



ENVIRONMENT AND CONSERVATION FUND

環境及自然保育基金



Guide to Application



Community Waste Reduction Projects

(Latest version in November 2022)

Waste Reduction Projects Vetting Sub-committee Secretariat
Environment and Conservation Fund

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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 Scheme, Environmental Education and Community Action Scheme and Environmental Research, Technology Demonstration and Conference Scheme.

1.1 Purpose of this Guide

This Guide provides information on the application for *Community Waste Reduction Projects*, guidance to complete the application form, and basic requirements and responsibilities of recipient organisations of the grant. Upon approval of the funding support by the ECF Committee¹, the applicant organisation will sign an agreement with the Government undertaking to observe the conditions of approval specified in the approval letter as well as the Conditions of Grant in implementing the proposed project. Applicant organisations are advised to make reference to the Conditions of Grant in **Appendix I** of this Guide when preparing the project proposal and proposed budget required in the application.

1.2 Nature of Community Waste Reduction Projects

1.2.1 Community Waste Reduction Projects, which are community-based and result-oriented, aim to enhance awareness and ensure sustained participation of the public in solid waste recycling, reduction, separation, and recovery. Such projects should bring about sustained and tangible effect in local communities, and thus *should not be one-off publicity events*.

1.2.2 Each Community Waste Reduction Project should normally last for not more than two years, unless with justifications accepted by or as required by the Waste Reduction Projects Vetting Sub-committee (the Vetting Sub-committee) for specific reason(s).

1.3 Administration

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

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

2. SAFEGUARDING NATIONAL SECURITY

- 2.1 By submitting an application form to the ECF, the applicant organisation acknowledges and undertakes to comply with the following:
- (a) notwithstanding anything to the contrary in this Guide and/or the agreement signed between the recipient organisation and the Government in respect of any ECF project, the Government reserves the right to disqualify the recipient organisation on the grounds that it has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of offences endangering national security or otherwise the exclusion is necessary in the interest of national security, or is necessary to protect the public interest of Hong Kong, public morals, public order or public safety.
 - (b) the Government may immediately terminate any agreement with the recipient organisation upon the occurrence of any of the following events:
 - (i) the recipient organisation has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
 - (ii) the continued engagement of the recipient organisation or the continued implementation of any ECF project is contrary to the interest of national security;
or
 - (iii) the Government reasonably believes that any of the events mentioned above is about to occur.
- 2.2 Applicant organisation is required to sign an agreement confirmation on safeguarding national security by completing Annex I of the application form. An application will be considered invalid if the Annex is not submitted.

3. GUIDE TO APPLICATION

3.1 Who may apply?

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

Eligible applicant organisations should provide the following document(s), whichever is applicable, to support their eligibility:

(a) Local tax-exempt charities

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

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

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

When submitting an application, the applicant organisation must provide:

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

3.2 How to apply?

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

(a) The person-in-charge of a project proposal should be the **Head or Deputy Head of the applicant organisation.**

(b) Applicant organisations may complete and submit an application by filling in the electronic application form at the GovHK website (<https://eform.cefs.gov.hk/form/epd004/>) **before 6:00 pm on the application**

closing date as specified in the announcement of invitation. Applicant organisations are advised to download a soft copy of the application for record.

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

- The ECF website (<https://www.ecf.gov.hk>)
- Waste Reduction Projects Vetting Sub-committee Secretariat
Address : 5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong
Tel. : 2835 1234
Fax. : 2827 8138
E-mail : ecf@epd.gov.hk

Duly completed application form together with any supplementary/supporting documents **must be submitted** to the Secretariat **before 6:00 pm on the application closing date** as specified in the announcement of invitation by the following means –

- In person or by post (Address: 5/F, Southorn Centre, 130 Hennessy Road, Wan Chai, Hong Kong)
- By email (E-mail address: ecf@epd.gov.hk)

For applications submitted by post, the postmark should be dated on or before the application closing date. Otherwise, it will be regarded as late applications. 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.

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

3.2.3 For paper-based applications, the application form should be typed or printed on both sides of the paper.

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

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

The application and approval processes will normally be **completed within 6 months** after the closing of the application deadline. A Vetting Sub-committee has been established under the ECF for vetting Community Waste Reduction Projects which consists of the following key steps-

- Step 1: Upon successful submission of the application, the applicant organisation will receive an acknowledgment notice. The Secretariat may, but is not required or obliged to, contact the applicant organisation to obtain further details on missing documents or incomplete information, and any incomplete application forms will be returned and not be processed.
- Step 2: The application will be considered by the Vetting Sub-committee who may request the applicant organisation to provide further information and/or give a presentation at its meeting, if necessary.
- Step 3: The Vetting Sub-committee may approve grants up to HK\$2,000,000 for a project. For approval of grants over HK\$2,000,000, the Vetting Sub-committee will make recommendation for the endorsement by the ECF Committee. The Vetting Sub-committee or the ECF Committee may adjust the proposed budget, set ceilings for individual expenditure items and prescribe approval conditions when approving the amount of grants for the projects.
- Step 4: The Secretariat will notify applicant organisations of the decisions of ECF Committee/the Vetting Sub-committee in respect of project approval and conditions of grant which **shall be final**.

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

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

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

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

4. GUIDE TO PREPARE PROJECT PROPOSAL

4.1 General

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

4.1.1 The project must contribute to promoting waste prevention and recovery in Hong Kong, raise awareness and/or mobilise the local community to take action in waste reduction, separation and recovery.

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

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

4.1.4 The project proposal should demonstrate the following -

- (a) the benefits that it will bring to the efforts in promoting waste reduction, separation and recovery in local communities, or the extent to which it will enhance the awareness and mobilise the public to participate in waste reduction, separation and recovery;
- (b) whether there is a genuine need for the project;
- (c) whether the programmes of the project proposal can bring about positive impact in the longer run;
- (d) whether the project echoes the Government's initiatives in waste reduction and recovery;
- (e) the technical and project management capability of the applicant organisations, including the effectiveness of their past project(s), their abilities to deliver the committed project performance (including record keeping and reporting of project outputs) and to comply with the funding conditions (including producing decent regular progress reports, auditor's statements);
- (f) the track record of the applicant organisations, whenever applicable, including their community network, past experience in project implementation, ability in delivering the planned project outcomes or benefits, and past documentation submission records under the ECF project(s) etc.;
- (g) whether the project duration is reasonable and the schedule of implementation is well-planned and practicable;
- (h) whether the proposed budget is prudent, realistic and cost-effective, with every expenditure item well justified;

- (i) whether the proposed activities will minimize the generation of waste themselves;
- (j) whether the project has received other sources of funding support;
- (k) whether the project should more appropriately be funded by other sources;
- (l) whether there is or likely to be duplication of the work already or currently being carried out by other organisations or government departments;
- (m) if recurrent expenditure is incurred, whether the project has potential to become self-sufficient after a certain period of time; and
- (n) if it is an application for extension of an ongoing or a completed project, whether the project shows enhancement/improvement in different aspects such as cost effectiveness, project mode or scope, quantity and type of recyclables, demonstrable project outputs and benefits with credible monitoring and evaluation mechanisms, etc. and diminishing reliance on the ECF funding support without compromising the project performance.

