



ENVIRONMENT AND CONSERVATION FUND

環境及自然保育基金



Guide to Application



Waste Separation Projects to Pave the Path for Municipal Solid Waste Charging

(Latest version in January 2022)

Waste Reduction Projects Vetting Sub-committee Secretariat
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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 Community Waste Reduction, Environmental Education and Community Action and Environmental Research, Technology Demonstration and Conference.

Waste reduction is a global trend and is conducive to mitigating climate change. Municipal Solid Waste (MSW) charging, as the main driving force behind waste reduction, will not only drive enterprises and the public to enhance the waste reduction and recycling practice, but also facilitate the sustainable development of related industries and the creation of green job opportunities when the quality and quantity of recyclables collected are enhanced.

The Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 (The Bill) was introduced into the Legislative Council (LegCo) by the Environment Bureau (ENB) in November 2018. The Bill proposes to implement MSW charging based on the "polluter-pays" principle. The Bill has been passed by the LegCo in August 2021. The Administration will put in place a preparatory period of 18 months as a basic arrangement, so as to provide appropriate time for the government, various stakeholders and members of the public to prepare for the implementation of MSW charging. The implementation arrangements for MSW charging is available at **Appendix I** of this Guide.

As revealed in the experiences of other cities, public education, publicity and engagement hold the key to the successful implementation of MSW charging. To supplement the implementation for MSW charging, the ECF Committee¹ has launched a funding programme on “**Waste Separation Projects to Pave the Path for MSW Charging**” (the Projects) for non-profit making organisations / bodies to implement waste separation projects related to MSW charging. The purposes of the funding programme are to enhance the public’s understanding on MSW charging, to give participants first-hand experience of the quantity-based charging arrangement, to educate them the importance of reducing waste at source, to promote the culture of “use less, waste less and recycle”, and to encourage the practicing of proper waste source separation and clean recycling. The aims of the funding programme are not merely to enhance community awareness, but also to mobilise collective actions within different sectors so as to maximise the benefits of charging in terms of waste reduction and recycling to get the entire community prepared for the implementation of MSW charging in Hong Kong and reduce waste.

1.1 Purpose of this Guide

This Guide provides guidance on applications for **Waste Separation Projects to Pave the Path for Municipal Solid Waste Charging** and describes the basic requirements and responsibilities of recipient organisations / bodies. Upon approval of fund by the ECF Committee, the applicant organisation / body 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 (Cap.450) to advise the Secretary for the Environment on the use of the Fund. Under the Ordinance, the Secretary for the Environment is the trustee responsible for the administration of the Fund.

1.2 Nature of the Projects

The Projects should be community-based and result-oriented, aiming to encourage all sectors in the community to try out how to implement quantity-based MSW charging in the respective sectors with features that can help the waste producers to better understand the type and quantity of wastes they generate / dispose, to develop practices on proper source separation of waste and clean recycling, to help the waste producers get prepared for complying with MSW charging and to develop measures to reduce waste in order to pay less.

1.3 Administration

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

2. BASIC INFORMATION

2.1 Who may apply?

Local *non-profit making organisations / bodies* (e.g. community bodies and green groups, etc.), **owners' corporations, owners / residents' organisations** (e.g. owner's committee) are eligible to apply.

Note:

Property management companies (PMCs) can also submit applications on behalf of the residents' organisations of the properties under their management if consents of the residents' organisations are obtained (including the written consents from the residents' organisations or notes of meeting that show the residents' agreement to participate.).

2.2 What is the duration of the projects?

The projects shall consist of **three stages**: (i) the preparation stage, (ii) the trial stage, and (iii) the post-trial evaluation stage. Subject to the implementation mode of the projects, the duration of each project shall last for **6 months** or **12 months** (for the options and details of the implementation modes of the Projects, please refer to Section 3.2.2.1 of this Guide).

2.3 How to apply?

2.3.1 The start and closing dates for applications invitation will be announced on the ECF website (<https://www.ecf.gov.hk>). The Application Form is available for download at the ECF website. Applicant organisations / bodies have to fill in an Application Form for each proposed project and submit the form in person or by post to the following address:

Secretariat, Waste Reduction Projects Vetting Sub-committee
5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong
Tel : 2835 1276
Fax. : 2827 8138
Email : wrp@epd.gov.hk

2.3.2 The person-in-charge of a project should be the **Head or Deputy Head of the applicant organisation / body**. Completed Application Forms **must be** returned to the Secretariat at 5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong **before 6:00 pm on the application closing date** as specified in the invitation exercise. For applications submitted by mail, the postmark should be dated on or before the application 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 application closing date, the application closing time will be extended to 6:00 pm on the next working day.

2.3.3 Late or incomplete applications and applications not submitted in accordance with the format prescribed in this Guide and Application Form, including an application submitted by facsimile or e-mail without submission of the original hard copy of the Application Form in parallel, **will not be processed**.

2.4 What are the vetting procedures?

The Waste Reduction Projects Vetting Sub-committee (Vetting Sub-committee) has been established under the ECF Committee for the vetting of the Projects. The Vetting Sub-committee may comprise representatives of the ECF Committee, Environmental Campaign Committee (ECC)², Advisory Council on the Environment's Waste Management Subcommittee and / or the Environmental Protection Department (EPD) as appropriate. Other members may also be co-opted into the Vetting Sub-committee. The Vetting Sub-committee can approve grants up to HK\$2,000,000 for a project. For applications with a budget supported by the Vetting Sub-Committee of above HK\$2,000,000, the recommendation of the Vetting Sub-committee has to be endorsed by the ECF Committee.

The following steps will be taken **normally within 6 months** after an application is received –

- Step 1: Upon receipt of an application, the Secretariat will send an acknowledgment notice to the applicant organisation / body. Where necessary, the applicant organisation / body will be requested to provide clarification or supplementary information.
- Step 2: The application will be considered by the Vetting Sub-committee.
- Step 3: For an application with a proposed budget of HK\$2,000,000 or below, the Vetting Sub-committee will either approve or reject the application. For approved project proposals, the Vetting Sub-committee will consider the proposed expenditure budget, and where necessary, amend details of the budget and set ceilings for individual expenditure items. The Secretariat will inform the applicant organisation / body of the Vetting Sub-committee's decision.
- Step 4: For an application with a proposed budget above HK\$2,000,000, the Vetting Sub-committee will either recommend the application for consideration by the ECF Committee or reject it. For approved project proposals, the Vetting Sub-committee will consider the proposed expenditure budget, and where necessary, amend details of the budget and set ceilings for individual expenditure items. The ECF Committee will consider funding the recommended application according to the Vetting Sub-committee's advice. The Secretariat will inform the applicant organisation / body of the ECF Committee's decision.
- Step 5: The Secretariat will also upload information of the approved projects on the ECF website.

Note:

Decisions of the ECF Committee / the Vetting Sub-committee in respect of project vetting and conditions of grants will be final.

2.5 What are the vetting criteria?

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

² The ECC, which comprises mainly non-officials, was set up in 1990 to promote awareness of environmental issues so as to encourage and mobilise the public to contribute actively towards a better environment.

- 2.5.1 The project must contribute to raising awareness and understanding of the upcoming MSW charging initiative through simulating the actual scenario as far as practicable where MSW charging is in place to allow participants to get first-hand experience of the quantity-based charging arrangements so as to get prepared for the implementation of MSW charging.
- 2.5.2 The benefits must be accrued to the community of the target sector, but not limited to individuals, a single private organisation / body or a consortium of private companies.
- 2.5.3 The project must be non-profit making in nature.
- 2.5.4 In vetting a project proposal, due consideration will be given to –
 - (a) the benefits that it will bring to the efforts in promoting / achieving waste reduction in the participating building(s) / premises / target sector, and the extent to which it will achieve the goals mentioned in Section 2.5.1 of this Guide;
 - (b) whether the positive impacts, e.g. behavioural change on waste generation / reduction, to be brought about by the project in the participating units can be sustained in the long run;
 - (c) whether the applicant organisation / body is with good technical and project management capability, including the effectiveness of its past project(s), and the applicant organisation / body's ability to comply with the funding conditions;
 - (d) the track record of the applicant organisation / body, including its community network and past experience in project implementation;
 - (e) the technical feasibility of the proposal, e.g. whether the measures to implement "Pay As You Throw" (PAYT) are practical and can be easily adopted by other waste producers in the same target sector;
 - (f) whether the project's schedule of implementation is well-planned and practicable;
 - (g) whether the proposed budget is prudent, realistic and cost-effective, with full justifications for every expenditure item;
 - (h) whether the project has alternative sources of funding support;
 - (i) whether the project should more appropriately be funded by other sources; and
 - (j) whether there is or likely to be a duplication of the work already or currently carried out by other groups or in the building(s) / premises where MSW charging has already been tested out.

