finance offices and there is no need to open a separate account with a licensed bank. Regardless of the amount of the grant involved in a *Project*, a statement of accounts certified by the finance office of

the university will be acceptable.

4.7 Intellectual Property Rights Arising from Projects and Use of Project Results

- 4.7.1** Unless negotiated otherwise between the Secretariat and the recipient organisation, the recipient organisation will solely own all intellectual property rights arising from the *Project*.
- 4.7.2** The recipient organisation is required to grant unconditionally and irrevocably to the Government the right to publish results, findings and any other information provided in the application form, progress reports, completion report and other publications, guides or publicity materials.

4.8 Publicity of Project Events and Results

- 4.8.1** Recipient organisations should try to publicise the project results or any events related to the *Projects* through publications, seminars, workshops, conferences and exhibitions and so on, and provide details in progress/completion reports. They should also provide information about the events such that the Secretariat might conduct spot checks on the proposed activities.
- 4.8.2** Recipient organisations should notify the Secretariat of the project results before publicising them. Copies of publications or publicity materials produced under the *Project* must be made available to the Secretariat within one month after the completion of the *Project*.
- 4.8.3** *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 association of any individuals or organisations with the ECF. In addition, activities and events organised and materials produced under the *Projects* should not be implemented or distributed in a way which may adversely affect the ECF's image, or cause any liability to the ECF.
- 4.8.4** Project findings may be uploaded to the websites of the EPD for public access.
- 4.8.5** For the purpose of identification, the recipient organisation may consider issuing suitable work identity cards for staff and/or volunteers carrying out activities under the approved *Project*. Staff and/or volunteers should not wear other uniforms apart from those of the recipient organisation. Where other means of identification is proposed, prior approval should be obtained from the Secretariat.
- 4.8.6** The recipient organisation is obliged to submit a copy/sample/artwork of all publicity materials proposed, produced or used for the *Project* or its activities for review by the Secretariat as and when required, and should follow the advice of the Secretariat on the format and presentation of such materials whenever required.
- 4.8.7** When considering the location and arrangement for displaying publicity materials, the

recipient organisation should comply with the relevant legislation and regulations, and obtain the endorsement of all relevant authorities, Government departments and other relevant parties, including consultation of the parties affected as appropriate. The ECF funding support for the **Project** should in no way be construed as support for the proposed location and arrangement for the display of such publicity materials.

- 4.8.8** Apart from the names and logos of the ECF, recipient organisation and supporting organisations as approved by the ECF, prior approval should be obtained from the Secretariat for any additional names, logos and photos of other individuals, single private organisation or a consortium of private companies to be published in any publicity materials and promotional items relating to the **Project**.

4.9 Acknowledgement of Support and Disclaimer

- 4.9.1** To acknowledge the source of funding, “ECF” should be added at the beginning of the project title while both the name and logo of the ECF should be used in all publicity materials resulting from the **Project**. Failure in making proper acknowledgment may result in suspension or termination of funding support and affect future applications.
- 4.9.2** The logo of the ECF may be used in the following categories of publicity materials with a view to promulgating the contribution of the fund. Examples of publicity materials include publicity leaflets/posters/banners; reports and publications of project outcome; and advertisements on newspaper and electronic media.
- 4.9.3** For publicity materials produced under the ECF-funded projects or activities, the size of the name and/or logo of the organisers/assisting/supporting/sponsoring bodies should not be larger, or placed in a more prominent position, than those of the ECF. For example:

Order from top to bottom, from left to right:

ECF	Organisers
Assisting / supporting / sponsoring bodies	

- 4.9.4** The use of the name and logo of the ECF for other purposes is subject to the prior approval of the Secretariat.
- 4.9.5** In no circumstances shall the name and logo of the ECF be used for publicity for commercial interest or other purposes which may damage the ECF’s image and/or cause any liability to the ECF. A disclaimer should be added to all publications and media briefs relating to the ECF-funded projects: *"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."*

4.10 Procurement of Capital Items, Goods and Services

Important Notice: The recipient organisation is obliged to adhere to a high standard of integrity and spend the fund in an open, fair and accountable manner. Recipient organisation is advised to observe the Best Practice Checklist issued by the Corruption Prevention

Department of the Hong Kong Independent Commission Against Corruption (ICAC) namely “Strengthening Integrity and Accountability – Government Funding Schemes Grantee’s Guidebook” as well as the “Integrity and Corruption Prevention Guide on Managing Relationship with Public Servants” which can be downloaded from the following hyperlinks of the ICAC website –

http://www.icac.org.hk/filemanager/en/content_218/GranteeBPC.pdf

http://www.icac.org.hk/filemanager/en/Content_216/ps.pdf

4.10.1 The recipient organisation should exercise utmost prudence in procuring approved capital items (including minor works and equipment), goods or services for the ***Project*** and must adhere to the following procedures unless the Vetting Sub-committee agrees otherwise –

- (a) For every procurement the aggregate value of which is HK\$5,000 or below, quotations from suppliers are not required for most items unless specified in ***Appendix A***.
- (b) For every procurement the aggregate value of which is more than HK\$5,000 but less than HK\$10,000, quotations from at least two suppliers should be obtained.
- (c) For every procurement the aggregate value of which is HK\$10,000 or more, but less than HK\$500,000, quotations from at least three suppliers should be obtained.
- (d) For every procurement the aggregate value of which is HK\$500,000 or more, open tendering should be used.