4.2 **How applications are assessed?**

Based upon the criteria listed in sections 4.1.4 (a) to (n) above, the Secretariat adopts the following marking scheme to evaluate the merits of the applications and select the most meritorious applications for the consideration of the Vetting Sub-committee.

- (a) Details of the project proposal (50%)
 - (i) Project quality
 - (ii) Overall budget
 - (iii) Project schedule
- (b) Overall impact of the project proposal on community (40%)

Expected benefits to be brought by the project in promoting waste reduction and recovery in local communities and sustainability of the project
- (c) Capability of the applicant organisation (10%)

Technical and project management capability of the applicant organisation

5. GUIDE FOR COMPLETING THE APPLICATION FORM

5.1 General

- 5.1.1 All sections of the application form should be completed. Where the information sought is not applicable or not available, please fill in “NA”. Additional pages may be attached to the application form if necessary.
- 5.1.2 Where supporting documents are required in the application form, please ensure that all required information is submitted with the application form in the fullest manner. The Vetting Sub-committee or the Secretariat is not obligated to contact the applicant organisations for missing information or clarification, and would proceed with the vetting on the basis of the information submitted.
- 5.1.3 Applicant organisations are welcome to contact the Secretariat if they are not clear about any of the information or document required in the application form before submitting the applications.

5.2 Sections of the application form

5.2.1 Section A – Data Sheet

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

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

Provide the name of the applicant organisation, which must be a local non-profit making organisation or a group formed under a local non-profit making organisation, and also the particulars of the person-in-charge in English and Chinese.

5.2.1.3 *Project Title*

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

Note: The Vetting Sub-committee reserves the right to request an applicant/recipient organisation to change the project title of an ECF-funded project as deemed necessary to avoid duplication and confusion in the source of funding.

5.2.1.4 *Brief Description of the Project*

Give a brief account of the project in not more than 500 words.

5.2.2 Section B – Project Proposal

5.2.2.1 *Type of the Project*

Indicate the type of project.

5.2.2.2 *Duration of the Project*

State the commencement and completion dates.

5.2.2.3 *Nature and Objectives of the Project*

In clear and specific terms, state how the project will enhance public environmental awareness and ensure sustained participation of the public in waste reduction and recovery in local communities, etc.

5.2.2.4 *Scope of Work of the Applicant Organisation in the Project*

State the scope of work to be performed by the applicant organisation in the project. A project of which the applicant organisation does not make a major contribution will not be eligible for funding support.

5.2.2.5 *Details of other Assisting/Supporting/Sponsoring Bodies of the Project*

Give details of other assisting/supporting/sponsoring bodies.

5.2.2.6 *Details of Implementation Plan of the Project*

State clearly the recycling plan and promotion plan to be employed and show how the plan can help to achieve the objectives of the project. Please provide the following information in particular –

Recycling Plan:

- (a) Target group(s), target district(s) and planned number of people involved of the project;
- (b) Workflow of recycling activities - give details about the types of waste and/or recyclables, mode of collection, mode of transport and storage/treatment location(s);
- (c) Outlet of recyclables/treated products - give details about the types of waste and/or recyclables, methods of treatment, product after treatment, product outlet and outlet of the remaining waste. The recyclables should not be disposed of as waste at landfills or other waste treatment facilities unless unavoidable;

Note: For surplus food recovery projects, written consent(s) must be obtained from all of the target regular recovery points and cop(ies) of the consent letter(s) must be submitted together with the application form.

Promotion Plan:

- (a) Promoting activities and target group – give details about the activity, quantity, target group(s) and planned number of participants;
- (b) Detailed workplan and timetable of promoting activities – give details about the content, time, period, venue and planned number of participants of each activity;
- (c) Production of educational and publicity materials/platforms (if any) – give details of the content, quantity, target and distribution channel of the materials/platform. To minimise waste generation through printed materials, applicant organisations are encouraged to consider e-channels for education and promotion;
- (d) Detailed timetable of implementation plan of core tasks – give details about each of the core tasks and its content, time and period;

Note: Normally, no funding will be supported for activities/work which start before approval is given by the Vetting Sub-committee.

5.2.2.7 *Expected Benefits of Project*

- (a) Output and benefit - Set out performance indicators for monitoring and evaluation of output and benefit. Examples of the performance indicators are -

Quantitative results:

- the types and monthly quantities of waste to be reduced, and/or recyclables to be collected, reused and/or treated;
- the number of participating headcounts, schools, students, companies, buildings and/or households;
- the number of volunteers recruited and/or trained;
- the number of local community organisations involved; and
- the type of recovery point, the monthly recovery amount, the monthly distribution amount and the monthly number of beneficiaries (for surplus food recovery projects only).

Qualitative results:

- behavioural change of the participants;
- environmental protection knowledge to be learnt by the participants.

Comparison with previous project:

- state the differences between the new application and the previous project (applicable to extension project only)
- (b) Monitoring and evaluation mechanism - Upon completion of a project, evaluation(s) should be made to assess the effectiveness of the project, where applicable, against the original project objectives. Therefore, applicant organisations should set out clearly the project targets/deliverables in the application form. The project targets/deliverables will be one of the key considerations in vetting projects.

Note: Failure in meeting any project targets/deliverables may affect subsequent applications. The Vetting Sub-committee may request the recipient organisations to meet the project targets/deliverables within a specific time at its own cost.

- (c) Sustainability - Give a timetable setting out how long the project will take to become self-sustained. For projects involving recurrent expenditure, the applicant organisation has to demonstrate that such expenses will be incurred only within a specified duration or that the project will become self-financed after a specific time period.

