

**Advisory Council on the Environment
Nature Conservation Subcommittee**

**Enhanced Framework for Dealing with
Nature Conservation Management Agreement Applications**

Purpose

The Environment and Conservation Fund (ECF) has endorsed an enhanced framework of the vetting mechanism in dealing with applications under Nature Conservation Management Agreement (MA) scheme. The enhanced MA framework seeks to improve the transparency and accountability of the vetting mechanism and provide clearer guidance on the vetting of MA applications supported by the ECF.

2. This paper briefs Members on the enhanced MA framework and seeks Members' advice on the proposed marking scheme to evaluate the merits of competing applications.

Background

3. The need to protect private land that is ecologically sensitive or has high conservation value had attracted increasing public attention since the early 2000's. The Government has announced in 2004 a New Nature Conservation Policy to better achieve the nature conservation objectives, especially enhancing conservation of ecologically important sites which are in private ownership. Under this policy, MA scheme was proposed as one of the measures to enhance the conservation of the 12 priority sites identified to be of high ecological importance. Furthermore, in June 2011, upon review the ECF Committee also supported the extension of the MA scheme to cover country park enclaves as well as private land in country parks.

4. Currently four MA projects are being pursued at four priority sites, namely Long Valley, Fung Yuen, Ramsar Site and Deep Bay Wetland outside Ramsar Site. The increase in the numbers and diversity of birds and butterflies suggested that the MA projects are effective in conserving and enhancing the conservation value of the sites. In addition to the direct benefit to species, the

MA projects also raised the general public and local villagers' awareness of nature conservation.

5. Since 2005, some of the MA projects have been modeling on previous projects endorsed by ECF, with the same project proponents at the same conservation sites. To enhance the transparency and accountability of MA projects, it is considered necessary to establish a **more robust mechanism to assess the project effectiveness**, as well as to consider a **mechanism for inviting proposals** from other potential NGOs. This would help enable a more open and transparent selection of the projects to support as well as to ensure that the projects are implemented more effectively. A **mechanism** shall also be established in order to **evaluate the merits of the competing applications** (i.e. more than one NGO interested in the same conservation site) objectively and to consider **setting out suitable parameters** to guide potential applicants.

Enhanced MA Framework

6. In this regard, an enhanced MA framework was discussed and endorsed at the ECF Committee meeting held on 4 December 2012 (ECF paper 37/2012-13). We have updated the Guide to Application to MA projects accordingly (a copy of the latest version as at September 2014 is **Annex A**). The major changes under the enhanced MA framework which are relevant to the NCSC are highlighted below for members' information.

Inclusion of additional requirements and parameters to enhance the assessment on project effectiveness (Para. 2.6 of the revised Guide to Application)

7. Under the previous arrangements, MA applications were assessed based on the following broad criteria –

- (a) the benefits that a proposed project will bring to the efforts in enhancing the conservation of the site concerned, better achieving the nature conservation objectives, and evaluating the effectiveness of this new conservation measure;*
- (b) the sustainability of a proposed project including its resource implications, participation of the landowner(s)/tenant(s) and local community, nature and enforceability of the management agreement concerned*
- (c) the technical and project management capability of the applicant*

organisation, as well as its track record, including the effectiveness of past projects, and its ability to comply with funding conditions;

- (d) whether the proposed project's schedule of implementation is well-planned and practicable, and the duration is reasonable;*
- (e) whether the proposed budget is reasonable and realistic, and whether the project is cost-effective, with full justification for every expenditure item; and*
- (f) whether the proposed project has alternative sources of funding, and whether it would be more appropriate for the proposed project to be funded by other sources.*

8. Under the enhanced MA framework, on top of criteria (a) to (f), three additional criteria (g) to (i) have been introduced:

- (g) whether the proposed project includes appropriate education activities to effectively promote nature conservation and raise awareness of the local community in nature conservation as part and parcel of the Management Agreement project;*
- (h) where the application is modeled on a project previously supported by ECF, whether the applicant has demonstrated, by reference to the previous MA project, the achievements made with respect to enhancing the conservation of the site concerned in the new application; and*
- (i) with regard to (h) above, where the total amount of expenses under its/their respective broad expenditure item deviated from the approved budgets of previous MA by a substantial amount, say 30%, the applicant shall justify the differences.*

9. A set of performance targets have also been introduced under para. 3.2.11 of the Guide to Application to measure the promotional/educational aspects of the project. Some broad indicators include number of volunteers recruited or trained, number of visitors (e.g. schools, students or public), number of publications, number of educational tours / seminars / talks / workshops organized, number of engagement activities involving landowners / tenants for joining the MA scheme, number of media coverage on the project and increase in public awareness on nature conservation (to be evaluated by questionnaires or

interviews)¹. Given the uniqueness of individual projects, the applicants could include additional targets and indicators based on the circumstances of their programmes to evaluate the effectiveness of their projects.

Vetting of Applications (Para. 2.5 of the revised Guide to Application)

10. Under the previous arrangements, all MA applications received are first vetted by the Environmental Protection Department (EPD) and the Agriculture, Fisheries and Conservation Department (AFCD) in consultation with other relevant government departments and the Advisory Council on the Environment (ACE) or its subcommittee where appropriate. The recommendations will then be submitted to the ECF Committee for endorsement.

11. Under the enhanced MA framework, the received applications will be vetted by an assessment panel which consists of members from AFCD and EPD. The panel will assess the applications according to the revised criteria under para. 2.6 set out in the Guide to Application with the use of a marking scheme. The Nature Conservation Subcommittee (NCSC) under the ACE will then be consulted before seeking ECF's endorsement on the projects. Please also refer to paragraph 12 below.