4.10.2 The recipient organisation should select the supplier that has submitted the lowest conforming bid. If the lowest conforming bid is not selected, full justifications must be given and prior agreement must be obtained from the Vetting Sub-committee.

4.10.3 In case an recipient organisation intends to procure the items from a specified company/organisation/individual without following the open procurement process as stated in paragraph 4.9.1 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 application including the proposed special procurement arrangement is approved, subsequent approval from the Vetting Sub-committee will not be required.

4.10.4 In the case of universities, they may adhere to their established/current standard procurement procedures.

4.10.5 All quotations and tendering documents should be kept for inspection by the Secretariat. The recipient organisation should also observe the Code of Practice on Procurement of Supplies, Goods & Services issued under the Building Management Ordinance (Cap. 344) for the guidance of owners’ corporations if applicable.

4.10.6 Recruitment of staff and procurement of goods/services 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 advantage when handling the ECF-funded projects. All records of declaration of interest should be properly documented and submitted to the Secretariat for inspection. Please refer to **Appendix B** for the probity requirements for recipient organisations of grants from the ECF.

4.11 Title to Capital Items and Materials

The title to capital items (including minor works and equipment but excluding consumables such as recycling bins) and materials procured with the fund will remain with the Government during the project period. Upon satisfactory completion of the ***Project*** and subject to the approval of the Vetting Sub-committee, the title to these items may be changed to the recipient organisation on a case-by-case basis.

4.12 Suspension/Termination of Funding Support

4.12.1 The Vetting Sub-committee may suspend/terminate funding support of a ***Project*** under the following circumstances -

- (a) the ***Project*** does not commence within 6 months of the approval of the grant and no reasonable explanation has been given;
- (b) the Vetting Sub-committee considers that the ***Project*** has not progressed satisfactorily and no reasonable explanation has been given;
- (c) the Person-in-charge or key member of the project team (e.g. project coordinator) 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 Sub-committee to take over the role of that person; or
- (d) the recipient organisation fails to comply with the funding conditions as set out in this Guide and/or the approval letter and no reasonable explanation has been given.

4.12.2 In each of the above cases of suspension/termination of funding support, the Vetting Sub-committee shall give one-month notice to the recipient organisation, stating the reasons for the suspension/termination. In the case of suspension, the recipient organisation should demonstrate that measures have been taken to rectify the problems and improve the unsatisfactory situation before the Vetting Sub-committee lifts the suspension. In the case of termination, the balance of the grant or any funding given in advance shall be returned to the ECF. The Vetting Sub-committee will consider possible redeployment of the capital items and materials acquired for the ***Project***.

4.12.3 Any suspension or termination of a ***Project*** will affect the recipient organisation's future chance of getting financial support from the ECF, and the recipient organisation's management will be informed.

4.12.4 The ECF 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.

4.12.5 Any major changes to the *Project* must be approved by the Vetting Sub-committee. Such major changes include -

- (a) revision to the objectives and/or content and/or budget;
- (b) change of the project leader;
- (c) transfer of *Project* to another organisation;
- (d) deferral of the submission date of the progress/completion reports/statement of accounts; or
- (e) change in sponsorship.

4.12.6 The Vetting Sub-committee may suspend/terminate funding support for the *Project* if the *Project* is being carried out under any of the above circumstances without prior approval.

4.12.7 Any proposed minor changes to a *Project* should be submitted to the Secretariat for approval in advance.

4.13 Others

4.13.1 The ECF Committee, ECC, their sub-committees and secretariats, and Government shall have no responsibility, financial or otherwise, for expenditure or other liabilities arising from the *Projects*.

4.13.2 The Secretary for the Environment may at any time, if he considers fit, amend or add to the above conditions, without prior notice to recipient organisations.

4.13.3 If personal information of participants was to be collected for any purpose 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 of Personal Data should be sought.