5.2.3 Section C – Proposed Budget

5.2.3.1 *Budget of the Project*

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

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

(a) Staffing

- (i) The applicant organisation is expected to have the human resources and expertise to supervise and undertake the project. Hence, no funding support will be provided for hiring additional supervisory staff, administrative staff, professional advisor(s), or provision of training course(s) for staff of the recipient organisation. Funding support for the costs brought about by the deployment of the existing staff of the recipient organisation for duties related to the project must be clearly shown in the budget and will be considered on a case-by-case basis.
- (ii) Funding for staff employed directly for the project may be supported, the salaries of which will be considered on a case-by-case basis. The total amount for covering the salaries of project staff should normally be below 50% of the total approved budget or actual expenditure of the project, whichever is the less.
- (iii) Direct labour cost involved in waste collection, separation, recycling and so on is supported. The actual amount to be granted will depend on the mode of operation of the project.
- (iv) The requirements of statutory minimum wage, Mandatory Provident Fund (MPF), employees' compensation insurance, and other employment legislations must be complied with. Funding for MPF and staff insurance for the project will be supported.

(b) Premises for operation

(i) Rental premises

The applicant organisation is expected to have existing premises/offices for their normal operation. Only funding support for renting premises necessary and solely for the project (including rental fee and fee for water supply and electricity) will be considered. The actual amount approved will depend on the size and location of the selected venue.

(ii) Administration overhead costs

Premises owned by or already rented for use by the applicant organisation for normal operation of the applicant organisation will not be eligible for rental support under the ECF, except for non-governmental organisations without receiving government subvention, the portion of overhead costs necessary for and incurred from the administration of the

project will be considered. Such administration overhead costs are subject to a cap of 10% of the total approved budget or actual expenditure of the project, whichever is the less. Breakdown of the relevant overhead items and the portion(s) incurred from the project must be provided with justifications and a declaration from the application organisations that they are not receiving any government subventions.

(c) Tools and Consumables for Recycling

- (i) Funding for purchasing minor tools and consumables (e.g. trolleys, weighting scales, food waste separation devices, collection bins / liner bags and transportation tools, etc.) will be considered on a case-by-case basis.
- (ii) Maintenance and repair costs of the approved tools incurred after the procurement may be considered.
- (iii) Funding for renting in-house equipment or tools owned by the recipient organisation is normally not supported.

(d) Travel and Transportation

- (i) Funding for travelling expenses on public transport for project staff/volunteers and hire of transport services will be supported.
- (ii) Non-local travel will normally not be supported. Non-local participants participating in a local function are normally expected to pay for their own travelling expenses.

(e) Education and Promotion

- (i) Use of e-publications is encouraged to minimise waste generation through printed materials.
- (ii) Funding for website design and maintenance cost will be considered on a case-by-case basis. Consideration should be given to use their own existing website, social media page, etc. to achieve publicity results instead of creating a website for a project.
- (iii) Expenses on educational materials will be considered on the condition that they are essential.
- (iv) Funding for rental of venue and facilities owned by the applicant organisation is normally not supported.

(v) Cash reward to individual(s) to promote participation in the project activities will not be supported.

(f) Insurance

A recipient organisation 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, 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.

(g) Audit

For a project receiving a grant of HK\$300,000 or above and lasting more than eighteen months, auditing of the statement of accounts by a Certified Public Accountant will be required once every twelve months and upon project completion. The maximum amount of funding support for each audit will be \$20,000. Auditing shall be conducted in accordance with section 6 of *Appendix I* of this Guide.

(h) Office Supplies

The applicant organisation is expected to have basic office supplies to support the project. Funding for general office supplies such as photocopiers, printers, computers, computer accessories and softwares will normally not be supported.

(i) Others

(i) All other expenses will be considered on a case-by-case basis.

(ii) Funding for unspecified miscellaneous and contingency item(s) is not supported.

(iii) Funding for renting or purchasing material(s) already in the stock kept by the applicant organisation is not supported.

5.2.3.2 *Procurement of Equipment, Machinery and Other Capital Expenses*

The applicant organisation should state clearly what equipment, machinery and other capital items will need to be procured for use in the project. The procurement of these capital items will be considered case-by-case, and only items absolutely necessary and solely for the delivery of the project will be supported. The total cost of these capital items shall not normally exceed 30% of the total budget. If these items are approved, the applicant organisation shall follow the procurement process as stated in section 11 of *Appendix I* of this Guide.

5.2.3.3 *Estimated Revenue Generated from the Project*

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

5.2.3.4 *Proposed Amount of Initial Payment*

The applicant organisation may propose the required amount of initial payment, which shall not exceed 50% of the budget. The applicant organisation should consider the need for renting operational spaces (e.g. workshop, storage spaces, etc.), procurement of equipment, machinery and other capital expenses, etc. required in the initial stage of the project in calculating the amount of initial payment required to start up the project. The Vetting Sub-committee or the Secretariat will consider various factors (e.g. whether the project is an extension project) to make a final decision on the amount of the initial payment to be approved and inform the applicant organisation accordingly.

5.2.3.5 *Other Sources of Funds*

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

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

5.2.4 Section D – Other Information

5.2.4.1 *Information of the Project Team*

The applicant organisation should give detailed information of the project team including details of the project leader, composition and number of staff members and volunteers (if applicable), their respective positions in the applicant organisation (if applicable), their duties in the project and the time they spent working on the project (in terms of number of working hours per week for project staff). The project team's structure/organisation chart should also be provided.

Note: While there is no limit to the number of projects one organisation can undertake at the same time, the Vetting Subcommittee will be mindful of the applicant organisation's capability and resources in taking on more than one project concurrently.

5.2.4.2 *Experience and Record of Applicant Organisation in Organising Related Activities other than Projects under the ECF*

Provide experience and record in organising related activities other than projects under the ECF.

5.2.4.3 *Other Relevant Information in Support of the Application*

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

5.2.4.4 *Applicable to Surplus Food Recovery Projects Only*

For surplus food recovery projects, provide information on list of target regular recovery points, regular recovery schedule, types of recovered food, regular distribution schedule and also the plan to ensure food safety. Give the policy, proposed mechanism, procedural guidelines and criteria on handling surplus food recovery activities.

(a) List of target regular recovery points

State the type of regular recovery point(s) such as wet market or supermarket, the name as well as address of the recovery point(s). If this is an application for an extension project, please indicate "yes" if the said recovery point is new, otherwise please indicate "no". Please state "N.A" if this is an application for a new project.

Applicant organisations are required to submit written consent(s) obtained from all recovery point(s) stated together with the application form.

- (b) Please clarify whether or not the applicant organisation is currently conducting surplus food recovery activities as the target recovery point(s) as mentioned above.

Please indicate “yes” or “no” to the above. If yes, please list out the recovery amount (in tonnes), distribution amount (in tonnes), number of beneficiaries and the number of collection days per week at the relevant recovery point(s) in the past 2 years as stated.