2.6 Avoidance of conflict of interests

To avoid 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 meeting venue where

the deliberation takes place. This will apply to members who are part of the project team of the application and / or members who belong to the applicant organisation / body.

2.7 Invitation for funding applications

Invitation for applications will be arranged at scheduled intervals and details will be announced through ECF website.

2.8 Can I withdraw my application?

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

2.9 Can I resubmit my application?

For unsuccessful applications, the applicant organisation(s) / body(ies) may revise, modify and enhance their applications for resubmission. These applications, together with other new applications, will be considered on equal footing at the applicable invitation exercises. If there are comments made by the Vetting Sub-committee in its earlier review, the resubmission shall include revisions or new information to address such comments. In completing the Application Form for a resubmitted application, the applicant organisation / body should set out clearly the differences between the resubmitted application and the unsuccessful 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 printed on both sides of a paper. The completed Application Form shall be submitted in both hard and soft copies (in Word format).
- 3.1.3 Applicant organisations / bodies should read this Guide carefully and provide all details of the project proposal in a clear and concise manner. Additional pages may be attached to the Application Form if necessary. Please ensure that all required information is submitted with the Application Form.
- 3.1.4 Applicant organisations / bodies are required to provide additional or supplementary information in relation to their applications upon request. It should be noted that applicant organisations / bodies should provide the best and fullest information in their applications in the first place, and the Vetting Sub-committee and / or the Secretariat are not obligated to request for additional information from any applicant organisations / bodies.

3.2 Sections of the Application Form

3.2.1 Section A - Data sheet

- 3.2.1.1 This Section serves as a summary of an application. Once approval is granted to a project proposal, the information given by the applicant organisation / body in this section may be put on the ECF website as considered necessary by the ECF Committee for public access. If the applicant organisation / body does not wish certain information in this Section to be released, please forward the request and its justifications upon submission of the application to the Secretariat.

3.2.1.2 *Applicant organisation / body*

Give the name of the applicant organisation / body and its mailing address, and the name, position held, telephone no., mobile no., fax no., as well as the email address of the person-in-charge.

The applicant organisation / body must be a local non-profit making organisation / body or a group formed under a registered non-profit making organisation / body in Hong Kong. If the proposed project is jointly applied by several organisations / bodies, the organisations / bodies should identify and nominate a principal organisation / body as the applicant organisation to apply for the project. Please provide a copy of the registration document concerned when submitting the application.

3.2.1.3 *Project title and anticipated commencement date*

State the project title in both English and Chinese, starting with “ECF” and “環保基金” respectively, and provide the anticipated commencement date.

Note:

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

3.2.1.4 *Target sector of the project –*

Select the proposed target sector of the project, such as:

- Residential estates with property management companies
- Rural and other low density residential buildings
- “Three-nil buildings”
- Single block residential buildings (excluding “three-nil buildings”)
- Institutional and community services units
- Commercial and industrial buildings / premises

Note:

- (i) **“Three-nil buildings” refers to the buildings without owners’ corporations, residents’ organisations or property management companies.**
- (ii) **For the list and information of “three-nil buildings”, please refer to the Home Affairs Department’s “Database of Private Buildings in Hong Kong” available at the following website: <https://bmis2.buildingmgt.gov.hk>.**

3.2.1.5 *Targets of the project –*

Applicant organisations / bodies should set the targets of the Projects so as to quantify and qualify the anticipated outcomes. Upon completion of a project, evaluation(s) should be made to assess the effectiveness of the project, where applicable, against the project targets. Some examples of project targets are listed below for reference –

- Waste reduction target
- Waste separation / recycling target
- No. of participants in the MSW charging trials
- No. of participants in promotion and education activities
- Other proposed targets

Note:

Waste reduction and waste separation / recycling are important parameters to measure the performance of the Projects. Applicant organisations / bodies should choose at least two of the above targets as far as possible, and may propose other project targets.

3.2.2 Section B - Contents of proposed project

3.2.2.1 *Implementation mode of the project*

Each project shall consist of **three stages**: (i) the preparation stage, (ii) the trial stage, and (iii) the post-trial evaluation stage. The applicant organisations / bodies can choose either a **“6-month mode”** or a **“12-month mode”**, and implement a project according to the following timeframes:

- **“6-month mode”**: The project shall last for a total of 6 months, and include the preparation stage (2 months), the trial stage (3 months) and the post-trial evaluation stage (1 month); or
- **“12-month mode”**: The project shall last for a total of 12 month, and include the preparation stage (3 months), the trial stage (6 months) and the post-trial evaluation stage (3 month).

3.2.2.2 *Target building(s) / premises*

Fill in the name(s) of the target building(s) / premises in the blank next to the serial number of the target building(s) / premises (e.g. P1 to P8). If the target building(s) / premises involve(s) a residential estate or premises with more than one buildings, please provide the number(s) or name(s) of the participating buildings.

Note:

- (i) **In order to encourage more organisations / bodies to implement the Projects in “three-nil buildings” and to help the residents of “three-nil buildings” to get prepared for MSW charging, priority will be accorded to applications involving “three-nil buildings”.**
- (ii) **All participating building(s) / premises should preferably belong to the same target sector.**
- (iii) **Applicant organisations / bodies should provide the details of each target building / premises by completing Part B Section 3 of the Application Form.**
- (iv) **The Vetting Sub-committee will determine the amount of funding support for project staff subject to the scale of the Projects on a case-by-case basis. Any applications with the total number of target buildings / premises less than the following may not be**

considered:

Target sectors	Number of target buildings / premises of each project
Residential estates with property management companies	<ul style="list-style-type: none">• Not less than 1 residential estate per project; and• Not more than 4 multi-storey residential blocks in each housing estate
Rural and other low density residential buildings	<ul style="list-style-type: none">• Not less than 2 rural villages per project; and• Number of participating units not less than 150 in total
“Three-nil buildings”	<ul style="list-style-type: none">• Number of participating units not less than 150 in total
Single block residential buildings (excluding “three-nil buildings”)	<ul style="list-style-type: none">• Not less than 3 residential buildings per project; and• Number of participating units not less than 200 units in total
Institutional and community services units	<ul style="list-style-type: none">• Not less than 4 premises per project (e.g. secondary schools, primary schools, institutions or other types of community service buildings)
Commercial and industrial buildings / premises	<ul style="list-style-type: none">• Not less than 2 industrial and commercial buildings or 1 large scale shopping mall per project

3.2.2.3 *Information of the target buildings / premises*

If the project involves more than one target buildings / premises, please **copy** the page of Part B Section 3 of the Application Form and **use a separate page for each target building / premises**. For each target building / premises, please provide the following details:

(a) *Basic information*

Please refer to Part B Section 2 of the Application Form, and specify the serial number of the target building(s) / premises and provide the name(s), address(es) and sector(s) of the target building(s) / premises.

(b) *Written consent and number of participants*

Please confirm if written consent(s) from the appropriate authority(ies) or residents’ representative(s) of the target building(s) / premises has / have been obtained. Please also state the total number of occupants / units and the anticipated number of participants / participating units of the target building(s) / premises.

If the target building(s) / premises involve(s) “three-nil buildings”

according to the Home Affairs Department's "Database of Private Buildings in Hong Kong"; or the target building(s) / premises is / are owned or managed by the applicant organisations / bodies, please tick "not applicable" and no written consent for the target building(s) / premises is required.

Note:

- (i) **Please attach written consent(s) from the appropriate authority(ies) or residents' representative(s) for the building(s) / premises that has / have confirmed to join the project.**
- (ii) **The total number of occupants / units and the anticipated number of participating units / participants refer to, for example, the number of residents / tenants and shops in the target building(s) / premises, or the number of teachers and students in the school(s), etc.**

(c) Mode of waste collection and disposal

Indicate the mode of waste collection and disposal of the target building(s) / premises according to the following guide:

- "A" for direct collection by refuse collection vehicles of the Food and Environmental Hygiene Department (FEHD) or its contractors;
- "B" for disposal at refuse collection points or bin sites managed by the FEHD;
- "C" for collection by private waste collectors using refuse collection vehicles with rear compactors; or
- "D" for collection by private waste collectors using other types of refuse collection vehicles, i.e. without rear compactor.

Note:

- (i) **The applicant organisation / body should ensure that the mode of waste collection and disposal for each target building / premises is accurately provided as the PAYT measure to be tried out during the trial stage will be subject to the mode of waste collection and disposal.**
- (ii) **If the target building(s) / premises involve(s) waste collection and disposal mode "A", "B" or "C", the applicant organisation / body shall try out the charging mode of "designated garbage bags" in such building(s) / premises.**
- (iii) **If the target building(s) / premises involve(s) waste collection and disposal mode "D", the applicant organisation / body shall try out the charging mode of "charging by weight-based gate-fee" in such building(s) / premises.**
- (iv) **For the implementation arrangement for MSW charging, please**

refer to Appendix I of this Guide.