Inviting Proposals and Evaluating Merits of Competing Applications

12. The existing MAs at Fung Yuen, Long Valley and at Ramsar Site and Deep Bay Wetland outside Ramsar Site have set a positive model for NGOs to consider implementing MA projects in the priority sites, Country Park enclaves or private land within country parks. However, whether MA schemes may be carried out in a particular site is subject to the availability of competent and interested non-profit making organizations, as well as support and willingness of landowners or tenants to join the MA scheme. For better publicity and management of MA projects, the following improvement measures are therefore implemented:

¹ Other indicators include:

- number of landowners / tenants participating in the project / number of partnerships formed
- number of organizations (e.g. schools, companies or local interest groups) approached to form partnership to promote nature conservation and raise public awareness on nature conservation
- number of participants in the engagement activities

Open invitation for MA proposals at eligible sites (Para. 1.3 and 2.4 of the revised Guide to Application)

- Previously, any registered local non-profit making organisations (e.g. universities, community bodies, green groups) or groups formed under registered non-profit making organisations in Hong Kong were eligible to apply for MA project at any MA sites at any time. For better management of funding under ECF as well as to facilitate comparison and prioritisation of proposals, under the enhanced MA framework, all the proposals are now considered at the same time through open invitations of MA proposals at a fixed time every year. Invitation for applications and deadline for receiving applications will be announced in the ECF homepage (<http://www.ecf.gov.hk>).

Mechanism to evaluate the merits of the competing applications (Para. 2.6 of the revised Guide to Application)

- Each MA project is unique in terms of the ecological benefits that can be brought to individual site of ecological importance. However, as public funds are limited, they must be used effectively in delivering conservation programme. A marking scheme based on the vetting criteria set out under para. 2.6 of the revised Guide to Application is therefore implemented to vet and evaluate the relative merits of individual applications, and to select the most meritorious applications for funding support.
- Applications will be assessed by the Assessment Panel according to the Marking Scheme. The overall passing score is 50. Applicants who fail to score the passing mark of any one of the individual criterion will not be considered further.
- For applications modelled on a project previously supported by ECF, two additional criteria will be considered:
 - (i.) whether the applicant has demonstrated, by reference to the previous MA project, the achievements made with respect to enhancing the conservation and ecological values of the site concerned in the new application; and
 - (ii.) where the total amount of expenses under its/their respective broad expenditure item deviated from the approved budgets of previous

Management Agreement project by a substantial amount, say 30%.
The applicant shall justify the differences.

- The proposed marking scheme is at **Annex B** for members' advice.

Regular reporting of the progress to NCSC under ACE (Para. 5.13.8 of the revised Guide to Application)

13. Under the previous arrangements, AFCD and EPD will vet the progress report and completion report to examine the progress and achievements of the project, as well as to assess the success or effectiveness of the project by comparing the project results against its original objectives and targets as set out in the application. For better monitoring the progress and effectiveness of MA projects, on top of the vetting by AFCD and EPD, under the enhanced MA framework, the recipient organizations are also required to report regularly the progress of the ongoing MA projects to the NCSC under the ACE (under para. 5.13.8 of the revised Guide to Application) .

Advice Sought

14. Members are invited to note the enhanced MA framework and advise on the proposed Marking Scheme at **Annex B**.

*Agriculture, Fisheries and Conservation Department
Environmental Protection Department
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ENVIRONMENT AND CONSERVATION FUND

環境及自然保育基金



Guide to Application



Nature Conservation Management Agreement Projects

(Latest version in September 2014)

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1. INTRODUCTION

The Government has announced in 2004 a New Nature Conservation Policy to better achieve the nature conservation objectives, especially enhancing conservation of ecologically important sites which are in private ownership. Under the new policy, management agreement option with landowners was proposed. Following the success of the pilot scheme for management agreements, the Environment and Conservation Fund (ECF) Committee² supports the continuation of the Scheme and will provide allocation for this cause. Furthermore, in the light of the increasing public concerns over the need to protect country park enclaves³ against incompatible uses and for enhancing the conservation of country parks, the ECF Committee also supports the extension of the Management Agreement Scheme to cover country park enclaves as well as private land in country parks.

1.1 Purpose of this Guide

This Guide provides guidance on application for funding management agreement projects under the new nature conservation policy, and describes the basic requirements and responsibilities for recipient organisations. Upon approval of funds by the ECF Committee, recipient organisations will sign an agreement with the Government undertaking to observe the conditions of using the allocated grant and the approved budget.

1.2 Nature of Nature Conservation Management Agreement Projects

Nature Conservation Management Agreement Projects must contribute to enhancing the conservation of the sites concerned through management agreements between non-governmental organisations (NGOs) and landowners or tenants. Under these agreements, NGOs may provide landowners or tenants with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the priority sites, country park enclaves or private land in country parks listed in *Appendix 1*.

1.3 Administration

The Scheme will be publicized regularly at a fixed time every year for open invitation for Management Agreement proposals, with a view to promoting applications at the eligible sites.

² A statutory body, which comprises mainly non-officials, was set up in 1994 under the Environment and Conservation Fund Ordinance to advise Secretary for the Environment on the use of funds. Under the Ordinance, the Secretary is the trustee responsible for the administration of the Fund.

³ Country park enclaves are sites that are surrounded by or are adjacent to country parks, but are not part of the country parks.

An Assessment Panel has been established to consider the applications of Management Agreement Projects. The Panel comprises members from the Environmental Protection Department (EPD) and the Agriculture, Fisheries and Conservation Department (AFCD).

Administration of grants for Management Agreement Projects is undertaken by the Secretariat of the ECF Committee.

2. GUIDE TO APPLICATION

2.1 Who may apply?

Registered local non-profit making organisations (e.g. universities, community bodies and green groups) or groups formed under a registered non-profit making organisation in Hong Kong are eligible to apply.

2.2 What are the funding limits?

All Management Agreement Projects should observe a funding cap of HK\$10 million for each project lasting for a period of three years. Funds may be granted for full or partial support of projects.

2.3 What is the duration of each project?

Each Management Agreement project should last for at least 12 months and normally not more than three years.

2.4 How to apply?

Normally applications will be invited once a year. Applicants have to fill in an application form which can be obtained from –

- ECF website: <http://www.ecf.gov.hk>
- AFCD website: <http://www.afcd.gov.hk>

The person-in-charge of the proposed project should be the head or deputy head of the applicant organisation. Completed application form should be signed by the person-in-charge, dated and affixed with company chop. The completed form should be returned to the Nature Conservation and Infrastructure Planning Division (15/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong) by the deadline as specified in each round of the invitation exercise.