- (c) Regular recovery schedule

Please state the name of the regular recovery point(s) with reference to 5.2.4.4(a). Please indicate the collection date (e.g. Monday to Friday), collection time (e.g. 12:00-14:00) and manpower required to conduct the recovery activities at each recovery points (e.g. 2 part-time staff and 1 volunteer).

- (d) Types of recovered food

Please indicate the types of collected food. For example, fruits, packaged food, bread and frozen meat.

- (e) Regular distribution schedule

Please state the name and address of the distribution point(s), as well as the distribution date (e.g. Monday to Friday), distribution time (e.g. 12:00-14:00) and manpower required to conduct the distribution activities at each distribution points (e.g. 2 part-time staff and 1 volunteer)

- (f) Plan to ensure food safety

Please state clearly any guidelines and regulations to be followed by the project staff(s) during the surplus food recovery and distribution activities to ensure food safety. For example, recovered food handling procedure and food storage equipment.

Reference should be made to the updated “Food Safety Guidelines for Food Recovery” promulgated by the Centre for Food Safety:

http://www.cfs.gov.hk/english/programme/programme_haccp/files/Food_Safety_Guidelines_for_Food_Recovery_e.pdf

Applicant organisations may also seek advice from relevant Government department(s) regarding their proposed food handling procedures prior to submit an application.

(g) Appointment of Hygiene Manager or Hygiene Supervisor

Please confirm if there is at least one full time staff of the project team possesses relevant qualification for appointment as a Hygiene Manager (HM) or Hygiene Supervisor (HS) and take up the responsibility to oversee the food safety issue for the project. The recipient organisation should only commence the project when the project team has engaged a qualified full time staff to take up the duty as HM/HS under the project. Certification in relation to relevant qualification should be provided.

For information of HM and HS and related training courses recognised by the ECF, please refer to the following websites:

https://www.fehd.gov.hk/english/events/hmhs_scheme/index.html
https://www.fehd.gov.hk/tc_chi/events/hmhs_scheme/hmhs_app_3_c.pdf

5.2.4.5 *Supplementary Sheet for First-time Applicant Organisation*

For first-time applicant organisation of Community Waste Reduction Project, or an organisation applied for funding support from the ECF before but the organisation's information and/or Articles of Association has/have been changed, the following information must be provided in the Supplementary Sheet:

- (a) whether the applicant organisation is exempted from tax under Section 88 of the Inland Revenue Ordinance (Cap. 112);
- (b) registration status of the applicant organisation;
- (c) information on the principal persons-in-charge/directors/office bearers of the applicant organisation;
- (d) whether the applicant organisation has amended any clauses relevant to profits or properties in its Articles of Association in the past one year;
- (e) whether the applicant organisation receives any Government subventions; and
- (f) background information about the organisation.

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

5.2.5 **Annex I – Agreement Confirmation on Safeguarding National Security**

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

CONDITIONS OF GRANT

1 Agreement

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

2 Use of grant

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

3 Disbursement and reimbursement of grant

- 3.1 Depending on the cash flow requirement and nature of the project, the recipient organisation will receive the first payment between 25-50% of the total grant upon signing of the funding agreement and submission of the completed auditor undertaking form. Upon submission of a progress report with information on satisfactory performance and financial position of the project, the recipient organisation may be eligible for a further disbursement if the financial position of the project submitted justifies that not less than 80% of the previous payment(s) has/have been/will soon be spent such that a further disbursement is required for undertaking the project as scheduled. The last 10% of the grant will normally only be released after the completion of the project, submission of a completion report together with a statement of accounts for project and subject to the endorsement by the Vetting Sub-committee in accordance with the requirements specified in sections 5 and 6 below.

The Vetting Sub-committee or the Secretariat will decide the percentage of project disbursements in accordance with the financial position and the monthly quantitative results of the project.

Note: The final payment will normally be released within three months upon the endorsement of the completion report by the Vetting 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.

- 3.2 In the case of unsatisfactory performance or for any reason that the recipient organisation is unable to attain the project targets with no reasonable justification, the Vetting Sub-committee reserves the right to reduce the amount of the funding disbursement based on the performance of the recipient organisation, by taking into

account of the percentage of the quantifiable targets achieved and/or other factors which deemed relevant.

- 3.3 All revenue received, irrespective of whether it has been declared in the project proposal, must be defrayed against the actual expenditure before calculating the amount to be reimbursed as the final payment.
- 3.4 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 grants 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.
- 3.5 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. collection of recyclables) is fewer than that 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.
- 3.6 Any item not included in the approved budget will normally not be reimbursed.
- 3.7 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 ineligible for future funding support from the ECF.
- 3.8 Any unspent balance of the grant shall be returned to the ECF within two months after completion of the project or on or before the date as specified in a letter issued by the Secretariat requesting for the return of unspent grant.

4 Project account and interest

- 4.1 The grant paid to the recipient organisation shall be deposited into and appropriately kept in a separate risk-free interest-bearing account opened with a licensed bank in the name of the recipient organisation.
- 4.2 For a project receiving a grant of HK\$300,000 or above, all income and expenditure on the project should be clearly and separately book-kept to facilitate the checking of all financial records by the Government and auditors as and when necessary. For tertiary institutions, the grants should be kept by the finance offices and there is no need to open a separate account with a licensed bank for the project.
- 4.3 The recipient organisation should write to the Secretariat in case they have difficulties in opening a risk-free interest-bearing account and/or a separate account with a licensed bank.
- 4.4 Interest and income generated from the grant, if any, and other monetary receipts for the project have to be reasonably apportioned to the project and no negative interest shall be charged to the project. The interest earned shall be used to offset the project costs and shall not be used for other purposes outside the project without the prior approval of the Vetting Subcommittee.
- 4.5 The recipient organisation may be required to compensate the Government for any loss of interest income if the grant is not properly handled. Where necessary, the Government may initiate legal action for suitable remedies.

5 Reporting requirements

5.1 Progress Report

Recipient organisations shall submit a progress report together with a statement of accounts for the project expenses once every six months to the Secretariat. The progress report shall be submitted within one month following the end date of the corresponding reporting period. In addition, the Vetting Sub-committee or Secretariat may carry out site inspection and/or surprise checks to examine the progress of a project at any time without prior notice to the recipient organisation.