(d) Existing waste collection and disposal facilities (e.g. waste compactor(s) and waste chutes(s))

Indicate whether the target building(s) / premises is / are equipped with and in operation of any types of waste compactors (e.g. automated refuse collection system) or waste chutes to facilitate waste collection, handling or storage in the building(s) / premises.

Note:

- (i) The applicant organisation / body should conduct on-site inspections at the building(s) / premises to ensure that the details of the existing waste collection and disposal facilities are accurately provided.**
- (ii) If the target building(s) / premises is / are equipped with waste chutes, the applicant organisation / body must obtain the consents of stakeholder(s) (e.g. property management company and residents' representatives) to lock the opening of the waste chute on each floor and restrict the use of such waste chutes by cleaning staff during the trial period.**

(e) Collection of existing and proposed additional type(s) of recyclables

Provide the types of recyclables (e.g. waste paper, metal, plastics, glass, fluorescent lamps and tubes, rechargeable batteries and used clothes, etc.) currently collected by the target building(s) / premises.

Applicant organisations / bodies shall assist the target building(s) / premises to add new type(s) of recyclables (e.g. waste paper, metal, plastics, glass, fluorescent lamps and tubes, rechargeable batteries and used clothes, etc.) to facilitate and encourage the participating units / participants to practise waste separation and recycling.

Note:

Applicant organisations / bodies should assist to devise and implement appropriate enhancement measures for each target building / premises to support waste separation and recycling on the basis of the actual situation and needs. Please provide details of the associated enhancement measures in Section B Part 4.2.1 of the Application Form.

3.2.2.4 *Work plan*

(a) Key tasks

The applicant organisation / body **must confirm** that **all the key tasks** required in each stage (i.e. preparation stage, trial stage and post-trial evaluation stage) of the project will be conducted and completed at each

target building / premises under the project, **otherwise the application will not be considered** (For the details of the key tasks, please refer to Section B Part 4.1 of the Application Form).

Note:

- (i) No actual charges shall be collected from the participants. Participants who, fail to use designated garbage bags to dispose of their waste, should be gently reminded and advised to cooperate. No penalty-oriented measures, such as condemnation or refusal to collect refuse, shall be taken against any participants' behaviours throughout the project period.
- (ii) For projects involving trials on “charging by designated garbage bags”, dummy designated garbage bags of appropriate sizes will be provided by the EPD free of charge for each participating unit (e.g. household) (on the basis of no more than 30 bags per unit in each month) during the trial stage for three or six months subject to the project implementation mode. The applicant organisation / body shall provide details of the dummy designated garbage bags distribution arrangement and usage monitoring mechanism in Section B Part 5 of the Application Form.
- (iii) For projects involving trials on “charging by weight-based gate-fee”. The applicant organisation / body shall provide details of the proposed trial arrangement for trying out the mechanism to apportion the waste charge on the basis of the waste load among various waste producers at the target building(s) / premises as well as the associated monitoring mechanism in the participating building(s) / premises in Section B Part 5 of the Application Form.
- (iv) In order to give participants the first-hand experience of the quantity-based charging arrangement, applicant organisations / bodies shall report to the participating units / participants their mock MSW charge every month during the trial stage, for example, by distribution of monthly mock charge statements.
- (v) Applicant organisations / bodies shall regularly monitor the waste disposal and recyclables collection quantity and report the relevant data to EPD (Please refer to Section 4.5 of this Guide for the reporting requirements).
- (vi) Applicant organisations / bodies shall collect views from the participants regarding the waste separation, trial arrangements and MSW charging through experience sharing sessions, questionnaire surveys or a combination of various means. The views collected will provide reference for the implementation of MSW charging in future.

(b) Other proposed tasks

(b1) Enhancement measures to support waste separation and recycling

Assist the target building(s) / premises in developing and implementing the enhancement measures proposed to support waste separation and recycling based on the actual situation and needs, for example:

- Collect additional type(s) of recyclables;
- Install additional waste separation and recycling facilities (e.g. waste separation bins and other containers for collecting recyclables);
- Relocate existing recycling bins to more convenient locations which facilitate the participating units / participants' use;
- Refine the separation and recycling notices / guidelines in the target building(s) / premises;
- Identify additional outlet(s) for the existing and additional recyclables, e.g. the "GREEN@COMMUNITY" Community Recycling Network³ (including Recycling Stations, Recycling Stores and Recycling Spots) of the EPD and other reputable recycler(s)/recycling organisation(s);
- Coordinate with the operator(s) of the "GREEN@COMMUNITY" Community Recycling Network to organise promotion and education activities for the participating units / participants;
- Others enhancement measures.

Applicant organisations / bodies should select the appropriate enhancement measures and fill in the serial number of the applicable building(s) / premises corresponding to the proposed tasks and activities.

Note:

- (i) In order to assist the target building(s) / premises to determine the necessary enhancement measures to be taken, a walk-through of the building(s) / premises would be required to take stock of the existing waste collection, separation and recovery facilities to justify the proposal.**
- (ii) If the project involves installation of additional waste separation and recycling facilities at the target building(s) / premises, please specify the types and quantities of such facilities, and provide the associated estimated expenditures in Section B Part 7.2.1 of the Application Form. The applicant organisation / body should ensure the additional waste separation and recycling facilities will be of continual use after completion of the project.**

(b2) Promotion and education activities

The applicant organisations / bodies shall consider carrying out other proposed tasks and organise series of promotion and education activities throughout the three phases of the project (i.e. preparation stage, trial stage and post-trial evaluation stage) so as to encourage the public to practise

³ For details of the Community Recycling Network, please visit the Waste Reduction website of EPD at: https://www.wastereduction.gov.hk/en/community/crn_intro.htm

waste reduction and separation, enhance their understanding on MSW charging, solicit their support and participation, keep up the momentum of waste reduction during the trial stage, disseminate the objectives and arrangement of the trials and publicise the message of “use less, waste less and recycle”, for examples:

Preparation stage:

- Organise green carnivals (opening ceremony).
- Organise project briefing / waste charging briefings.
- Arrange door-to-door visits.
- Set up project publicity booths / stalls.
- Set up “Green Corner(s)” with regular reports on project progress and green information at different stages.
- Design and produce promotion and education materials (e.g. project brochures and guides on waste reduction and recycling, promotion leaflets, promotion roll-up banners, promotion banners, promotion posters, promotion exhibition panels, location plans of waste separation and recycling facilities and associated guidelines, as well as design and production of mock charge statements).

Trial stage:

- Arrange door-to-door visits.
- Set up project publicity booths / stalls.
- Set up waste separation and recycling booths / stalls.
- Organise waste reduction and recycling talks / seminars.
- Organise recycling workshops.
- Organise waste reduction and recycling competitions.
- Organise visits to local environmental facilities.

Post-trial evaluation stage:

- Set up waste separation and recycling booths / stalls.
- Organise experience sharing sessions.
- Organise green carnivals (closing ceremony).

Applicant organisations / bodies should choose the appropriate promotion and education activities and provide the anticipated number of participants, whilst fill in the serial number of the applicable building(s) / premises corresponding to the proposed tasks and activities.

Note:

- (i) **Please specify the types and frequencies / quantities of promotion and education activities and materials, and provide the associated estimated expenditures in Section B Part 7.4.1 and 7.4.2 of the Application Form.**
- (ii) **Normally, no funding will be supported for activities which start before approval is given by the Vetting Sub-committee.**

3.2.2.5 *Monitoring mechanism*

The applicant organisation / body should devise procedures and monitoring mechanism to ensure the project can allow the public to have a better understanding of MSW charging, while experience and practise the charging arrangements in real life situation through simulating the actual scenario when MSW charging is in place as far as practical, as well as to ensure the integrity and accuracy of the data obtained when monitoring the waste disposal quantity, recyclables collection quantity and usage of designated garbage bags at the same time.

(a) Waste disposal quantity monitoring mechanism

Provide the monitoring arrangement and frequency of waste disposal quantity, and fill in the serial number of the applicable building(s) / premises corresponding to the proposed arrangements.

The applicant organisation / body shall submit the waste disposal data to EPD every two months during the trial stage (please refer to Section 4.5 of this Guide for the reporting requirements). If the waste quantity is not monitored on a daily basis, the applicant organisation / body shall report the number of samples taken in the month and the estimation approach (e.g. to carry out weighing of waste eight times per month and the average weight of waste requiring disposal from the building(s) in these eight weighing is 1,100 kg per day, and the figures provided in the report(s) are estimated based on a pro-rata basis, i.e. 1,100 kg x 30 days). The applicant organisation / body should give due consideration to the method and frequency of the measurements so that the recorded data are representative to enable meaningful interpretations of any observable trends.