Invitation for applications and deadline for receiving applications will be announced in the ECF homepage (<http://www.ecf.gov.hk>). Late applications will not be accepted. To avoid undue delay in processing application, where feedback / response from the person-in-charge is not received within two weeks, EPD/AFCD will consider the person-in-charge withdraws the application and terminate the processing of the application.

2.5 What are the vetting procedures?

All applications received will first be vetted by an Assessment Panel consisting members from EPD and AFCD. The panel will assess each application according to the criteria set out in Section 2.6 below. The recommendations will then be submitted to the Nature Conservation Subcommittee (NCSC) under the Advisory Council on the Environment (ACE) for consultation and then forwarded to the ECF Committee for consideration. Information of the approved projects will be uploaded onto the ECF homepage (<http://www.ecf.gov.hk>).

2.6 What are the vetting criteria?

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

- (a) the benefits that a proposed project will bring to the efforts in enhancing the conservation and ecological values of the site concerned, better achieving the nature conservation objectives, and evaluating the effectiveness of this new conservation measure;
- (b) the sustainability of a proposed project including its resource implications, participation of the landowner(s)/tenant(s) and local community, nature and enforceability of the management agreement concerned;
- (c) the technical and project management capability of the applicant organisation, as well as its track record, including the effectiveness of past projects, and its ability to comply with funding conditions;
- (d) whether the proposed project's schedule of implementation is well-planned and practicable, and the duration is reasonable;
- (e) whether the proposed budget is reasonable and realistic, and whether the project is cost-effective, with full justification for every expenditure item;
- (f) whether the proposed project has alternative sources of funding, and whether it would be more appropriate for the proposed project to be funded by other sources;
- (g) whether the proposed project includes appropriate education activities to effectively promote nature conservation and raise awareness of the local community in nature conservation as part and parcel of the Management Agreement project;

- (h) where the application is modelled on a project previously supported by ECF, whether the applicant has demonstrated, by reference to the previous Management Agreement project, the achievements made with respect to enhancing the conservation and ecological values of the site concerned in the new application; and
- (i) regard to (h) above, where the total amount of expenses under its/their respective broad expenditure item deviated from the approved budgets of previous Management Agreement project by a substantial amount, say 30%. The applicant shall justify the differences.

The project period should be time-limited. Nonetheless, having regard to the nature of Management Agreement projects, projects could be considered on a renewable basis to continue the conservation programmes.

A marking scheme based on the broad criteria (a) to (g) is implemented to vet and evaluate the relative merits of individual applications and select the most meritorious applications for funding support.

For applications modelled on a project previously supported by ECF, their applications will not be considered until the responses on items (h) and (i) are received to the satisfaction of the Assessment Panel.

2.7 Avoidance of Conflict of Interests

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

2.8 When will I know the result?

It normally takes within six months to process an application. If no additional information is required, the applicant will be informed of the outcome shortly after the ECF Committee meeting, which is normally held quarterly.

2.9 Can I withdraw my application?

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

3. APPLICATION FORM

3.1 General

- 3.1.1 All sections of the application form should be completed with supporting documents wherever required. Where the information sought is not applicable or not available, please fill in “N.A.”.
- 3.1.2 The application form must be typed or printed on both sides of a paper. It should be duly signed by the person-in-charge (i.e. the Head or Deputy Head of the applicant organisation), dated and affixed with company chop. The completed application form should be submitted in both hard and soft copies (in words format).
- 3.1.3 Please give clear and concise information. Additional pages may be attached to the form if necessary.
- 3.1.4 Acknowledgment will be sent to the applicant organisation after receipt of an application.

3.2 Project Proposal

The applicant should submit a project proposal covering the details of the programme.

3.2.1 Project Title

State the project title, in both English and Chinese.

3.2.2 Duration of Project

Give the commencement and completion date and duration of project.

3.2.3 Nature and Purpose of Project

In clear and specific terms, state how the project will contribute to enhancing the conservation of the sites concerned through management agreements between NGOs and landowners/tenants. Under these agreements, NGOs may provide landowners/tenants with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the priority sites, country park enclaves or private land in country parks listed in *Appendix 1*.

3.2.4 Name of Recipient Organisation

Give the Chinese and English name of recipient organisation, which must

be a registered local non-profit making organisation or a group formed under a registered non-profit making organisation in Hong Kong.

3.2.5 Details of Team Members

Give details of the project team structure, the project leader and the supporting staff.

3.2.6 Role of the Recipient Organisation

State the role the recipient organisation will play in organising and implementing the project. Projects in which the recipient organisation does not make a major contribution will not be eligible for funding support.

3.2.7 Details of other co-organising/assisting/supporting/sponsoring bodies for the proposed project

Give details of other co-organising/assisting/supporting/sponsoring bodies.

3.2.8 Project Details

State the following –

- (a) the target site;
- (b) the target habitats and species to be conserved;
- (c) the estimated area of site to be conserved under the management agreement; and
- (d) the anticipated number of participants of each activity.

3.2.9 Method of Implementation of Project

State clearly the implementation method to be employed and show how this could help achieve the purpose of the project.

3.2.10 The Workplan and Timetable

State the following –

- (a) Workplan - Give a detailed workplan describing the various activities that will be carried out under the project.

- (b) Timetable - Give a timetable showing the length and sequence of the various activities in the project.

3.2.11 Deliverables and Expected Benefits

State the expected achievements of the project –

- (a) Deliverables - Give quantifiable results of the project and expected benefits of the project to the community.
- (b) Publicity plan - Give detailed plan on publicity of the project deliverables.

Upon completion of project, evaluation should be made to assess the effectiveness of the project, where applicable, against performance indicators including, but not limited to –

- (a) number of landowners / tenants, participating in the project / number of partnerships formed;
- (b) number of volunteers recruited or trained;
- (c) number of local community organisations (e.g. schools, companies or local interest groups) approached to form partnership to promote nature conservation and raise public awareness on nature conservation;
- (d) number of visitors (e.g. schools, students or public);
- (e) number of education tours / seminars / talks / workshops organized;
- (f) number of publications;
- (g) number of engagement activities involving landowners / tenants for joining the project and/ or number of participants in the engagement activities;
- (h) number of media coverage on the project; and

- (i) increase in public awareness on nature conservation (by conducting pre- and post- project questionnaire survey or interview with participants).