- (a) For a project receiving a grant below HK\$150,000, submission of original invoices and receipts for the expenses of the project together with the progress report is required.
- (b) For a project receiving a grant of HK\$150,000 or above and below HK\$300,000, submission of invoices and receipts for the expenses of the project together with the progress report may be required depending on the auditing arrangement for the project opted by the recipient organisation as stipulated in section 6.3 below.
- (c) For a project receiving a grant of HK\$300,000 or above, submission of invoices and receipts for the expenses of the project together with the progress report is not required.

(d) To keep track of the project progress for disbursement/ reimbursement, the recipient organisations may be required to report project outputs regularly (including attendance of activities, etc.) to the Secretariat via smart electronic means.

5.2 Completion Report

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

5.3 All progress and completion reports should be signed off by the person-in-charge of the recipient organisation or the project leader of the project and submitted in the format as requested.

5.4 If an extension of the submission deadline(s) for the progress and/or completion report(s) is required, prior approval should be obtained from the Secretariat.

5.5 Unsatisfactory performance and delay in report(s) submission will affect the recipient organisation's future chance of getting funding support from the ECF, and the recipient organisation's management will be informed of such. In particular, the past record of a recipient organisation's punctuality in report(s) and/or related document(s) submission will be taken into account when considering new application(s) from the recipient organisation. As appropriate, only conditional approval for new application(s) will be given if the recipient organisation 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.

6 Auditing requirements

6.1 The recipient organisation has to submit a complete statement of accounts together with the progress and completion report(s) to the Secretariat within two months upon completion of the project. If an extension of the submission deadline is required, prior approval should be obtained from the Secretariat.

6.2 For a project receiving a grant below HK\$150,000, the grant received must be shown in the complete statement of accounts together with the original copies of invoices, receipts, quotations and so on. Auditing will not be required, but the Secretariat reserves the right to check all financial records kept by the recipient organisation relating to the use of the grant.

6.3 For a project receiving a grant of HK\$150,000 or above and below HK\$300,000, the recipient organisation may opt for showing the grant received in the complete statement of accounts together with the original copies of invoices, receipts, quotations and so on which auditing will not be required, or for the statement of accounts be audited by a Certified Public Accountant (practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50) to provide reasonable assurance that the

audited accounts have properly presented the financial position and that the conditions of the grant are met, with these conclusions explicitly stated in the auditor's report. The followings should be noted when preparing the auditor's report–

- (a) Recipient organisations should take note of and ensure that the auditors engaged by them to perform the reasonable assurance audit must comply with the requirements provided in the documents titled “Notes for Auditors of Recipient Organisations” and “Sample Auditor's Report” in *Annex A* and *Annex B* respectively.
- (b) Recipient organisations are not required to attach the copies of invoices, receipts, quotations and so on to the audited statement of accounts, unless specifically requested by the Secretariat to do so. However, recipient organisations should still keep the original copies of invoices, receipts, quotations and so on for record and checking by the Secretariat if necessary for at least seven years after submission of the completion/auditor's report, or release of the final payment, or in accordance with prevailing statutory requirements, whichever is the longer.
- (c) Recipient organisations are required to make available to the auditors all information, documents and explanations relating to their projects funded by the ECF for audit purposes.

6.4 For a project receiving a grant of HK\$300,000 or above, the statement of accounts must be audited by a certified public accountant (practising) within the meaning of Section 2 of the Professional Accountants Ordinance (Cap. 50) to provide reasonable assurance that the audited accounts have properly presented the financial position and that the conditions of the grant are met, with these conclusions explicitly stated in the auditor's report. The followings should be noted when preparing the auditor's report–

- (a) Recipient organisations should take note of and ensure that the auditors engaged by them to perform the reasonable assurance audit must comply with the requirements provided in the documents titled “Notes for Auditors of Recipient Organisations” and “Sample Auditor's Report” in *Annex A* and *Annex B* of this Guide respectively.
- (b) For projects lasting more than eighteen months, recipient organisations are required to submit a statement of accounts to the Secretariat once every twelve months and within two months upon completion of the project.
- (c) Recipient organisations are not required to attach the copies of invoices, receipts, quotations and so on to the audited statement of accounts, unless specifically requested by the Secretariat to do so. However, recipient organisations should still keep the original copies of invoices, receipts, quotations and so on for record and checking by the Secretariat if necessary for at least seven years after submission of the completion/auditor's report, or release of the final payment, or in accordance with prevailing statutory requirements, whichever is the longer.
- (d) Recipient organisations are required to make available to the auditors all information, documents and explanations relating to their projects funded by the ECF for audit purposes.

- 6.5 For tertiary institutions, regardless of the amount of the grant involved in a project, a statement of accounts certified by the finance office of the tertiary institutions is acceptable.
- 6.6 The statement of accounts as required above must be submitted in the prescribed format as specified by the Secretariat. Recipient organisations should provide all necessary details in the completed statement of accounts, and the Secretariat is not obligated to request additional information from recipient organisations.

7 Intellectual property rights arising from projects and use of project results

- 7.1 Unless negotiated otherwise between the Secretariat and recipient organisation, the recipient organisation will solely own all intellectual property rights arising from the project.
- 7.2 Recipient organisation 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(s), completion report and other publications or publicity materials of the project.

8 Publicity of project events and results

- 8.1 Recipient organisations should provide information about the project events such that the Secretariat may conduct spot checks on the activities.
- 8.2 Recipient organisations should notify the Secretariat of the project results before publicising them. Copies of publications or publicity materials produced under the projects must be made available to the Secretariat within one month after the completion of the projects.
- 8.3 Recipient organisations should try to publicise the project results or any events related to the projects through e-newsletters, websites, social media platforms, seminars, workshops, exhibitions, etc. and provide the relevant details in the progress/completion report(s).
- 8.4 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. Nor should any such activities, events or materials arising from an ECF-funded project be presented in a way as to induce public perception of any personal, political, commercial or religious publicity of any kind, or misrepresent any associations of any individuals or organisations with the ECF. In addition, activities/events organised and materials produced under the projects should not be implemented or distributed in a way which may adversely affect the ECF's image, or cause any liabilities to the ECF.
- 8.5 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.

- 8.6 Information of the projects may be uploaded to the websites of the ECF or EPD for public access.
- 8.7 For the purpose of identification, recipient organisations 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. Where other means of identification is proposed, prior approval should be obtained from the Secretariat.
- 8.8 Recipient organisations are obligated to submit copies/samples including artwork of all publicity materials proposed to the Secretariat for review before the materials are produced or used for the projects or the projects' activities, and should follow the advice of the Secretariat on revising the format and presentation of such materials whenever required.
- 8.9 When considering the location and arrangement for displaying publicity materials, the recipient organisations should comply with the relevant legislation and regulations, and obtain the endorsement from all relevant authorities, government departments and other parties concerned, including consultation with the parties affected, as appropriate. The funding support from ECF for the projects should in no way be construed as support for the proposed display location and arrangement of such publicity materials.
- 8.10 Apart from the names and logos of the ECF, recipient organisations and supporting organisations as approved by the ECF, prior approval should be obtained from the Secretariat for any additional names, logos and photographs of other individual(s), private organisations or a consortium of private companies to be published in any publicity materials and promotional items relating to the projects.