Note:

EPD may also take samples of the waste generated from the participating building(s) / premises before, during and/or after the trial stage for off-site analysis of waste composition. The applicant organisation / body and the participating building(s) / premises shall facilitate EPD during the waste sampling operation.

(b) Recyclables collection quantity monitoring mechanism

Provide the monitoring arrangement and frequency of recyclables collection quantity, and fill in the serial number of the applicable building(s) / premises corresponding to the proposed arrangements.

The applicant organisation / body shall submit the recyclables data to EPD every two months during the trial stage (please refer to Section 4.5 of this Guide for the reporting requirements). If the quantity of a particular recyclable is not monitored on a daily basis, the number of samples taken in the month and the estimation approach shall be reported (e.g. to carry out weighing of the recyclable eight times per month and the average

weight of recyclable collected from the building(s) in these eight weighing is 67 kg per day, and the figures provided in the report(s) are estimated based on a pro-rata basis, i.e. 67 kg x 30 days). The applicant organisation / body should give due consideration to the method and frequency of the measurements such that the recorded data are representative to enable meaningful interpretations of any observable trends.

(c) *Dummy designated garbage bags distribution and usage monitoring mechanism (if applicable)*

Dummy designated garbage bags distribution mechanism

If the target building(s) / premises try(ies) out the charging mode of **“charging by designated garbage bags”**, the applicant organisation / body should explain how the dummy designated garbage bags will be distributed to the households/units, including the distribution arrangement and frequency, and fill in the serial number of the applicable building(s) / premises corresponding to the proposed mechanism.

Dummy designated garbage bags of appropriate sizes will be provided by EPD to the applicant organisation / body free of charge during the trial stage (on the basis of no more than 30 bags per participating unit in each month). The applicant organisation / body should confirm with the target building(s) / premises whether the distribution of their original free garbage bags will be suspended during the trial stage and fill in the serial number of the applicable building(s) / premises corresponding to the proposed mechanism.

The applicant organisation / body shall record the number of bags distributed to the participants and conduct regular stock taking. The applicant organisation / body shall calculate the participation rate based on the formula below for reporting to EPD every two months during the trial stage (please refer to Section 4.5 of this Guide for the reporting requirements).

$$\text{Participation rate} = \frac{N_P}{N_T} \times 100\%$$

where,

N_P = Number of individual households / units that have requested for designated garbage bags in the month

N_T = Target number of participating households / units as stated in the Application Form

Dummy designated garbage bags usage monitoring mechanism

The applicant organisation / body should state the arrangement of counting the numbers of dummy designated garbage bags and non-designated garbage bags. For example, the applicant organisation / body will check, count and record the numbers of dummy designated garbage bags and non-designated garbage bags at the floor-level waste collection room(s) or

point(s) of the target building(s) / premises, and fill in the serial number of the applicable building(s) / premises corresponding to the proposed mechanism.

The applicant organisation / body shall calculate the usage rate and compliance rate based on the formula below for reporting to EPD every two months during the trial stage (please refer to Section 4.5 of this Guide for the reporting requirements).

$$\text{Usage rate} = \frac{N_D}{N_R} \times 100\%$$

where,

N_D = Number of designated garbage bags used for disposal of waste in the month (bags)

N_R = Total number of designated garbage bags requested by households / units in the month (bags)

and

$$\text{Compliance rate} = \frac{N_D}{N_{TG}} \times 100\%$$

where,

N_D = Number of designated garbage bags used for disposal of waste in the month (bags)

N_{TG} = Number of designated garbage bags used for disposal of waste in the month (bags) + Number of non-designated garbage bags used for disposal of waste in the month (bags)

If the usage of designated and non-designated bags is not monitored on a daily basis, the number of days that the monitoring have carried out in the month and the estimation approach shall be reported (e.g. to carry out counting of designated bags eight times per month and the average number of designated bags found in these eight weighing is 133 numbers per day, and the figures provided in the report(s) are then estimated based on a pro-rata basis, i.e. 133 numbers x 30 days). The applicant organisation / body should give due consideration to the frequency and mechanism for taking the samples such that the recorded data are acceptable and appropriate for statistical analysis.

The applicant organisation / body shall report the situation of distribution and usage of the designated bags, including the participation rates, usage rates and compliance rates of the participating building(s) / premises, to EPD every two months during the trial stage (please refer to Section 4.5 of this Guide for the reporting requirements).

Note:

Upon completion of the trial stage of the project, the applicant organisation / body should collect and return the unused dummy designated garbage bags.

- (d) *Trial arrangement and monitoring mechanism to apportion the waste charge (if applicable)*

Trial arrangement

If the target building(s) / premises involving trials on “charging by weight-based gate-fee”, the applicant organisation / body shall provide details of the proposed trial arrangement for trying out the mechanism to apportion the waste charge based on the quantities of waste disposal of the waste producers. For instance, tailor-made bags (not the dummy designated garbage bags provided by EPD) will be distributed to the participating units / participants, and the mock charge will be calculated based on the number of the tailor-made bags requested by the participating units / participants.

Monitoring mechanism

The applicant organisation / body should explain how to monitor the proposed trial arrangement and fill in the serial number of the applicable building(s) / premises corresponding to the proposed mechanism.

3.2.2.6 *Supporting facilities and measures for “three-nil buildings” (applicable only to projects involving “three-nil buildings”)*

To enhance the support to “three-nil buildings”, the applicant organisation / body can consider to provide the following supporting facilities and measures to the target “three-nil buildings”:

- Conduct one-off cleanup operations in common areas (e.g. rooftops, patios and staircases).
- Install closed-circuit television (CCTV) surveillance system(s) in common areas (e.g. rooftops, patios and staircases).
- Provide door-to-door waste collection services for the participating households.
- Provide door-to-door recyclables collection services for the participating households.
- Others support facilities and measures.

The applicant organisation / body should provide appropriate supporting facilities and measures and fill in the serial number of the applicable building(s) / premises corresponding to the proposed measures or facilities.

Note:

- (i) **The applicant organisation / body shall conduct a walk-through of the target “three-nil buildings” to inspect the existing environment and conditions, so as to determine the appropriate support facilities and measures for the target building(s).**
- (ii) **For applications involving provision of one-off cleanup operations in common areas of the target building(s) (e.g. rooftops, patios and**

staircases), the applicant organisation / body shall provide supplementary information to specify the required clearance area(s)/location(s), as well as to provide photos to show the existing environment and conditions of such area(s) / location(s).

- (iii) For applications involving installation of CCTV surveillance system(s) in common areas of the target building(s) (e.g. rooftops, patios and staircases), the applicant organisation / body shall provide supplementary information on the proposed number of CCTV cameras and their installation locations, as well as provide photos to show the coverage of the cameras and the existing environment and conditions of the covered area(s) / location(s). Besides, please give details of the arrangements for the preparation, installation, operation, maintenance and warranty of the CCTV surveillance system(s).
- (iv) Prior to commencement of any cleanup operations or installation works of CCTV surveillance system(s) at the target building(s), the applicant organisation / body must inform the residents of the target building(s) of the details of the supporting facilities and measures through appropriate channels, such as posting notices in the building(s), distributing / mailing notification letters and briefing the residents in person via door-to-door visits, as well as conducting thorough consultation with the residents and seeking their consents. If the residents of the target building(s) raise any objections to the proposed supporting facilities / measures, the applicant organisation / body must immediately terminate or suspend the implementation of the concerned facilities / measures.

3.2.2.7 *Budget of the project*

The applicant organisation / body should provide an itemised budget for the project. Each income and expenditure item should be reasonable and realistic, and with detailed breakdown. All expenditure of the project must be incurred between the commencement and completion dates of the project, with supporting invoices and receipts in original.

All applications are considered on their individual merits. For projects involving recurrent expenditures, the applicant organisation / body has to demonstrate that such expenses will be of a specified finite duration or that the project will become self-financing after a certain period of time.

For the proposed budget of the project, the applicant organisation / body shall follow the format as prescribed in the Application Form. Please also study carefully the following funding criteria when preparing the budget. For existing level of funding support for expenses, please refer to **Appendix II** of this Guide.

Note:

Any increase in cost arising from inflation or unforeseen requirements will be the responsibility of the applicant organisation / body. Request for additional funding after project approval will normally not be considered.

(a) Staffing

- (i) The applicant organisation / body is expected to have the ability to supervise and the expertise to undertake the project. Hence funding support will not be given for additional supervisory / administrative staff, hiring of professional advisor(s) or trainers or provision of training course(s) for staff of the recipient organisation / body for undertaking the project, and the costs brought about by the deployment of the existing staff of the recipient organisation / body for duties related to the project.
- (ii) Funding for hiring project staff may be supported, the salaries of which will be considered on a case-by-case basis. The total amount for covering the staff costs of hiring project staff should normally be below 50% of the approved total budget or the actual expenditure for the project, whichever is the less.
- (iii) The statutory minimum wage, MPF and employees' compensation insurance requirements, as well as other employment legislations must be complied with.
- (iv) Funding for MPF and staff insurance for the project will be supported.