Given the uniqueness of individual projects, the applicants could include additional targets and indicators based on the circumstances of their programmes to evaluate the effectiveness of their projects.

3.2.12 First Time Applicant

For applicant organisation which applies on Management Agreement Projects to the ECF for the first time, please provide the following information –

- (a) background information of the organisation;
- (b) information about key members of the organisation and the person-in-charge of the project;
- (c) experience in organising environmental activities; and
- (d) documentary proof of the organisation's non-profit making status.

4. BUDGET GUIDELINES

The application should be accompanied by a detailed budget for the project. Each income and expenditure item should be reasonable, realistic and clearly broken down. All expenditure items must be incurred between the commencement and completion dates of the project supported with the original or the certified copy of receipts or invoices for expenses. For items which “will not normally be supported”/“may only be supported with full justification”/“only supported on a case-by-case basis”, please provide detailed justifications in the form of an attachment to this application.

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

4.1 Manpower

- 4.1.1 The recipient organisation is expected to have the ability to supervise and the expertise to undertake the proposed project. Hence, no funding will be granted for employment of additional supervisory/administrative staff, hire of professional advisors or training course for staff of the recipient organisation for undertaking the project.
- 4.1.2 Funding for project staff may be supported, the salary of which will be considered on a case-by-case basis. The total amount for covering the cost of project staff should normally be below 50% of the total approved amount or actual expenditure, whichever is the less. Under exceptional circumstances and if the recipient organisation can fully justify to the satisfaction of the Assessment Panel, funding for the cost of project staff exceeding 50% may be considered.
- 4.1.3 Direct labour cost involved in conducting nature conservation or related activities on the site concerned may be supported. The actual amount to be granted will depend on the modus operandi of the project.

4.2 Minor Works and Equipment

- 4.2.1 Funding for minor works will be considered on a case-by-case basis.
- 4.2.2 Funding for purchase of equipment will be considered on a case-by-case basis.

4.2.3 Maintenance costs of the approved minor works and equipment up to the first two years upon installation/purchase will be considered.

4.2.4 For minor works projects, the recipient organisations are required to complete a post-implementation review upon completion of the project.

4.3 Production of Publications and Websites

4.3.1 Funding for production of practical and promotional guides such as that on eco-tours and nature conservation will be considered. Details of publication arrangements and relevant budget should be provided in the application proposal for overall assessment.

4.3.2 Funding for website design and maintenance costs will be considered.

4.4 Purchase of Educational Materials and Computer Software

4.4.1 Expenses on educational materials and computer software will be considered on the condition that the educational materials and computer software are essential.

4.5 Rental Payment

4.5.1 Funding for renting land and premises necessary for the implementation of the project (e.g. land for implementing nature conservation or related activities or premises for establishment of a site office to conduct the activities) may be considered. The actual amount will depend on the size and location of the selected land/venue. This does not apply to land/premises under the possession of the recipient organisation, its office bearers or persons associated with the recipient organisation.

4.6 Others

4.6.1 All essential elements of an application will be considered in an integral manner.

- 4.6.2 Funding for public education activities in connection with the project, hire of transport, light meals for unpaid voluntary workers and premium for public liability insurance will be allowed. The level of funding for such expenses is set out in *Appendix 2*.
- 4.6.3 For applications from NGOs without receiving government subventions, general administrative and overhead costs incurred from the project will be considered, subject to a cap of 10% of the total approved grant or actual expenditure, whichever is less. The recipient organisation has to submit the original or the certified copy of receipts or invoices for expenses to evidence its actual expenditure. (Note: the applicant organisation should declare in the application form whether it receives government subventions or not)
- 4.6.4 Requests for funding for contingency items will be considered on a case-by-case basis.
- 4.6.5 Overseas travel will *not* normally be supported. Overseas participants in a local function are normally expected to pay for their own traveling and living expenses.
- 4.6.6 Funding will *not* be granted to the recipient organisation for renting or purchasing materials already in the organisation's stock.
- 4.6.7 Funding for payments to individuals as a reward for their participation in the activities organised under a project will *not* be given.
- 4.6.8 The applicants may provide a proposed payment schedule in accordance with the conditions in paragraph 5.4 below to EPD/AFCD for consideration.

4.7 Other Sponsorships

- 4.7.1 Applicants are encouraged to seek sponsorships from other sources to fund part of the projects applying for ECF. However, applicants should clearly indicate in their submission details (including the source, amount and income to be generated) regarding sponsorships outside ECF. Applicants' intention to seek other sponsorships should be stated if details are not available when their applications are submitted.

5. CONDITIONS FOR THE USE AND ALLOCATION OF FUND

5.1 Contractual Requirements

5.1.1 For each project for which funds have been approved, the recipient organisation has to sign an agreement with the Government and comply with all the terms of the agreement. The recipient organization should submit a copy of bank statement showing the name of the Bank Account in the organisation's name and the bank account number.

5.2 Use of Funds

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

5.2.2 The proposed project must accrue benefits to the district/local community as a whole, and not just an individual, a single private organisation or a consortium of private companies.

5.3 Percentage of Contribution from Recipient Organisation

5.3.1 The recipient organization should demonstrate their utmost efforts in seeking alternative funding, including income-generating activities and private sponsorships, so as to achieve 5% contribution to the total budget. In the event the 5% contribution could not be achieved, the applicant's attempts and efforts (e.g. as reflected by number of potential sponsors approached and amount of sponsorship secured) should be given with due consideration in the vetting process, and recommendation could be made to the ECF Committee for accepting a lower contribution.

5.4 Disbursement and Reimbursement of Funds

5.4.1 The recipient organisation will receive between 25-50% of the grant upon approval depending on the cash flow requirement and nature of the project. The recipient organisation may submit a proposed plan for disbursement to EPD/AFCD for consideration. Interim payment may be released to the recipient organisation subject to provision of the original or the certified copy of receipts or invoices for expenses and endorsement of the proposed payment plan and progress report by EPD/AFCD. The last 10% of the approved grant will normally only be released after completion of the project,

subject to submission of a completion report together with a statement of accounts to the satisfaction of EPD/AFCD in accordance with the requirement specified in paragraphs 5.6.2 and 5.7 below.

