

Frequently Asked Questions (FAQs) for Recycling Fund Applicants

Industry Support Programme (“ISP”)

1. Eligibility

1.1 What is the Primary Objective of the Recycling Fund?

The primary objective of establishing the Recycling Fund is to promote the recovery and recycling of waste by facilitating the upgrading of the operational capabilities and efficiency of the recycling industry for its sustainable development. The Fund aims to support the project which can:

- 1) raise the quantity and quality of recyclables recovered from the waste stream as well as those of recycled products from their treatment, thus reducing disposal at our landfills; and/ or
- 2) promote markets for recycled products, thus providing greater impetus to local landfill diversion; and/ or
- 3) enhance the overall capability, capacity, efficiency and skills as well as market information of the recycling industry, thus facilitating its sustainable development.

1.2 What is the eligibility for applying funding support from the Industry Support Programme?

Eligible applicants under the Industry Support Programme should satisfy the following requirement:

- 1) Non-profit-distributing organizations (NPOs) operating as a trade and industry association, a research institute, an industry support organisation, or a professional body, which shall either be a statutory organisation or an organisation established and registered under the laws of the Hong Kong Special Administrative Region, are eligible to apply.
- 2) An applicant has to declare in the Application Form that it has not distributed any profit generated by the applicant in the past to any of its directors, shareholders, employees, or any other persons. The applicant shall provide supplementary information, such as the Articles or Associations, to prove that the organizations are non-profit-distributing in nature.

2. Funding Information

2.1 What is the funding amount and principles for the Industry Support Programme?

Funding support for NPOs such as professional bodies, trade and industry organisations, research institutes and other industrial support organisations to conduct programmes for the upgrading and development of the recycling

industry (for example, develop IT system to enhance the overall transportation and inventory management efficiency of the recycling industry) may cover up to 100% of approved expenditure items depending on the merits of the case. The amount of funding will be capped at \$15 million per project which may cover the costs of manpower and consumables, etc. .

Each applicant would be limited for a cumulative of 10 approved projects and cumulative funding ceiling of HK\$30 million within a period of 5 years. If the applicant reaches any of the abovementioned quota, a break period of two years is required before submission of any new application(s) for the Programme. The two-year break period would be calculated from the project completion date of the last project for the Programme. For some special cases, special consideration by Advisory Committee on Recycling Fund (RFAC) and Government can be made to determine whether these requirements could be exempted:

- (a) Applications from different departments/ faculties of the same university/ tertiary education institute;
- (b) New project from the same applicant reaching any of the quota, but focusing on different recyclables from their previous approved applications;
- (c) Urgent market situation which requires swift assistance from the Programme.

Please refer to the Guide to Application for more details

2.2 What expenditure items can be funded under the Programme?

Only expenditure including additional manpower, additional equipment, other direct costs directly incurred for the project and described in the approved budget items within the project duration can be charged to the funding support.

Unless otherwise expressly approved by the RFAC/ Government/ Secretariat, the funding support will not cover overhead expenses (such as salary of existing employee, rental, renovation expenses and utility expenses), entertainment expenses, expenses for meals and other administration costs.

The applicant should exercise the utmost prudence in hiring additional staff, procuring additional equipment or services for the project and must adhere to the procurement procedures as set out in the Guide to Application unless the Government agrees otherwise.

Please refer to the Guide to Application for more details.

2.3 What is the application period of the Recycling Fund?

Subject to the funding balance and periodic review, the Recycling Fund will be open for application until 2027 starting from 6 Oct 2015. Applications are accepted all year around.

2.4 Can the preparation of the application form on its own be funded by the Programme?

The relevant expenses for preparing the application form will NOT be funded.

2.5 Can applicants apply for funding support from Recycling Fund and apply for other sources of public funding support for the same project at the same time?

If a particular project has been/ will be granted from other sources of public funding support, the project will NOT be funded under the Recycling Fund.

If the company has applied for other sources of public funding support for the same project and the application was approved or is still under the vetting process, the applicant has to declare the relevant information in the application form.

2.6 What are the key obligations and responsibilities of the applicant upon acceptance of the funding support?

Upon acceptance of the funding support, the applicant will be responsible for the project implementation and management, signing the funding agreement with the Government, observance of its terms, and prudent use of the funding. The applicant should set out in the application form the key performance indicators for assessing the effectiveness of the project and also state specifically how to evaluate the effectiveness of the project. The focus of both the key performance indicators and the methodology should be on the outcome and impact of the project, and these should be measured quantifiably as far as possible.

The applicant has to regularly submit reports (includes progress report(s)/ final report) and audited accounts in accordance with the programme requirements. The applicant also needs to provide necessary support to facilitate the Programme Secretariat to conduct on-site checking.