**Levels of Funding Support for Expenses of
Proactive Collection**

Items	Levels of funding support ³ (HK\$)
1. Staff Cost (all-inclusive, including mandatory provident fund, MPF)	<ul style="list-style-type: none"> - Funding support will be considered for hiring a part-time⁴ Project Coordinator if the proposed collection service has attained a scale of an average of at least 250 man-hours per month. - Maximum \$10,000 per month⁵ for each staff.
2. Labour Cost (all-inclusive, including MPF)	<ul style="list-style-type: none"> - Funding support will be considered for hiring helpers and workers to carry out proactive collection. - Maximum \$50 per hour⁵ for each labour.
3. Meal Allowance (for volunteers only)	<ul style="list-style-type: none"> - Funding support for meal allowance will be considered for volunteers who carry out proactive collection. - Maximum \$40 per volunteer for activities lasting 3-5 hours (excluding preparation/travelling time). - Maximum \$70 per volunteer for activities lasting more than 5 hours (excluding preparation/travelling time).
4. Audit Fee	<ul style="list-style-type: none"> - Funding support will be considered for expenses related to auditor's reports and related documentation (if any). - Quotation must be provided.
5. Insurance Fee	<ul style="list-style-type: none"> - Funding support will be considered for placement of necessary insurance for project staff and events based on the basic requirements. - Quotation must be provided.
6. General Expense (e.g. expenses on stationery items, photocopying fees, etc.)	<ul style="list-style-type: none"> - Not supported.
7. Contingency Item	<ul style="list-style-type: none"> - Not supported.

³ The levels of funding support may be adjusted by the Waste Reduction Projects Vetting Sub-committee (WRPVSC) as and when necessary. For the latest version, please refer to the website of the Environment and Conservation Fund (ECF).

⁴ Or a full-time coordinator at \$20,000 per month if the proposed scale of operation has attained an average of at least 500 man-hours of labour per month.

⁵ Depending on the merits of individual case, and subject to the WRPVSC's consideration and approval, the ceiling of funding support may be uplifted.

**Levels of Funding Support for Expenses of
Collection Vehicles**

Items	Levels of funding support ⁶ (HK\$)
1. Staff Cost (all-inclusive, including MPF)	<ul style="list-style-type: none"> - Funding support will be considered for hiring a full-time Project Coordinator if the proposed service to be provided by the collection vehicle has attained an average of at least 120 service-hours per month. - Maximum \$20,000 per month⁷ for each staff.
2. Transportation Cost (all-inclusive)	<ul style="list-style-type: none"> - Funding support will be considered for hiring a lorry with a driver and a worker to carry out collection vehicle service in each target region. - Maximum \$400 per hour⁷ for each vehicle (all-inclusive for lorry, driver and worker). - Quotation must be provided.
3. Meal Allowance (for volunteers only)	<ul style="list-style-type: none"> - Funding support for meal allowance will be considered for volunteers who act as helpers and workers to carry out proactive collection and monitoring, etc. - Maximum \$40 per volunteer for activities lasting 3-5 hours (excluding preparation/travelling time). - Maximum \$70 per volunteer for activities lasting more than 5 hours (excluding preparation/travelling time).
4. Audit Fee	<ul style="list-style-type: none"> - Funding support will be considered for expenses related to auditor's reports and related documentation (if any). - Quotation must be provided.
5. Insurance Fee	<ul style="list-style-type: none"> - Funding support will be considered for placement of necessary insurance for project staff and events based on the basic requirements. - Quotation must be provided.
6. General Expense (e.g. expenses on stationery items, photocopying fees, etc.)	<ul style="list-style-type: none"> - Not supported.
7. Contingency Item	<ul style="list-style-type: none"> - Not supported.

⁶ The levels of funding support may be adjusted by the WRPVSC as and when necessary. For the latest version, please refer to the website of the ECF.

⁷ Depending on the merits of individual case, and subject to the WRPVSC's consideration and approval, the ceiling of funding support may be uplifted.

**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 expectation 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 Secretariat of the ECF Committee or its Vetting Sub-committees 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 Sub-committees, or the Secretariat to the ECF Committee or its Vetting Sub-committees) under the funding agreement, unless and to the extent the Secretariat of the ECF Committee or the relevant Vetting Sub-committee has been fully informed, and whose permission has been obtained, by the recipient organisation in a timely fashion of all the circumstances in which the permission is sought; and
- notify the Secretariat of the ECF Committee or the relevant Vetting Sub-committee 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 Sub-committees, or the Secretariat to the ECF Committee or its Vetting Sub-committees) under the funding agreement.

3. Staff Recruitment

- The recipient organisation or the Person-in-charge (PIC) 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 PIC 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, e.g. assign different staff members to source suppliers/contractors for invitation of quotations/tenders, approve quotations/tenders, and certify the goods/services received.
 - specify the approving authorities and the procurement methods for purchases of different values (e.g. open tendering for purchases of significant value or restricted tendering for minor purchases of a specified amount), which should be no less stringent than the requirements set out in the ECF's Guide to Application, Terms & Conditions for the 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 PIC should be responsible for the overall control and management of project assets (i.e. all capital items and equipment, minor works installations, materials and equipment 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 PIC should conduct and record random and regular (e.g. yearly) physical checks on these assets.
- The PIC 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 maintain, for a minimum period of 7 years after the completion of the *Project*, full and proper books of accounts and records in respect of the *Project*.
- The recipient organisation should allow the Secretariat and its authorised representatives to access to all or any of the books and records for conducting audit, inspection, and verification whenever required.

*Secretariat, Waste Reduction Projects Vetting Sub-committee
June 2017*