- 5.4.2 All revenue/income received/derived from the project (including sales of output, fees generated from activities conducted and interest income generated from cash in hand for the project), irrespective of whether it has been declared in the application, must be defrayed against the actual expenditure before calculating the amount to be reimbursed as the final payment; or ploughed back into the project account as set out in the agreement signed between the Government and the recipient organisation.
- 5.4.3 Amount to be reimbursed for individual items of the budget will not exceed the approved amount for that item. However, EPD/AFCD may increase the approved amount of an individual item by up to 20% provided that the total amount to be paid will not exceed the total approved grant.
- 5.4.4 The grant could be reduced on a pro-rata basis in the following circumstances –
- (a) the scope and/or activities of the project have been changed;
 - (b) the actual area of the site conserved under the management agreement is less than originally proposed;
 - (c) the actual frequency of activities conducted (e.g. field visits) is less than originally proposed;
 - (d) the number of participants is less than originally proposed and the grant allocated is decided according to the number of participants;
 - (e) the number of publication (e.g. leaflets) is less than originally proposed; or
 - (f) the duration of the project has been reduced.
- 5.4.5 Any item not on the approved list of budget items will not be reimbursed.
- 5.4.6 Any unspent balance of the grant shall be returned to ECF within two months after completion of the project.

- 5.4.7 Income derived from the project after the project period, including sales of output, should be returned to ECF for offsetting part or whole of the funded amount. Failure to report and return such income to ECF will render the organisation ineligible for future applications.

5.5 Project Interest

- 5.5.1 The ECF grant shall be paid into a risk-free interest-bearing account opened with a licensed bank.
- 5.5.2 Interest incomes generated from the ECF grant and other receipts for a project have to be defrayed against the actual expenditure before calculating the amount to be reimbursed as the final payment, if any.
- 5.5.3 The recipient organisation may be required to compensate the Government for loss of interest income if the ECF grant is not properly handled. Where necessary, the Government will initiate legal action for suitable remedies.

5.6 Progress and Completion Reports

- 5.6.1 Ongoing projects are monitored and completed projects are reviewed by EPD/AFCD. The recipient organisation has to submit a half-yearly progress report with statement of accounts of its project together with the original or the certified copy of receipts or invoices for expenses once every six months to EPD/AFCD. For projects receiving a grant more than HK\$150,000 and lasting more than 18 months, recipient organisations are also required to submit, once every 12 months, a statement of accounts audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap 50) to EPD/AFCD. Except for the first disbursement, all disbursements will be subject to satisfactory performance or progress of the project. EPD/AFCD may carry out on-site visits or surprised checks to examine the progress and achievements of the project at any time.
- 5.6.2 Within two months after completion of the reporting period / project or before the date specified in the agreement, the

recipient organisation has to submit a progress / completion report and a statement of accounts to EPD/AFCD (for projects receiving a grant more than HK\$150,000, the statement of accounts should be audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap 50)). If an extension of the submission deadline is required, prior approval should be obtained from EPD/AFCD. EPD/AFCD will assess the success or effectiveness of the project by comparing the project results against its original objectives and targets as set out in the application.

- 5.6.3 Where a statement of account audited by certified public accountant is required to submit with the progress / completion report, a proper reference should be prepared by the recipient organisation to indicate the interlink of figures appeared in the audit report with the related sum shown in the Statement of Accounted attached to the progress /completion report.
- 5.6.4 All progress and completion reports should be signed by the person-in-charge, dated and affixed with the company chop of the recipient organisation and submitted in such format as prescribed in the Progress/Completion Report Form.
- 5.6.5 Unsatisfactory performance will affect the organisation's future chance of getting funding. The organisation's management will be informed.
- 5.6.6 For specific projects like minor works projects, the recipient organisations are required to complete post-implementation review on the effectiveness of the projects.

5.7 Statement of accounts

- 5.7.1 Within two months after completion of the project or before the date specified in the agreement, the recipient organisation has to submit a complete statement of accounts, attached to the completion report, to EPD/AFCD. If an extension of the submission deadline is required, prior approval should be obtained from EPD/AFCD.
- 5.7.2 For any project receiving a grant of or below HK\$150,000, the grant received must be shown in a complete statement of accounts, together with the original copy of invoices and receipts or their certified copy. Auditing will not be required,

but EPD/AFCD reserves the right to check all financial records kept by the recipient organisation relating to use of the grant.

5.7.3 For projects receiving a grant more than HK\$150,000, the following should be noted –

- (a) The funds should be kept in a separate account opened with a licensed bank to facilitate the checking of all financial records by the Government and auditors as and when necessary.
- (b) The statement of accounts attached to the completion report must be audited by certified public accountants (practising) within the meaning of section 2 of the Professional Accountants Ordinance (Cap 50), providing assurance that the audited accounts properly presented the financial position of the project and that the conditions of the grant are met.
- (c) For projects lasting more than 18 months, recipient organisations are also required to submit a statement of accounts audited by certified public accountants (practising) to EPD/AFCD once every 12 months.

5.7.4 For universities, the funds should be kept by the finance office and there is no need to open a separate account with a licensed bank. A statement of accounts certified by the finance office of the university will be acceptable, regardless of the amount of the grant involved in the project.

5.7.5 Where a statement of account audited by certified public accountant is required to submit with the progress / completion report, a proper reference should be prepared by the recipient organization to indicate the interlink of figures appeared in the audit report with the related sum shown in the Statement of Account attached to the progress / completion report.

5.8 Intellectual Property Rights Arising from Projects and the Use of Project Results

5.8.1 Unless negotiated and agreed otherwise with EPD/AFCD, the recipient organisation will solely own all intellectual property rights arising from the project.

5.8.2 The recipient organisation is required to grant unconditionally and irrevocably to the Government the right to publish results, findings and any other information provided in the application, progress report(s), completion report and other publications or publicity materials.

5.9 Publicity of Project Events and Results

- 5.9.1 The recipient organisation should, as far as practicable, publicise the project results or any events related to the project through publications, seminars, workshops, conferences and exhibitions etc.. It should also provide information about the events to EPD/AFCD.
- 5.9.2 The recipient organisation should notify EPD/AFCD of the project results before publicising them. Copies of publications or publicity materials produced under the project must be made available to EPD/AFCD within one month after completion of the project.
- 5.9.3 Project findings will be uploaded on the websites of EPD and the ECF for public access.