(b) Waste separation / recycling support and other waste handling equipment

- (i) Funding for the purchase and installation of waste separation and recycling support, such as recycling bin(s) or other container(s) for collecting recyclables, will be considered on a case-by-case basis. The applicant organisation / body should ascertain the quantity, distribution of location(s) and type(s) of recyclables of existing recycling bin(s) / other container(s) for collecting recyclables in the target building(s) / premises in advance so as to prudently plan for the quantity of new recycling bin(s) / other container(s) for collecting recyclables.
- (ii) The applicant organisation / body should ascertain the relevant stakeholder(s) in advance whether they are willing to continue to use the new recycling bin(s) / other container(s) for collecting recyclables at the target building(s) / premises after completion of the project and bear the future handling / transportation cost of recyclables or other related expenses. Upon completion of the project, additional funding for any related expenses will not be supported.

- (iii) Funding for waste handling equipment, such as weighing scale(s), waste handling tools and personal protective equipment during examination of garbage bags will be considered.
- (iv) Before purchasing waste separation and recycling support, the applicant organisation / body should ascertain there is sufficient storage space during implementation and after completion of the project, and that arrangement has been agreed by the relevant stakeholder(s).

(c) *Labour cost / green ambassador carrying out promotion and education activities*

- (i) Funding for engaging direct labour as green ambassadors and workers for waste / recyclable quantity assessment and monitoring, promotion and education activities, designated bag distribution and monitoring and, where applicable, door-to-door waste / recyclable collection will be supported. The actual amount to be granted will depend on the mode of operation of the project. The applicant organisation / body shall provide estimation method in accordance with the format as prescribed in the Application Form.
- (ii) The statutory minimum wage, MPF and insurance requirements, as well as other employment legislations must be complied with.
- (iii) Funding for MPF and labour insurance for the project will be supported.

(d) *Education and Promotion*

- (i) Funding for education and promotion activities and publications in connection with the project will be supported. For the level of funding support on specific types of activities and publications, please refer to **Appendix II** of this Guide.
- (ii) Applicant organisations are encouraged to develop education and promotion materials with specific contents on the arrangements of the project in the participating building(s) / premises. Use of e-channels to release the publications should be considered to minimise waste generation through printed materials.
- (iii) Funding for production of education and promotion materials on waste reduction, waste separation, clean recycling and MSW charging will be considered. The applicant organisation / body should provide the quantity and the relevant budget of the publication in the Application Form for assessment.
- (iv) Consideration should be given to use the applicant organisation's / body's own existing website, internet social

media, etc. to achieve publicity results instead of creating a new electronic publicity platform for a project.

(e) *Supporting facilities and measures for “three-nil buildings”*

- (i) Funding for supporting facilities and measures to implement MSW charging at “three-nil buildings”, such as one-off cleanup operation at rooftops and installation of closed-circuit television (CCTV) surveillance system at staircases, will be considered on a case-by-case basis.
- (ii) Applicant organisations / bodies should provide additional detailed budget breakdown of the relevant supporting facilities and measures. The Secretariat may request the applicant organisations / bodies to provide quotations information for assessment as and when necessary.
- (iii) The applicant organisations / bodies should ascertain the relevant stakeholder(s) in advance whether they are willing to continue to use the new supporting facilities and measures at the target building(s) / premises after completion of the project and bear the future operation and maintenance cost or other related expenses. Upon completion of the project, the applicant organisations / bodies should obtain approval from the Vetting Sub-committee for continual use of the supporting facilities and measures at the target building(s) / premises while no additional funding support will be provided for future operation and maintenance cost or other related expenses.
- (iv) Other supporting facilities and measures for “three-nil buildings”, such as door-to-door waste / recyclables collection services, will be considered on a case-by-case basis.

(f) *Administrative cost*

- (i) Funding support for renting and operating the premises necessary for the project will be considered. This does not applicable to premises under possession of the applicant organisation / body.
- (ii) For applications from non-governmental organisations (including green groups) without receiving government subvention, 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 of the project, whichever the less. The applicant organisation / body should declare in the Application Form whether it is receiving any governmental subventions.
- (iii) Funding for unspecified miscellaneous and contingency item(s) is not supported.

(g) *Audit*

Audit fee will be supported in accordance with paragraph 4.7.

(h) *Insurance*

A recipient organisation / body must effect and keep in force appropriate insurance policies for its project(s) throughout the project period(s), including but not limited to employees' compensation insurance, third party insurance, public liability insurance and group personal accident insurance, etc. Under no circumstances shall the ECF or Vetting Sub-committee or Secretariat be held liable for any loss or damages or liabilities arising from the funded project.

(i) *Travel and Transportation*

- (i) Funding for transportation of project materials and recyclables during project period will be supported.
- (ii) Funding for travelling expenses on public transport for project staff / volunteers and hire of transport services will be supported.

Note:

- (i) Funding for renting or purchasing material(s) already in the applicant organisation's / body's stock is not supported.
- (ii) Funding for payment(s) to individual(s) as a reward for their participation in the project is not supported.
- (iii) Funding for souvenir(s) presented to officiating guest(s), guest(s) and judge(s) is not supported.
- (iv) Honoraria for speaker(s) who is / are staff member(s) employed for the project will normally not be supported.

3.2.2.8 *Other sources of funds*

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 organisation / body has sought / obtained other sponsorship(s) to cover the project expenses not to be funded by the ECF, the applicant organisation / body should include details of the sponsorship(s) in the Application Form (at both Declaration - Item 3 and Section B – Part 8) for the Vetting Sub-committee's consideration.

In case there are any changes to the sponsorship(s) after the project approval, for example when the recipient organisation / body has sought / obtained other sponsorship(s) to support expenses not funded by the ECF

or to top up budget items that are partly funded by the ECF, these changes have to be submitted to the Vetting Sub-committee, or the Secretariat with delegated authority by the Vetting Sub-committee, for consideration. The Vetting Sub-committee will consider whether the sponsorship(s) will constitute any conflict(s) of interest, cause any potential liabilities or damages to the image of the ECF and so on. It will be up to the applicant organisation / body to agree with their sponsor(s) on how to use the sponsorship(s) and how to handle the unspent balance of the sponsorship(s).

3.2.2.9 *Estimated revenue generated from the project*

State how the revenue (including recurrent income) derived from the project will be used to further the objectives of the project. Estimated revenue gains from the project should be deducted from the amount of grant applied for. Details should be provided on how the income will be used to offset the cost of the project. If this is not possible, full explanation should be given.

3.2.2.10 *Project and staffing arrangement*

State the following –

- (a) Details of the project leader;
- (b) Details of assisting / supporting / sponsoring bodies for the project;
- (c) The contact details and relevant written consent(s) (if available) for any organisations stated in (b) that has/have confirmed to be involved in the project; and
- (d) Other relevant information in support of the application, such as experience of the project leader or assisting / supporting organisation(s) in implementing similar projects.

3.2.2.11 *Supplementary sheet for first-time applicant*

A first-time applicant organisation / body is required to provide the following information in the supplementary sheet –

- detailed information of the organisation / body;
- registration status of the organisation / body;
- whether the organisation / body is charitable;
- whether the organisation / body receives any Government subvention;
- background information of the organisation / body; and
- information about the key members of the organisation / body.

Note:

Documentary proof of the applicant organisation's / body's non-profit making status is required.

4. CONDITIONS FOR THE USE AND ALLOCATION OF FUND

4.1 Contractual requirements

For each approved project, the recipient organisation / body 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 benefits of the project must be accrued to the participating building(s) / premises as a whole, and not just an individual, a single private organisation or a consortium of private companies.
- 4.2.2 The allocated funds shall not be used as payments to individual member of the public as a financial reward for participation in the activities associated with the Project.

4.3 Disbursement and reimbursement of funds

- 4.3.1 Depending on the cash flow requirement and nature of the project, the recipient organisation / body will receive between 25-50% of the grant upon approval of the application. Upon submission of a trial commencement record and / or progress report with information on satisfactory performance and financial position of the project, the recipient organisation / body 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 completion of the project and subject to submission of a completion report together with a statement of accounts for project endorsement by the Vetting Sub-committee in accordance with the requirements specified in paragraphs 4.5, 4.6 and 4.7 of this Guide. The Secretariat will inform the recipient organisation / body of the schedule of payment or agree with the recipient organisation / body a special payment schedule, if required.