9 Acknowledgment of support and disclaimer

- 9.1 To acknowledge the source of funding, the words "ECF" should be added at the beginning of the project title while both the name and logo of the ECF should be used in all publicity materials resulting from a project. Failure in making proper acknowledgment may result in suspension/termination of funding support and affect future applications.
- 9.2 The logo of the ECF may be used and printed onto publicity materials as agreed by the Secretariat in advance 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 media and so on.
- 9.3 For publicity materials produced under the projects, the sizes of the names and/or logos of the recipient organisation and/or assisting/supporting/sponsoring bodies should not be larger, or placed in a more prominent position, than those of the ECF.
- 9.4 The use of the name and logo of the ECF for other purposes is subject to prior approval of the Vetting Sub-committee.

- 9.5 In no circumstances shall the name and logo of the ECF be used for publicity for commercial interest or other purposes which may damage the ECF's image and/or cause any 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 all ECF-funded projects.

10 Renting of premises under management of the HA/Housing Society

- 10.1 For projects that require the use of premises under management of the HA/Hong Kong Housing Society (HKHS) (e.g. vacant shops at public housing estates, flatted factory estates, etc. for setting up recyclable collection centres), applications for leasing premises should be submitted by the recipient organisations to the Housing Department (HD)/HKHS upon the Vetting Sub-committee's approval of the projects, the Secretariat will inform the HD/HKHS of details of the projects to facilitate the HD/HKHS's consideration of the recipient organisations' applications for leasing premises.
- 10.2 Recipient organisations 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 foul water discharge, etc.
- 10.3 The 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 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, hygiene problem, obstruction, effluent discharge, potential fire hazard and so on in the neighbourhood (unless mitigated to an acceptable level);
 - (d) No inflammable goods are stored inside the premises;
 - (e) The premises is suitable for the intended purposes after the HD has examined the site conditions; and

- (f) Operation at the premises should comply with the laws of the Hong Kong Special Administrative Region.
- 10.4 The premises, if approved, will be let on a monthly licence at fair market or a concessionary rent to be determined by the HD.
- 10.5 For projects that require the use of premises under management of the HKHS, recipient organisations should follow procedures applicable to the HKHS.

11 Procurement of capital items, goods and services

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

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

http://www.icac.org.hk/filemanager/en/content_216/ps.pdf

- 11.2 Recipient organisations should exercise utmost prudence in procuring capital items, goods or services for their projects and must adhere to the following procedures unless the Vetting 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 *Annex C*.
 - (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 aggregate value of HK\$500,000 or more, open tendering should be conducted.
- 11.3 Recipient organisations should select the supplier that has submitted the lowest conforming bid in a quotation exercise. If the lowest conforming bid is not selected, full justifications and assessment criteria (e.g. use of marking scheme) must be given and prior approval must be obtained from the Vetting Sub-committee.
- 11.4 In case a recipient organisation intends to procure capital items from a specified company/organisation/individual without following the open procurement process as stated in section 11.2 above, it has to provide details of the proposed procurement, justifications for the special procurement arrangement, and its relationship with the

company/organisation/individual concerned in the application form. If such special procurement arrangement is not proposed in the application form and approved, subsequent approval from the Vetting Sub-committee will be required.

- 11.5 For tertiary institutions, they may adhere to their established/current standard procurement procedures.
- 11.6 All quotations/tendering documents should be kept for inspection by the Secretariat if necessary for at least seven years after submission of the completion/auditor's report(s), or release of the final payment, or in accordance with prevailing statutory requirements, whichever the longer.
- 11.7 Recruitment of staff and procurement of goods/services for all ECF-funded projects must be conducted in an open and fair manner. A mechanism should be put in place for staff/workers to declare any conflict of interest and to prohibit staff/workers from soliciting or accepting any advantages when handling the ECF-funded projects. All records of declaration of interest should be properly documented and submitted to the Secretariat for record. Please refer to *Annex D* for the probity requirements for recipient organisations.

12 Title to capital items, educational materials and computer software

- 12.1 The title to capital items (including equipment), educational materials and computer software procured with an ECF project will remain with the Government during the project period. Upon satisfactory completion of the project and subject to the approval of the Vetting Sub-committee, the title to the items may be transferred to the recipient organisations on a case-by-case basis.

13 Suspension/termination of funding support

- 13.1 The Vetting Sub-committee may suspend/terminate funding support of a project under the following circumstances -
 - (a) the project does not commence within six 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 prior to the completion of the project and there is no one available who has been involved in the project and is considered suitable by the Vetting Sub-committee to take over the role of the project leader;
 - (d) the recipient organisation fails to submit the required report and/or achieve the deliverables by the deadlines stipulated; or

- (e) the recipient organisation fails to comply with the funding conditions as set out in this Guide and the approval letter and no reasonable explanation has been given.
- 13.2 In each of the above cases of suspension/termination of funding support, the Vetting Sub-committee shall give a one-month notice to the recipient organisation, stating the reason(s) for the suspension/termination. In the case of suspension, the recipient organisation should demonstrate that measures have been taken to improve the unsatisfactory situation and rectify the problems before the Vetting Sub-committee considers lifting the suspension. In the case of termination, the balance of the grant or any funding given in advance shall be returned to the ECF. The Vetting Sub-committee will consider possible redeployment of the capital items, educational materials and computer software acquired for the project.
- 13.3 Any suspension or termination of a project will affect the recipient organisation's future chance of getting financial support from the ECF. If the termination is due to failure in submitting of the completion report(s) and/or the associated document(s), the recipient organisation will not be allowed to apply for ECF funding for a period of not less than one year, counting from the date of the termination notice, as a penalty and the recipient organisation's management will be informed.
- 13.4 The ECF shall be entitled to be refunded by the recipient organisation of some or all of a grant which has been used other than in accordance with the terms of the approved project.
- 13.5 Any major changes to the project must be approved by the Vetting Sub-committee. Such major changes include –
- (a) revision to the objectives and/or content and/or budget;
 - (b) change of the project leader;
 - (c) transfer of the project to another organisation;
 - (d) deferral of the submission date of the progress/completion report and statement of accounts; or
 - (e) change in sponsorship.
- 13.6 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.
- 13.7 Any minor changes to a project such as a change of activity date/venue, a change of activity mode to online when social distancing measures are in force etc., should be submitted to the Secretariat for approval in advance.