5.10 Procurement of Capital Items, Goods and Services

- 5.10.1 The recipient organisation should exercise utmost prudence in procuring capital items, goods or services for the project and must adhere to the following procedures unless EPD/AFCD agrees otherwise –
 - (a) for every procurement the aggregate value of which is \$5,000 or below, quotations from suppliers are not required for most items unless specified in the *Appendix 2* ;
 - (b) for every procurement the aggregate value of which is more than HK\$5,000 but less than HK\$10,000, quotations from at least two suppliers should be obtained ;
 - (c) for every procurement the aggregate value of which is HK\$10,000 or more, but less than HK\$500,000, quotations from at least three suppliers should be obtained ; and
 - (d) for every procurement the aggregate value of which is HK\$500,000 or more, open tendering should be used.
- 5.10.2 The recipient organisation should select the supplier that has submitted the lowest bid. If the lowest bid is not selected, full justifications must be given and prior agreement must be obtained from EPD/AFCD.

- 5.10.3 In case the recipient organisation intends to procure the items from a company/organisation/individual without following the open procurement process in paragraph 5.10.1 above, it has to provide details, justifications and its relationship with the company/organisation/individual in the application form. If the application is approved, subsequent approval from EPD/AFCD will not be required.
- 5.10.4 To take stock of any capital items procured with the fund. The person-in-charge of the recipient organization is required to report the status of capital items procured with the fund, which should be listed out in the progress report with photos attached therein.
- 5.10.5 In the case of universities, they may adhere to their established/current standard procurement procedures.
- 5.10.5 All quotations and tendering documents should be kept for inspection by EPD/AFCD.

5.11 Title of Capital Items, Educational Materials and Compute Software

- 5.11.1 The title of capital items, educational materials and computer software procured with the fund will remain with the Government during the project period. Upon satisfactory completion of the project, the title of the items may be transferred to the recipient organisation on a case-by-case basis.

5.12 Acknowledgement of Support and Disclaimer

- 5.12.1 The source of funding (both the name and logo of ECF) must be acknowledged in all publicity materials relating to the project. Failure in making proper acknowledgment may result in suspension or termination of funding support and affect the future applications.
- 5.12.2 The name and logo of ECF may be used and printed onto various categories of publicity materials with a view to promulgating the contribution of the funds. Examples of publicity materials include publicity leaflets/posters/banners; reports and publications of project outcome; and advertisements on paper and electronic media.
- 5.12.3 Use of the name and logo of ECF or EPD/AFCD for other purposes are allowed subject to the prior approval of EPD/AFCD in consultation with the ECF Committee.

5.12.4 In no circumstances shall the name and logo of ECF or EPD/AFCD be used for publicity for commercial interest or other purposes which may damage the image and/or cause any liability to ECF.

5.13 Suspension/Termination of Funding Granted

5.13.1 EPD/AFCD may suspend/terminate funding granted to a project under the following circumstances –

- (a) if the project does not commence within six months after approval of the grant and no reasonable explanation has been given;
- (b) EPD/AFCD 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 completion of the project and there is no one available who has been involved in the project and considered suitable by EPD/AFCD to take over the role of team leader; or
- (d) if the recipient organisation fails to comply with the funding conditions as set out in this Guide and/or the approval letter and no reasonable explanation has been given.

5.13.2 In each of the above cases of suspension/termination of funding granted, EPD/AFCD shall give one month notice to the recipient organisation, stating the reasons for the suspension/termination. In cases of suspension, the recipient organisation should demonstrate that measures have been taken to rectify the problems and the unsatisfactory situation has been redressed before EPD/AFCD will lift the suspension. In cases of termination, the balance of the grant or any funding given in advance shall be returned to ECF. EPD/AFCD will, in consultation with the ECF Committee, consider possible redeployment of the capital items, educational materials and compute software acquired for the project.

5.13.3 Any suspension or termination of a project will affect the organisation's chance of getting financial support from ECF or similar funding in future. The organisation's management will be informed.

- 5.13.4 The ECF grant shall be entitled to be refunded by the recipient organisation of part or all of a grant which has been used other than in accordance with the terms of the approved project.
- 5.13.5 Any major changes to the project must be approved by EPD/AFCD in consultation with the ECF Committee. Such major changes include –
- (a) revision to the budget;
 - (b) change of the team leader; or
 - (c) transfer of the project to another organisation.
- 5.13.6 EPD/AFCD may suspend/terminate funding granted to the project if the project is being carried out under any of the above circumstances without prior approval.
- 5.13.7 Any proposed minor changes to a project should be submitted to EPD/AFCD for approval.
- 5.13.8 The recipient organization would be required to report the progress of the ongoing MA projects regularly to the NCSC under ACE.

5.14 Others

- 5.14.1 The Government and ECF Committee shall bear no responsibility, financial or otherwise, for expenditure or other liabilities arising from the projects.
- 5.14.2 The Secretary for the Environment may at any time, if he considers fit, amend or add to the above conditions, without prior notice to recipient organisations.

**List of Sites for Implementation of
Nature Conservation Management Agreement Projects**

A. Priority Sites for Enhanced Conservation

1. Ramsar Site
2. Sha Lo Tung
3. Tai Ho
4. Fung Yuen
5. Luk Keng Marsh
6. Mui Tsz Lam and Mau Ping
7. Wu Kau Tang
8. Long Valley and Ho Sheung Heung
9. Deep Bay Wetland outside Ramsar Site
10. Cheung Sheung
11. Yung Shue O
12. Sham Chung

B. Country Park Enclaves

(represents Country Park Enclaves which are also Priority Sites for Enhanced Conservation)*

(^ represents Country Park Enclaves which have been incorporated into Country Parks)

(# represents Country Park Enclaves with draft Outline Zoning Plans in force)

(i) Country Park Enclaves covered by Outline Zoning Plans

No.	Name of site	Area in ha (About)
Lion Rock Country Park		
1	Shap Yi Wat	3
Ma On Shan Country Park		