Note:

The final payment will normally be released within three months upon the endorsement of the completion report by the Vetting Sub-committee, 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 Sub-committee and/or the Secretariat; and fulfilment of the auditing requirement, as applicable.

- 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 final payment.
- 4.3.3 Amount to be reimbursed for an individual item of the budget will normally not exceed the approved amount for that item. In general, increase of the approved amount for a grouping of the budget items will not be approved. However, with reasonable justifications, flexible use of approved funds among the budget items under the same grouping as defined by the Vetting Sub-committee will be allowed provided that the total approved amount for the budget items within the same grouping will not be

increased. In other words, the sum of the amounts to be reimbursed for all individual items under a same grouping of the budget will normally not exceed the approved amount for that grouping of the budget. The Vetting Sub-committee may consider increase the approved amount and/or the level of funding support for an individual item on a case-by-case basis but the total approved amount for the project should normally remain unchanged.

4.3.4 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. frequency of waste quantity assessment) is fewer than proposed;
- (c) the number of participants is fewer than that proposed and the grant is allocated according to the number of participants;
- (d) the number of publications (e.g. leaflets) is fewer than that proposed; or
- (e) the duration of project is reduced.

4.3.5 Any item not listed in the approved budget will normally not be reimbursed.

4.3.6 Income derived from the project during and after the project period, including but not limited to sale of output, 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 actual expenditure. Failure to report and return such income to the ECF may render the recipient organisation / body ineligible for future funding support from the ECF.

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 For a project receiving a grant of HK\$300,000 or above, 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. 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 for the project.

4.4.3 The recipient organisation / body 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.

4.4.4 Interest incomes generated from the ECF fund, if any, and other receipts for a project have to be reasonably apportioned to the project and no negative interest should be

charged to the project. In no circumstances should the interest earned be applied for other uses outside the project.

- 4.4.5 The recipient organisation / body 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 Recipient organisations / bodies shall submit to the Secretariat the following reports –

(a) Progress report (Applicable only to a “12-month mode” projects)

Recipient organisations / bodies shall submit a progress report together with a statement of accounts for the project expenses **once every 6 months** during the project period within **1 month** following the end date of the corresponding reporting period. Except for the first disbursement, all disbursements will be subject to satisfactory performance and timely submission of progress report(s). In addition, the Vetting Sub-committee or Secretariat may carry out site inspection and/or surprise check to examine the progress of a project at any time.

(i) 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 half-yearly progress report is required.

(ii) For a project receiving a grant of HK\$150,000 or above and below HK\$300,000, submission of original 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 / body as stipulated at Section 4.6.1(b) of this Guide.

(iii) For a project receiving a grant of HK\$300,000 or above, submission of original invoices and receipts for the expenses of the project together with the progress report is not required.

(b) Completion report

Within two months upon completion of the project or before the date as specified in the agreement, the recipient organisation / body has to submit a completion report together with a statement of accounts to the Secretariat. The Vetting Sub-committee will assess the project results / benefits / outcomes / impacts of the project by comparing against its original objectives and targets as set out in the project proposal (e.g. participation rate, waste reduction rate, and recyclables collection rate, etc)

- 4.5.2 All the reports mentioned in Section 4.5.1 of this Guide should be signed off by the person-in-charge or project leader of the recipient organisation / body and submitted in the format as requested.

- 4.5.3 In addition to the above reports, the recipient organisation / body shall submit to the Secretariat the following records –

(a) Trial commencement records

The recipient organisation / body shall submit the trial commencement records to the Secretariat within 1 week upon commencement of the trial stage.

(b) Trial operation records

The recipient organisation / body shall submit the trial operation records to the Secretariat every two months during the trial stage or within one week after the second month of the trial stage subject to the implementation mode of the project.

- 4.5.4 If an extension of the submission deadline(s) for the progress and / or completion report(s) and / or the record(s) mentioned in Section 4.5.1 and 4.5.3 of this Guide is required, prior approval should be obtained from the Secretariat.
- 4.5.5 Except for the first disbursement, all disbursements will be subject to satisfactory performance and progress of the project (please refer to Section 4.3 of this Guide). The Vetting Sub-committee or Secretariat or EPD may carry out site inspections and surprise checks to examine the progress of a project at any time. To facilitate the smooth disbursements by the Secretariat, the recipient organisation / body shall be obligated to submit all the reports and records in accordance with the reporting requirements and ensure satisfactory performance and progress of the project prior to the application for disbursements.
- 4.5.6 Unsatisfactory performance and delay in report(s) / records submission will affect the recipient organisation's / body's future chance of getting funding support from the ECF, and the recipient organisation's / body's management will be informed. In particular, the past records of the recipient organisation's / body'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 / body. As appropriate, only conditional approval to the new application(s) will be given if the recipient organisation / body has not submitted all the required reports and documents of its completed projects of the funding schemes under the purview of the Vetting Sub-committee.

4.6 Statement of accounts

- 4.6.1 Within two months of completion of the project and / or before the date(s) specified in the agreement, the recipient organisation / body have to submit a complete statement of accounts together with the progress / completion report, to the Secretariat. If an extension of the submission deadline is required, prior approval should be obtained from the Secretariat.
- (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 / body 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 / body 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 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 at Section 4.7 of this Guide. Submission of original copies of invoices, receipts, quotations and so on for the expenses of the project 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 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 Section 4.7 of this Guide. Submission of original invoices, receipts, quotations and so on for the expenses of the project will not be required if the auditing requirements are adequately fulfilled.

- 4.6.2 For universities, 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.
- 4.6.3 The statement of accounts as required above must be submitted in prescribed format as specified by the Secretariat. It should be noted that recipient organisations / bodies should provide all necessary details in the complete statements of accounts, and the Secretariat is not obligated to request for additional information from recipient organisations / bodies.

4.7 Auditing requirements

- 4.7.1 For projects receiving a grant of HK\$150,000 or above, depending on the auditing arrangement opted by the recipient organisations / bodies, the statement of accounts submitted in accordance with Section 4.6 of this Guide is required to be audited by certified public accountants (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, and that these conclusions are explicitly stated in the auditor's report. Recipient organisations / bodies 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 "Notes for Auditors of Recipient Organisations" and "Sample Auditor's Report" in Appendices III and IV respectively of this Guide.
- 4.7.2 Recipient organisations / bodies are not required to attach the original copies of invoices, receipts, quotations and so on to the audited statement of accounts, unless specifically requested by the Secretariat if necessary to do so. However, recipient organisations / bodies should still keep the original copies of invoices, receipts, quotations and so on for record and checking by the Secretariat 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.
- 4.7.3 Recipient organisations / bodies are required to make available to the auditors all information, documents and explanations relating to their projects funded by the ECF for audit purpose.

4.8 Intellectual property rights arising from projects and the use of project results

- 4.8.1 Unless negotiated otherwise between the Secretariat and recipient organisation / body, the recipient organisation / body will solely own all intellectual property rights arising from the project.
- 4.8.2 The recipient organisation / body is required to grant unconditionally and irrevocably to the Government the right to publish or use the results, findings and any other information provided in the Application Form, progress report, completion report and other publications, guides or publicity material of the project.

4.9 Publicity of project events and results

- 4.9.1 Recipient organisations / bodies should provide information about the project events such that the Secretariat and EPD may conduct spot checks on the project activities.
- 4.9.2 Recipient organisations / bodies should notify the Secretariat of the project results before publicising them. Copies of publications or publicity material produced under a project must be made available to the Secretariat within one month after the completion of the project.
- 4.9.3 Recipient organisations / bodies 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).
- 4.9.4 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 / bodies. 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 / bodies 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 ECF's image, or cause any liabilities to ECF.
- 4.9.5 Publications or publicity materials that are unrelated to the ECF-funded projects shall not be presented within the premises of the projects where the rental costs are solely subsidised by the ECF.
- 4.9.6 Information on project findings may be uploaded on the websites of ECF / EPD for public access.
- 4.9.7 For the purpose of identification, the recipient organisations / bodies should issue suitable work identity cards for staff and / or volunteers carrying out activities under the projects. Staff and / or volunteers of the projects should not wear other uniforms apart from those of the recipient organisations / bodies. Where other means of identification is proposed, prior approval should be obtained from the Secretariat.
- 4.9.8 Recipient organisations / bodies are obligated to submit a copy / sample / artwork of all

publicity materials proposed for review by the Secretariat 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.

- 4.9.9 When considering the location and arrangements for displaying publicity materials, the recipient organisations / bodies 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 parties affected as appropriate. The funding support from the ECF for the projects should in no way be construed as support for the proposed location and arrangements for the display of such publicity materials.
- 4.9.10 Apart from the names and logos of the ECF, recipient organisations / bodies and supporting organisations / bodies 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 organisations /bodies or a consortium of private companies to be published in any publicity materials and promotional items relating to the projects.