14 Others

- 14.1 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.
- 14.2 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.
- 14.3 If personal information of participants was to be collected for any purposes of the project, the information should be properly handled according to the requirements of the Personal Data (Privacy) Ordinance. If in doubt, advice from the Office of the Privacy Commissioner for Personal Data should be sought.

**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 grants 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.

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.

3. The auditors should comply with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants. The following information is required in an auditor’s report prepared by the auditors to be submitted by the ROs to the Secretariat -
 - (a) the auditors should state, in their conclusion, whether the ROs have complied with, in all material respects, the requirements set by the ECF (including the requirements to keep proper books and records and to prepare annual/final audited accounts of the project), and all the terms and conditions of ECF funding, as specified in documents mentioned in paragraph 2, and that the audited accounts properly presented the financial position of the project;
 - (b) if the auditors are of the opinion that there exist any material non-compliances as identified in paragraph 3(a), they should make full disclosure and quantify the effects of such non-compliance in the auditor’s reports; and
 - (c) if the auditors are of the opinion that a proper and separate set of books and records has not been kept by the ROs for the projects, or the project accounts have not been properly prepared, or if the auditors fail to obtain all the information and explanations which are necessary for the purpose of their reasonable assurance engagements, they should make appropriate qualifications in their auditor’s reports.
4. The auditors should plan and conduct the reasonable assurance engagement to satisfy paragraphs 2 and 3. In case of any ambiguities regarding the terms and conditions contained in the project agreements and rules and regulations governing ECF projects, auditors should seek clarifications from the ROs and the Secretariat. Any auditor’s report that contains unreasonable reservation or denial of conclusion, for example, comments about ambiguities of ECF guidelines or requirements, expressed by auditors in the auditor’s report, will be returned to the ROs for rectification before re-submission to the Secretariat.
5. When the auditors come across weaknesses/breakdowns in internal control on the part of the ROs which are considered material during the course of their reasonable assurance engagements, they should bring to the ROs’ attention the details of such weaknesses/breakdowns and provide the ROs with their recommendations for improvement by setting them out in letters to the ROs. Copies of such letters should be sent to the Secretariat for reference and action as appropriate.
6. Auditors are expected to follow the sample auditor’s report attached in the ***Annex B***.

**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 ECF (including the requirements to keep proper books and records and to prepare proper project accounts), and all the terms and conditions of ECF funding, as specified in the documents mentioned in the above first paragraph. It also includes an assessment of the significant estimates and judgements made by [XYZ Organisation] in the preparation of the project accounts, and of whether the accounting policies have followed the requirements of ECF, and are consistently applied and adequately disclosed.

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

Conclusion

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

Use of this report

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

{Signed.....}

ABC & Co.

Certified Public Accountants (Practising) Hong Kong

Date

Community Waste Reduction Projects
Reference Level of Funding Support for Expenses

Item	Reference Level of Funding Support (HK\$)
Staffing	
1. Project Officer and Project Assistant	<ul style="list-style-type: none"> • Project Officer: Maximum \$25,000 per month (Working time not less than 44 hours per week). • Project Assistant: Maximum \$15,000 per month (Working time not less than 44 hours per week). • Maximum 50% of the total approved budget or actual expenditure, whichever is the less. • 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.
2. Direct Labour Cost (involved in waste collection, separation, recycling, etc.)	<ul style="list-style-type: none"> • Maximum \$57 per hour for each labour. • 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.
Premises for Operation	
3. Rental of Premises	<ul style="list-style-type: none"> • Not applicable to premises under the possession of the recipient organisation.
4. Administration Overhead Costs (only applicable to non-governmental organisations without receiving government subvention)	<ul style="list-style-type: none"> • Maximum 10% of the total approved budget or actual expenditure, whichever is the less. • Detailed breakdowns on items must be provided in the application form for assessment.

Travel and Transportation	
5. Transportation (including hire of coach, hire of van/lorry for transportation of materials and hire of launch)	<ul style="list-style-type: none"> • Hire of coach: Maximum \$2,000 per coach (round trip). Quotations from at least three suppliers must be provided. • Hire of van/lorry: For regular and planned use of transportation for the collection of recyclables, quotations from at least three suppliers must be provided. • Hire of van: Maximum \$300 per journey (this cap is not applicable for the hire of 5.5 or 9 tonnes truck). • Hire of launch: 40% of the charge must be paid by the participants. Quotations from at least three suppliers must be provided.
6. Travel Allowances (for staff and volunteers)	<ul style="list-style-type: none"> • Maximum \$45 per person for each event/activity. • 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.
Education and Promotion (Maximum 20% of the total approved budget or actual expenditure, whichever is the less.)	
7. Opening/Closing Ceremony – (including invitation cards, set up and decoration, backdrop, rental payment of venue, PA system, etc.)	<ul style="list-style-type: none"> • Maximum \$20,000 per activity. • No funding for opening ceremonies will be given for extension projects. • For light refreshments for ceremonies, maximum \$10,000 per project, or \$20 per head, whichever is the less. • Funding for souvenir(s) presented to officiating guest(s), guest(s) and judge(s) is not supported.
8. Other Major Activities (for all major activities other than opening/closing ceremony, including set up and decoration, backdrop, rental payment of venue, PA system, etc.)	<ul style="list-style-type: none"> • Maximum \$20,000 per activity. • Funding for souvenir(s) presented to officiating guest(s), guest(s) and judge(s) is not supported.
9. Competition Materials	<ul style="list-style-type: none"> • Maximum \$4,500 per competition, including prizes/trophies. • Cash or cashable items must not be given as prizes.