2	Ngau Liu and Kwun Yam Shan	72
3	Wong Chuk Yeung	37
Pat Sin Leng Country Park		
4	*Sha Lo Tung	56
Plover Cove Country Park		
5	*Kai Kuk Shue Ha, Ho Lek Pui and Ham Hang Mei	8
6	*Ho Pui, *Tin Sam, *Sam Ka Tsuen, *San Uk Tsuen, *San Uk Ha, *Lo Wai, *Leng Pui and *Kau Tam Tso	98
Sai Kung East and West Country Parks		
7	Wong Yi Chau and Hei Tsz Wan	9
8	Pak Tam Chung	2
9	Tsak Yue Wu	15
10	Tai Long, Lam Uk Wai, Lung Mei Tau, Tai Wan and Ham Tin	46
11	Pak Tam	5
12	Shek Hang	3
13	Tai Mong Tsai, She Tau, Ping Tun, Tit Kim Hang, Tam Wat, Tai Po Tsai, San Tin Hang, Tso Wo Hang, Wong Chuk Wan and Wong Mo Ying	126
14	Wong Keng Tei and Tsam Chuk Wan	36
15	*Sham Chung	32
Lantau South, North and North (Extension) Country Parks		
16	Fan Lau Tsuen	24
17	Pak Fu Tin	3
18	Lung Mei and Tai Long	28
19	Ngong Ping	103
20	Lai Chi Yuen	5
21	Shui Tseng Wan	2
22	Yi Long	7
23	Shui Hau Wan	1

(ii) Country Park Enclaves not covered by Outline Zoning Plans

No.	Name of site	Area in ha (About)
Ma On Shan Country Park		

No.	Name of site	Area in ha (About)
24	*Mau Ping, *Mau Ping Lo Uk, Mau Ping San Uk, and Wong Chuk Shan	45
Kam Shan Country Park		
25	^Kam Shan	1
Tai Mo Shan Country Park		
26	Site near Chuen Lung	10
27	Site near Tso Kung Tam	9
Tai Lam Country Park		
28	#Tin Fu Tsai	53
29	Tsing Fai Tong	26
30	Sheung Tong	10
31	Sheung Fa Shan	26
32	^Yuen Tun	19
Pat Sin Leng Country Park		
33	Ping Shan Chai	15
Plover Cove Country Park		
34	Hung Shek Mun Tsuen	10
35	Lai Tau Shek	10
36	Sam A Tsuen	23
37	Sai Lau Kong	2
38	Siu Tan	20
39	Kop Tong, Mui Tsz Lam and Lai Chi Wo	91
40	#So Lo Pun	29
41	Kuk Po San Uk Ha, Kuk Po Lo Wai, Yi To, Sam To, Sze To and Ng To	64
42	Fung Hang	9
43	Yung Shue Au	18
44	Fan Kei Tok	5
45	Chau Mei, Tai Tong, Chau Tau and Sha Tau	26
Sai Kung East and West Country Parks		
46	Pak A	11
47	Tung A	10
48	#Pak Lap	6
49	#Pak Tam Au	14
50	#To Kwa Peng	9
51	Chek Keng	31

No.	Name of site	Area in ha (About)
52	Tai Tan, Uk Tau, Ko Tong, Ko Tong Ha Yeung	67
53	Tung Sam Kei	4
54	Ko Lau Wan, Mo Uk, Lam Uk, Lau Uk and Tse Uk	33
55	^Sai Wan	17
56	Hoi Ha	8
57	Pak Sha O, Pak Sha O Ha Yeung	29
58	Nam Sham Tung	5
59	Lai Chi Chong	16
60	*Yung Shue O	32
61	*Cheung Sheung	16
62	Tai Hom	5
63	Wong Chuk Long	4
64	Site near Wong Mau Kok	3
Lantau South, North and North (Extension) Country Parks		
65	Luk Wu, Upper Keung Shan, Lower Keung Shan, Cheung Ting and Hang Pui	155
66	Tsin Yue Wan	4
67	Ngau Kwo Tin	7
68	Tei Tong Tsai	15
69	Yi Tung Shan	7
70	Man Cheung Po	2
71	Site near Nam Shan	6
72	Site near Peaked Hill	5
73	*Tai Ho and Site near Wong Kung Tin	277
74	Yi O	23
Tai Po Kau Special Area		
75	Site near Ngau Wu Tok	5
76	Site near Tai Po Mei	6
Ma Shi Chau Special Area		
77	Shui Mong Tin	2

C. Private Land in Country Parks

Private lands inside the following country parks:

- Aberdeen Country Park
- Clear Water Bay Country Park
- Kam Shan Country Park
- Kiu Tsui Country Park
- Lam Tsuen Country Park
- Lantau North Country Park
- Lantau South Country Park
- Lion Rock Country Park
- Ma On Shan Country Park
- Pat Sin Leng Country Park
- Plover Cove Country Park
- Plover Cove (Extension) Country Park
- Pokfulam Country Park
- Tai Tam (Quarry Bay Extension) Country Park
- Sai Kung East Country Park
- Sai Kung West Country Park
- Shek O Country Park
- Shing Mun Country Park
- Tai Lam Country Park
- Tai Mo Shan Country Park
- Tai Tam Country Park
- Sai Kung West Country Park (Wan Tsai Extension)

Appendix 2

Level of Funding Granted for Expenses and Staff for Nature Conservation Management Agreement Projects (with effect from 1 September 2014)

Items	Level of Funding Support (HK\$)
1. Publicity – including items such as banners, posters, leaflets, postage, etc.	<ul style="list-style-type: none">• The ceiling is capped at 20% of the approved total budget.• The applicant is free to manoeuvre with the grant among the various approved ‘publicity’ items.
2. Opening / Closing Ceremony – including invitation cards, souvenirs for officiating guests, set up and decoration, backdrop, rental payment of venue, PA system, etc.	<ul style="list-style-type: none">• The ceiling is capped at 20% of the approved total budget.• The applicant is free to manoeuvre with the grant among the various approved ‘opening / closing ceremony’ items.
3. Venue Setup – including rental payment (for all activities other than opening/closing ceremony), set up and decoration, backdrop, rental payment of venue, PA system, etc.	<ul style="list-style-type: none">• The ceiling is capped at 30% of the approved total budget.• Quotations must be provided.• For use of in-house equipment/facilities of the applicant organisation, prior agreement of EPD/AFCD must be secured and the expenditure for rental is set at 20% of the current market price.
4. Booths – including rental payments, decoration and prizes for game booths	<ul style="list-style-type: none">• The ceiling is capped at \$600 per booth.
5. Production of Exhibition Panel	<ul style="list-style-type: none">• Maximum \$2,000 per panel.• The ceiling is capped at \$20,000 per application.• Applicant is encouraged to borrow