4.10 Acknowledgement of support and disclaimer

- 4.10.1 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 material resulting from a project. Failure in making proper acknowledgment may result in suspension / termination of funding support and affect the future applications.
- 4.10.2 The logo of ECF may be used and printed onto publicity materials as agreed by the Secretariat 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; advertisements on newspapers and electronic medias and so on.
- 4.10.3 For publicity materials produced under the projects or activities, the sizes of the names and / or logos of the recipient / assisting / supporting / sponsoring organisations / bodies should not be larger, or placed in a more prominent position, than those of the ECF.
- 4.10.4 Use of the name and logo of the ECF for other purposes is subject to the prior approval of the Secretariat.
- 4.10.5 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 image and / or cause any liabilities to the ECF. 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.*" should be added to all publications and media briefs relating to ECF-funded projects.

4.11 Renting of premises under the management of Housing Authority / Housing Society

- 4.11.1 For projects that require the use of premises under management of the Housing Authority (HA) / Hong Kong Housing Society (Housing Society) (e.g. vacant shops at public housing estates, flatted factory estates, etc. for setting up recyclables collection

centres), applications for leasing premises should be submitted by the recipient organisations / bodies to the Housing Department (HD) / Housing Society upon the Vetting Sub-committee's approval of the projects, the Secretariat will inform the HD / Housing Society of details of the projects to facilitate the HD / Housing Society's consideration of the recipient organisations' / bodies' applications for leasing premises.

4.11.2 Recipient organisations / bodies should provide the following details for consideration by the Estate Management Division of the HD –

- (a) The types of activities to be carried out at the premises;
- (b) The location, size and headroom of the premises; and
- (c) The technical requirements such as electricity loading, drainage for discharging foul water, etc.

4.11.3 HD will positively consider each application on individual merits and subject to the following criteria –

- (a) All lettings be confined to converted / vacant bays or shops under domestic blocks not at prime locations or flatted factory estates. Premises in shopping centres will normally not be considered;
- (b) Support from the Mutual Aid Committee (MAC) of the respective estate is required. (the HD will help arrange for the recipient organisation / body to brief the MAC on the project);
- (c) Operation of the recycling activities should not cause any environmental impacts such as noise nuisance, unpleasant smell, toxic gas, hygienic problems, obstructions, effluent discharge, potential fire hazards and so on in the neighbourhood (unless mitigated to an acceptable level);
- (d) No inflammable goods are stored inside the premises;
- (e) The premises are suitable for the intended purposes after HD has examined the site conditions; and
- (f) Operation at the premises should comply with the laws of the Hong Kong Special Administrative Region.

4.11.4 The premises, if approved, will be let on a monthly licence at fair market or concessionary rent to be determined by HD.

4.11.5 For projects that require the use of premises under management of the Housing Society, recipient organisations / bodies should follow procedures applicable to the Housing Society

4.12 Procurement of capital items, goods and services

4.12.1 Recipient organisations / bodies are obligated to adhere to a high standard of integrity and spend the funding in an open, fair and accountable manner. Recipient organisations

/ bodies are advised to observe the Best Practice Checklist issued by the 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

- 4.12.2 Recipient organisations / bodies should exercise utmost prudence in procuring capital items, goods or services for the projects and must adhere to the following procedures unless the Vetting Sub-committee agrees otherwise –
- (a) For every procurement of an aggregate value of HK\$5,000 or below, quotations from suppliers are not required for most items except those specified in **Appendix II** of this Guide;
 - (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.
- 4.12.3 Recipient organisations / bodies 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 scheme) must be given and prior agreement must be obtained from the Vetting Sub-committee.
- 4.12.4 In case the recipient organisation / body intends to procure the items from a specified company / organisation / individual / body without following the open procurement process as stated in Section 4.12.2 of this Guide, it has to provide details of the proposed procurement, justifications for the special procurement arrangement, and its relationship with the company / organisation / individual / body concerned in the Application Form. If such special procurement arrangement is not proposed in the application form and approved, subsequent approval from the Vetting Sub-committee will be required.
- 4.12.5 For universities, they may adhere to their established / current standard procurement procedures.
- 4.12.6 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(s), or release of the final payment, or in accordance with prevailing statutory requirements, whichever the longer.
- 4.12.7 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 V** of this Guide for the probity requirements for recipient organisations / bodies.

4.13 Title of capital items, educational materials and computer software

The title of capital items (including minor works and equipment but excluding consumables such as recycling bins), educational materials and computer software procured with the ECF will remain with the Government during the project period. Upon satisfactory completion of the projects and subject to the approval of the Vetting Sub-committee, the title of these items may be transferred to the recipient organisations / bodies on a case-by-case basis.

4.14 Suspension / Termination of funding support

4.14.1 The Vetting Sub-committee may suspend / terminate funding support of a project under the following circumstances –

- (a) The project does not commence within three 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 project leader leaves the recipient organisation / body 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 project leader;
- (d) The recipient organisation / body fails to submit the required report(s) and / or records and / or achieve the deliverables by the deadlines stipulated; or
- (e) The recipient organisation / body fails to comply with the funding conditions as set out of this Guide and / or the approval letter and no reasonable explanation has been given.

4.14.2 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 / body, stating the reason(s) for the suspension / termination. In the case of suspension, the recipient organisation / body should demonstrate that measures have been taken to improve the unsatisfactory situation before the Vetting Sub-committee consider to lift 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, educational materials and computer software acquired for the project.

4.14.3 Any suspension or termination of a project will affect the recipient organisation's / body's future chance of getting financial support from ECF. If the termination is due to failure in submission of the completion report(s) and / or the associated document(s), the recipient organisation / body 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. The recipient organisation's / body's management will be informed.

- 4.14.4 The ECF shall be entitled to be refunded by the recipient organisation / body of some or all of a grant which has been used other than in accordance with the terms of the approved project.
- 4.14.5 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 project leader;
 - (c) Transfer of project to another organisation / body;
 - (d) Deferral of the submission date of progress report / completion report / statement of accounts / records; or
 - (e) Change in sponsorship.
- 4.14.6 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 by the Vetting Sub-committee.
- 4.14.7 The Secretariat should be notified of any proposed minor changes to a project such as change of activity date and venue in advance.

4.15 Others

- 4.15.1 The ECF Committee, ECC, their sub-committees and secretariats, and the Government shall have no responsibility, financial or otherwise, for expenditure or other liabilities arising from the projects.
- 4.15.2 The ECF Committee, ECC, their sub-committees and secretariats, and the Government may at any time, if consider fit, amend or add to the above conditions, without prior notice to the recipient organisations / bodies.
- 4.15.3 If personal information of participants was to be collected for 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 of Personal Data should be sought.

Implementation Arrangements for Municipal Solid Waste (MSW) Charging

To provide appropriate time for the Government, various stakeholders and members of the public to prepare for the implementation of MSW charging, the Administration will put in place a preparatory period of 18 months as a basic arrangement. During the preparatory period, the Administration will pay close attention to various aspects of the community, in particular the progress of economic recovery after the pandemic, and the level of preparation among different stakeholders, etc. The preparatory period could be extended as needed.

The EPD will report to the Legislative Council (LegCo) Panel on Environmental Affairs (EA Panel) on the progress of the work during preparatory period and consult the EA Panel on the commencement dates of the legislations at an opportune time. Upon obtaining the support of the EA Panel, the subsidiary legislations in relation to the relevant commencement notices will be published in the Gazette subject to negative vetting procedure of the LegCo.

Built upon the existing MSW collection and disposal system, the MSW charges will be levied through the dual modes of (a) charging through purchasing and using pre-paid "designated garbage bags (DBs)"/"designated labels (DLs)" and (b) charging by "weight-based gate-fee". The charging mode applicable to a waste producer will depend on the waste collection service used by the producer:

- (a) Charging through purchasing and using pre-paid "designated garbage bags"/"designated labels"

Applicable to most residential buildings, commercial and industrial buildings, village houses, street-level shops and institutions, and such premises involving any of the following waste collection and disposal modes:

- (i) MSW collected by the refuse collection vehicles (RCVs) of the Food and Environmental Hygiene Department (FEHD) or its contractors ;
- (ii) MSW disposed of at the FEHD Refuse Collection Points (RCPs) and specified bins ^(note 1) by waste producers or waste collectors; and
- (iii) MSW collected by private waste collectors (PWCs) using RCVs with rear compactors.

The MSW will have to be properly wrapped in DBs before disposal onto waste vehicles, at RCPs and into specified bins as well as at the waste reception chambers or areas on individual floors of multi-storey buildings.

For oversized waste collected by FEHD or by PWCs using RCVs with rear compactors that cannot be wrapped into a DB, charge will be imposed through requiring the oversized waste to be affixed with a DL before disposal. A uniform rate will be charged.