10. Admission Fees for Environmental Visits / Fares of Package Tours	<ul style="list-style-type: none"> • 40% of the admission fee for environmental visits / fares of package tours should be paid by the participants.
11. Hire of Speakers/Instructors	<ul style="list-style-type: none"> • Maximum \$275 per hour per speaker/instructor. • Maximum \$500 per hour for recognised speaker/instructor in relevant fields (qualification should be supported by certificates issued by relevant authorities). • Maximum \$900 per hour for speaker/instructor for holding teaching positions in tertiary institutions or doctorate degrees in relevant fields (qualification should be supported by certificates issued by relevant authorities). • Fees to be counted on a half-hourly basis. • Honoraria for speakers/instructors who are staff employed for the project are normally not supported.
12. Meal Allowances (for volunteers only)	<ul style="list-style-type: none"> • Maximum \$60 per volunteer for activities lasting for 3-5 hours (excluding preparation/travelling time). • Maximum \$85 per volunteer for activities lasting for more than 5 hours (excluding preparation/travelling time). • If the volunteers do not claim the meal allowances, expenses for purchasing meals for the volunteers by the recipient organisation will be supported. The funding amount should be based on the actual expenditures with support of valid receipts and should not exceed the maximum level of funding support for meal allowances.
Insurance	
13. 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. • May be considered on a case-by-case basis.
Audit	
14. Audit Fee	<ul style="list-style-type: none"> • Maximum \$20,000 per auditor's report. • The Audit Undertaking Form signed by a certified public accountant (practising) must be provided.

Others	
15. Licence Fee	<ul style="list-style-type: none"> • The recipient organisation is requested to comply with regulations of Hong Kong and apply to all authorities concerned for licences to conduct the project. • May be considered on a case-by-case basis.
16. Other Expenses	<ul style="list-style-type: none"> • May be considered on a case-by-case basis. • Detailed breakdowns and the intended purpose of each item must be provided in the application form for assessment.
17. Contingency Items	<ul style="list-style-type: none"> • Not supported.

Remarks: The level of funding support may be adjusted by the Waste Reduction Projects Vetting Sub-committee as and when necessary.

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

1. Introduction

As Government funds involve public money, there is a 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 grants in an open, fair and accountable manner.

2. Probity Provisions

To uphold the integrity of staff members and agents of the recipient organisation in relation to the funded project, the recipient organisation shall:

- require its staff members, subcontractors, agents, assisting/sponsoring organisers and other personnel who are in any way involved in the ECF-funded project, not to offer, solicit or accept from any person any money, gifts or advantages as defined in the Prevention of Bribery Ordinance (Cap. 201) in relation to the project;
- be liable for any loss or damage to the ECF, or its trustee, or the Secretariat of the ECF Committee or its Vetting Sub-committees arising from the termination of the funding agreement, where the termination is attributed to the commitment of any offence under the Prevention of Bribery Ordinance in relation to the funded project by the recipient organisation or its staff members, subcontractors, agents, assisting/sponsoring organisers or other personnel who are in any way involved in the project;
- ensure, during the period of the project, that it (including its staff members, subcontractors, agents or other personnel) shall not undertake any service, task or job or do anything whatsoever for or on behalf of the recipient organisation or any third party (other than in the performance of the funding agreement) which conflicts, or which may be seen to conflict, with the recipient organisation's duties to the ECF (or its trustee, or the ECF Committee or its Vetting Sub-committees, or the Secretariat to the ECF Committee or its Vetting Sub-committees) under the funding agreement, unless and to the extent the Secretariat of the ECF Committee or the relevant Vetting Sub-committee has been fully informed, and whose permission has been obtained, by the recipient organisation in a timely fashion of all the circumstances in which the permission is sought; and
- notify the Secretariat of the ECF Committee or the relevant Vetting Sub-committee in writing of all or any facts which may reasonably be considered to give rise to a situation where the financial, professional, commercial, personal, or other interests of the recipient organisation or any of its directors, staff members, agents, assisting/sponsoring organisers, contractors, or any of their respective associates or associated persons, conflict or compete, or may conflict or compete, with the recipient organisation's duties to the ECF (or its trustee, or the ECF Committee or its Vetting Sub-committees, or the Secretariat to the ECF Committee or its Vetting Sub-committees) under the funding agreement.

3. Staff Recruitment

- The recipient organisation or the person-in-charge should maintain fairness and transparency in recruiting staff for the ECF-funded project, and ensure that all such staff members recruited with the ECF grant are well qualified, suitably deployed, and properly remunerated.

4. Procurement

- In procuring goods and services in relation to the ECF-funded project and implementation of activities under the project, the recipient organisation or the person-in-charge should:
 - adopt a set of standard procurement procedures to procure all goods and services in an open, fair and competitive basis, which should be no less stringent than the requirements set out in the ECF's Guide to Application, Terms & Conditions for the Use and Allocation of Fund, and other relevant conditions prescribed for the grant of fund, to ensure consistency in practice;
 - segregate the duties in the procurement process as far as possible, e.g. assign different staff members to source suppliers/contractors for invitation of quotations/tenders, approve quotations/tenders, and certify the goods/services received;
 - specify the approving authorities and the procurement methods for purchases of different values (e.g. open tendering for purchases of significant value or restricted tendering for minor purchases of a specified amount), which should be no less stringent than the requirements set out in the ECF's Guide to Application, Terms & Conditions for the Use and Allocation of Fund, and other relevant conditions prescribed for the grant of fund;
 - state the approving authorities for purchases by single source quotation or tender (preferably by a panel in case of high value purchases) and require the staff concerned to give justifications in writing;
 - include in the tender/quotation invitation documents probity clauses to prohibit all bidders from offering or soliciting bribes in relation to the bidding exercise;
 - incorporate anti-collusion clauses in the tender/quotation invitation document, and require the bidders to submit, together with their bids, a declaration pledging compliance with the anti-collusion clause;
 - add probity clauses to prohibit all contractors'/service providers' staff from offering, soliciting or accepting bribes, in the contracts to be awarded; and
 - 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; and
 - source, for those without any approved list, suitable suppliers/service providers for invitations to bid, taking into account their company size, experience and past performance records, if any, through the Internet and nominations by the users and other staff, and include the current supplier/service provider as appropriate.

5. Handling of Project Assets

- The person-in-charge should be responsible for the overall control and management of project assets (i.e. all capital items and equipment, minor works installations, educational materials and computer software procured with the ECF grant for use of the project), including any movements or transfers of these items among users. He should keep a register to record the movements of each item, such as the date of issue and the recipient, date and cost of acquisition, detailed description of the equipment and its physical location. He should also mark on each item to show that it is an asset of the ECF.
- The person-in-charge should conduct and record random and regular (e.g. yearly) physical checks on these assets.
- The person-in-charge should report on any loss or damages to these assets, or any unserviceable assets, to the management of the recipient organisation for necessary action. He should also report to the police and the Secretariat for all assets which are lost or stolen.

6. Record Keeping

- The recipient organisation should keep the original copies of invoices, receipts, quotations and so on in respect of the project for record and checking by the Secretariat and its authorised representatives for at least seven years after submission of the completion/auditor's report or release of the final payment or in accordance with prevailing statutory requirements whichever the longer.