Items	Level of Funding Support (HK\$)
	exhibition panels from EPD (Hotline: 2835 1012).
6. Prizes for Competition	<ul style="list-style-type: none"> • Maximum \$800 per set of trophies and prizes for each sub-category of competition. Cash or cashable items must not be given.
7. Hire of Speakers/ Instructors	<ul style="list-style-type: none"> • Maximum \$500 for a speaker / instructor for each function lasting 3 hours or more. For function lasting less than 3 hours, maximum \$160 per hour for a speaker/ instructor. • For speaker / instructor requiring professional qualification: maximum \$250 per hour for a speaker/instructor (qualification should be supported by certificates issued by relevant authorities). • The funding support may be adjusted upwards on the merit of each case. • Honoraria for speakers who are staff employed for the project are not supported.
8. Insurance for Third Party Liabilities	<ul style="list-style-type: none"> • Funding support will be based on the basic requirements. • Quotation must be provided.
9. Transportation – including hire of coach, hire of van/lorry for transportation of materials and hire of launch	<ul style="list-style-type: none"> • Maximum \$1,600 per coach. • The amount of funding support is based on the actual expenditure with the proof of receipts. • Quotations must be provided. • For hire of launch, 40% of the charge should be paid by the participants.
10.	<ul style="list-style-type: none"> • Participants are required to pay 40% of the admission fee.
11. Package Tour	<ul style="list-style-type: none"> • For hire of package tour, 40% of the charge

Items	Level of Funding Support (HK\$)
	should be paid by the participants.
12.	<ul style="list-style-type: none"> • Maximum unit price: \$50.
13. General Expenses – including stationery, films and film development, video tapes and etc.	<ul style="list-style-type: none"> • The ceiling of funding support is capped at 10% of the approved total budget, or actual expenditure, whichever is the less. • Detailed breakdown on items to be charged to general expenses must be provided in the application for assessment.
14. Travel Allowance for Staff and Volunteers	<ul style="list-style-type: none"> • Maximum \$15 per journey. • The funding support may be adjusted upwards on the merit of each case.
15.	<ul style="list-style-type: none"> • For half day activities – maximum: \$34 per day. • For full-day activities – maximum \$48 per day.
16.	<ul style="list-style-type: none"> • The ceiling of expenditure should normally be below 50% of the approved total budget or actual expenditure for the project, whichever is the less.
17. Direct labour cost involved in conducting nature conservation or related activities on the site	<ul style="list-style-type: none"> • Maximum \$60 per hour for each labour.
18. Administrative and Overhead costs (Note : only applicable to NGOs (including green groups) without government subventions)	<ul style="list-style-type: none"> • The ceiling is capped at 10% of the approved total budget or actual expenditure, whichever is the less. • Detailed breakdown on items to be charged to the administrative and overhead costs must be provided in the application for assessment.

Items	Level of Funding Support (HK\$)
19. Contingency items	<ul style="list-style-type: none"> • Only supported with full justification to the satisfaction of EPD/AFCD in consultation with the ECF Committee.

Remarks: The level of funding granted may be adjusted by EPD/AFCD in consultation with the ECF Committee as and when necessary.

Annex B

Nature Conservation Management Agreement Projects

Marking Scheme for Application Evaluation

1. The Assessment Panel consisting members from EPD and AFCD in assessing the application of Management Agreement (MA) projects will use this Marking Scheme to evaluate the merits of the applications. Applications will be assessed according to the Marking Scheme below. The overall passing mark of criterion (i) to (vii) is 50. **Applicants who fail to score the passing mark of any one of the Criterion (i) to (vii) will not be considered further.** The applicant with the highest overall score will normally be recommended.
2. Applications will be evaluated based on the following criteria and scores will be given to applications in each criterion in accordance with the information supplied by the Applicants.

	Evaluation Criteria	Passing Scores	Maximum Scores
(i)	The benefits that a proposed project will bring to the efforts in enhancing the conservation and ecological values of the site concerned, better achieving the nature conservation objectives, and evaluating the effectiveness of this new conservation measure	10	20
(ii)	The sustainability of a proposed project including its resource implications, participation of the landowner(s)/tenant(s) and local community, nature and enforceability of the management agreement concerned	10	20
(iii)	The technical and project management capability of the applicant organisation, as well as its track record, including the effectiveness of past projects, and its ability to comply with funding conditions	10	20
(iv)	Whether the proposed project's schedule of	5	10

	implementation is well-planned and practicable, and the duration is reasonable		
(v)	Whether the proposed budget is reasonable and realistic, and whether the project is cost-effective, with full justification for every expenditure item	5	10
(vi)	Whether the proposed project has alternative sources of funding, and whether it would be more appropriate for the proposed project to be funded by other sources	5	10
(vii)	whether the proposed project includes appropriate education activities to effectively promote nature conservation and raise awareness of the local community in nature conservation as part and parcel of the Management Agreement project	5	10
Overall		50	100

3. For applications modelled on a project previously supported by ECF, two additional criteria will be considered:

(viii.) whether the applicant has demonstrated, by reference to the previous Management Agreement project, the achievements made with respect to enhancing the conservation and ecological values of the site concerned in the new application; and

(ix.) where the total amount of expenses under its/their respective broad expenditure item deviated from the approved budgets of previous Management Agreement project by a substantial amount, say 30%. The applicant shall justify the differences.

4. Applications, upon vetting, would be recommended and submitted to the Nature Conservation Sub-committee under the Advisory Council on the Environment for consultation and then forwarded to the Environment and Conservation Fund Committee for endorsement.