- (b) Charging by "weight-based gate-fee"

Mainly applicable to oversized waste or waste which is irregular in shape generated from commercial and industrial premises and the MSW of the premises is collected by PWCs using waste collection vehicles without rear compactors. The MSW would be charged subject to a gate-fee based on the weight of MSW disposed of at the waste disposal facilities, i.e. refuse

transfer stations or landfills.

Note 1: Specified bins refer to refuse containers (usually large refuse bins of 240-litre or 660-litre capacity) managed by FEHD for collecting MSW and are normally placed at RCPs managed by FEHD. Given the constraints of time and space in RCP operations and having regard to the safety of the public and staff (for instance, enough room has to be provided for RCVs to safely head in and out of RCPs), these large refuse bins are sometimes temporarily relocated outside RCPs. Moreover, since most RCPs in rural areas are bin sites with no building structures, only large refuse bins (usually of 240-litre or 660-litre capacity) are placed there. To ensure effective implementation of MSW charging and to prevent the public from depositing non-compliant waste in these large refuse bins, it is necessary to define these large refuse bins managed by FEHD as specified bins. The Bill requires that a prescribed sign be exhibited on a specified bin for easy identification by the public.

Level of Funding Support for Expenses of Waste Separation Projects to Pave the Path for Municipal Solid Waste Charging

(applicable to applications from 3 January 2022)

Item	Level of Funding Support (HK\$)
Staffing (Maximum 50% of the total approved budget or actual expenditure, whichever is the less.)	
1. Project Coordinator and Project Assistant	<ul style="list-style-type: none"> - Project Coordinator: Maximum \$25,000 per month. - Project Assistant: Maximum \$15,000 per month. - Project Coordinator and Project Assistant should work not less than 44 hours per week. - The Vetting Sub-committee will determine the amount of funding support for project staff subject to the scale of the Project(s) on a case-by-case basis. - The above-mentioned funding caps are not MPF inclusive. The level of funding support for MPF is capped at 5% of the approved salary of staff.
Waste Separation / recycling Support and other waste handling equipment (Maximum 20% of the total approved budget or actual expenditure, whichever is the less.)	
2. Weighing scale (hand-held scale / stand scale / platform scale / pallet truck scale)	<ul style="list-style-type: none"> - Hand-held scale: Maximum \$200/pc - Stand scale: Maximum \$1,500/pc - Platform scale / Pallet truck scale: Maximum \$10,000/pc
Labour Cost	
3. Workers and green ambassador	<ul style="list-style-type: none"> - Maximum \$ 72 per hour for each worker carrying out waste handling works and such. - Maximum \$ 57 per hour for each green ambassador carrying out promotion and education activities. - The above-mentioned funding caps are not MPF inclusive. The level of funding support for MPF is capped at 5% of the approved salary of staff.

Education and Promotion

(Maximum 20% of the total approved budget or actual expenditure, whichever is the less.)

4. Green carnival / opening ceremony / closing ceremony / major event (including set up and decoration, backdrop, rental payment of venue, PA system, meal allowance for volunteers, etc.)	<ul style="list-style-type: none">- Maximum \$20,000 for each event.- Funding for souvenir(s) presented to officiating guest(s), guest(s) and judge(s) is not supported.- Refreshments and snacks are not supported.- Temporary manpower required for all activities is included in "Labour Cost".
5. Competition (including competition materials, prizes / trophies, meal allowance for volunteers, etc.)	<ul style="list-style-type: none">- Maximum \$6,500 per competition, including prizes / trophies.- Cash or cashable items must not be given as prizes.
6. Visit to local environmental facilities (including hire of coach and meal allowance for volunteers, etc.)	<ul style="list-style-type: none">- 40% of the admission fee for local environmental facilities / fares of package tours should be paid by the participants.- Hire of coach: Maximum \$2,000 per coach (round trip). Quotations from at least three suppliers must be provided.
7. Other activities (including teaching materials, materials, rental payment of venue, meal allowance for volunteers, hire of speakers / instructors, etc.)	<ul style="list-style-type: none">- Maximum \$3,000 per time of activity.- Funding for souvenir(s) presented to officiating guest(s), guest(s) and judge(s) is not supported.- Refreshments and snacks are not supported.
8. Design and production of promotion and education materials	<ul style="list-style-type: none">- Maximum \$8,500 for each project.

Supporting facilities and measures for the "three-nil buildings"

(Maximum 20% of the total approved budget or actual expenditure, whichever is the less.)

9. One-off cleanup operation in common areas	<ul style="list-style-type: none">- May be considered on a case-by-case basis.- Hire of van, labour cost, waste handling cost and other related cost are included in the amount of funding support.
10. Installation of CCTV surveillance system(s) in common areas	<ul style="list-style-type: none">- May be considered on a case-by-case basis.- The cost of installation, operation and maintenance and other related cost of CCTV surveillance system(s) are included in the amount of funding support.
11. Door-to-door waste / recyclables collection services	<ul style="list-style-type: none">- May be considered on a case-by-case basis.- The required manpower is included in the workers carrying out waste handling works.

Administrative cost	
12. Administrative and overhead cost (only applicable to non-governmental organisations / bodies and green groups without any government subvention)	<ul style="list-style-type: none"> - Maximum 10% of the total approved budget or actual expenditure, whichever is the less. - A detailed breakdown on items must be provided in the application form for assessment. - Not applicable to premises under possession of the applicant organisation / body. - Contingency item is not supported.
Audit	
13. Audit Fee	<ul style="list-style-type: none"> - Maximum \$20,000 for audit fee.
Insurance	
14. Insurance	<ul style="list-style-type: none"> - Funding support will be based on the basic requirements. - Quotations from at least three suppliers must be provided. - Excluding third party liability insurance, may be considered on a case-by-case basis.
Travel and Transportation	
15. Transportation cost for materials and recyclables	<ul style="list-style-type: none"> - For regular and planned use of transportation services, quotations from at least three suppliers must be provided.
16. Travel allowances for staff and volunteers	<ul style="list-style-type: none"> - Excluding daily home-to-office and office-to-home travelling of staff employed by the project, travelling expenses of staff employed by the project from workplace to workplace is supported.

Note:

The level of funding support may be adjusted by the Waste Reduction Projects Vetting Sub-committee as and when necessary. For the latest version, please refer to the ECF website.

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 guidelines¹, ROs are required to submit annual and final “audited accounts”² 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, and 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 guidelines¹ referred to in the project agreements³; 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

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

² 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.

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

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 –

- (a) the auditors should state whether, in their conclusion, 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 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 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 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.

The auditors may come across during the course of their reasonable assurance engagements weaknesses / breakdowns in internal control on the part of the ROs which are considered material. 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 letters to the ROs. Copies of such letters should be sent to the Secretariat for reference and action as appropriate.

5. Auditors are expected to follow the sample auditor’s report as attached in the *Appendix IV*.

**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 so as to obtain all the information and explanations 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 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.

ABC & Co.
Certified Public Accountants (Practising) 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 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 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 in which the permission is sought; and
- notify the Secretariat of the ECF Committee or the relevant Vetting Subcommittee in writing of all or any facts which may reasonably be considered to give rise to a situation where the financial, professional, commercial, personal, or other interests of the recipient organisation or any of its directors, staff members, agents, assisting / sponsoring organisers and 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 Committees, 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 (PIC) should maintain fairness and transparency in recruiting staff for the ECF-funded project, and ensure that all such staff members recruited with ECF grants are well qualified, suitably deployed, and properly remunerated.

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 Allocation and Use of Fund, and other relevant conditions prescribed for the grant of fund, to ensure consistency in practice.
 - segregate the duties in the procurement process as far as possible, e.g. assign different staff members to source suppliers / contractors for invitation of quotations / tenders, approve quotations / tenders, and certify the goods / services received.
 - specify the approving authorities and the procurement methods for purchases of different values (e.g. open tendering for purchases of significant value or restricted tendering for minor purchases of a specified amount), which should be no less stringent than the requirements set out in the ECF's Guide to Application, Terms & Conditions for the Allocation and Use of Fund, and other relevant conditions prescribed for the grant of fund.
 - state the approving authorities for purchases by single source quotation or tender (preferably by a panel in case of high value purchases) and require the staff concerned to give justifications in writing.
 - include in the tender / quotation invitation documents probity clauses to prohibit all bidders from offering or soliciting bribes in relation to the bidding exercise.
 - incorporate anti-collusion clauses in the tender / quotation invitation document, and require the bidders to submit, together with their bids, a declaration pledging compliance with the anti-collusion clause.
 - add probity clauses to prohibit all 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, educational materials and computer software procured with 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 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 submission of the completion/auditor's report or release of the final payment or in accordance with prevailing statutory requirements whichever the longer, full and proper books of accounts and records including the original copies of invoices, receipts, quotations and so on 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.