The risk in the equipment (e.g. loss, damages, liabilities, etc.) shall also be borne by and remain with the grantee whilst it is in the grantee's possession or control. The grantee shall keep an "Equipment Register" to account for such equipment. The full legal and equitable title and interest in any piece of equipment funded under the Recycling Fund shall vest with the Government unless it has been passed and vested to the applicant. The Government may at any time within 3 years after the actual completion of the project or the completion date (whichever is later), by giving reasonable notice to the applicant, direct the

applicant to release and transfer such equipment at the unit purchase price of HK\$100,000 or above to the Government or another party and the applicant shall within 7 days abide by such direction and release and transfer the equipment as directed. If the Government does not direct the applicant to release and transfer the equipment within 3 years after the actual completion of the project, the title in such equipment shall pass to and vest in the applicant without the Government having to do any further act of conveyance or assurance.

These are only part of obligations that the applicant must undertake under the Programme, for other obligations and responsibilities, such as the requirements for reports and audited accounts submission; applicants should refer to the Guide to Application.

2.7 The Environment and Conservation Fund (ECF) is available for NPOs to seek funding for environmental projects. What is the difference between the Recycling Fund (Industry Support Programme) and ECF?

The purpose of the ECF is to provide funding support to NPOs on educational, research, and activities in relation to environmental and conservation matters and its scope is relatively wide. The Recycling Fund (Industry Support Programme) focused on supporting NPOs to conduct projects to enhance the overall capability, capacity, efficiency and skills as well as market information of the recycling industry, thus facilitating its sustainable development, such as upgrading the skills and safety of incumbent and potential employees of the recycling industry and developing certification schemes for recycling operations. Funded projects would be for the benefit of the industry as a whole rather than for individual enterprises.

3. Application Procedures and Details

3.1 How to fulfill the scope of the Programme??

Applicants should provide proposals on implementing non-profit making projects for enhancing the overall capability, capacity, efficiency and skills as well as market information of the recycling industry, such as upgrading the skills and safety of incumbent and potential employees of the local recycling industry, expanding its potential workforce, as well as joining accreditation or registration schemes of recycling operations, etc. Funded projects should be for the benefit of the industry as a whole rather than for individual enterprises, and open for sharing with members of the industry. The need, viability and cost-efficiency of proposals would be assessed. Applications should also include a clear implementation plan and business plan for the project.

4. Project Monitoring

4.1. Do approved projects have to be monitored? What are the monitoring measures?

In order to ensure effective implementation of the funded project, the applicant has to comply with the requirements during implementation of the project, including, but not limited to:

- The applicant has to sign a designated agreement with the Government.
- The applicant has to open a separate bank account for processing all receipts and payments of the project, and related statements of income and expenditure has to be audited by the third party.
- The applicant has to submit the progress report(s)/ final report and the audited accounts as according to the project duration.
- The Secretariat will arrange on-site checking for the selected projects in order to monitor the project progress and results.
- The applicant may be required to produce evidence showing that he/ she has followed the required procurement procedures.

For the details of the monitoring measures, report(s) and audited accounts submission, and procurement procedures, please refer to the Guide to Application.

4.2. Under what circumstances will the Government suspend or terminate the disbursement of fund for the approved project?

Circumstances which warrant suspension or termination of funding support may include, but are not limited to, a lack of satisfactory progress or a slim chance of completion of a project, failure to submit progress/ final reports or audited accounts within the stipulated deadlines, non-acceptance of those reports/ accounts by the RFAC and Government, a breach of the terms and conditions of the funding agreement, or if the RFAC and Government sees fit to terminate the project in public interest. The applicant may have to return all/ part of the Government funding disbursed in respect of these projects together with all administrative, legal and other costs and interest (regardless of whether the applicant has already spent the funds or not).

4.3 What are the criteria for the Secretariat to conduct on-site checking for monitoring the progress and results of the funded projects?

Based on the implementation status and nature of individual projects, the Secretariat will perform on-site checking, including random, surprise and routine inspections in order to monitor the project progress and results. The Secretariat will consider the following factors for on-site checking:

- The complexity and scale of the project implementation.
- The progress report(s)/ final report submitted by the applicant.
- The work/ results of the project implemented by the applicant (e.g. publicity and promotional activities, etc.) and the deviation from the content of the approved project.
- The amendments made by the applicant during the project implementation.
- The past performance on the project implementation of the applicant or the service provider engaged.

4.4 Will the amount of the grant be reduced if the project cannot meet the stated targets?

In the case of unsatisfactory performance or for any reason that the applicant is unable to attain the project targets under the Industry Support Programme, the Government, with the RFAC's advice reserves the right to reduce the amount of the approved funding based on the performance of the applicant, by taking into account of the progress already made in implementing the project, percentage of the quantifiable milestones completed and/ or other factors deemed relevant. However, the Government, with the RFAC's advice, shall have sole discretion in deciding the amount of funding to be reduced from the final payment of the grant, if any.