

**For Discussion on  
10 November 2009**

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

**Nature Conservation Management Agreement Proposals**

**Purpose**

This paper invite Members' views on two applications received under nature conservation management agreement (MA) scheme.

**Background**

2. In 2004, the Government announced the New Nature Conservation Policy to better achieve the nature conservation objectives, in particular, to enhance the conservation of ecologically important sites which are in private ownership. Under the new policy, 12 priority sites have been identified for enhanced protection and the Administration undertook to implement a Pilot Scheme for MA as one of the measures to enhance the ecological value of these sites.

3. In late 2005, with the funding support from the Environment and Conservation Fund (ECF), three pilot MA projects were launched, one at Fung Yuen by the Tai Po Environmental Association (Fung Yuen project) and two in Long Valley by the Conservancy Association and the Hong Kong Bird Watching Society (the Long Valley project). Recognising the merits of MA scheme in conserving and enhancing the biodiversity of the ecologically important sites, the ECF supported in 2007 the continuation of the scheme.

4. In early 2008, the ECF approved some \$6.8 million for the MA projects (with the two in Long Valley merged as a joint project by the two NGOs) to continue for another two years. The two projects have continued to produce encouraging results. There has been an increase in the number and diversity of birds as well as an increase in diversity of butterfly habitats, suggesting that management measures are effective in enhancing the

conservation value of the sites. Furthermore, the MA projects have also raised public and locals' awareness of nature conservation.

5. The Fung Yuen Project and the Long Yuen Project will end on 31 January and 28 February 2010 respectively. In this connection, in September 2009, the two NGOs submitted two funding applications with a view to seeking ECF's support to continue the two projects. The Guide to Application is attached at **Annex A** and the summary of the applications is at **Annex B**.

### **Recommendations**

6. The Agriculture, Fisheries and Conservation Department and the Environmental Protection Department have examined these two applications in accordance with the following major evaluation 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) 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; and
- (g) if recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

In general, we consider that, on balance, the proposed projects will be beneficial to the ecology of the concerned sites and are worth supporting. It is also worthwhile to maintain the momentum of the conservation works implemented by the previous MA projects in Long Valley and Fung Yuen. Our assessments are at **Annex C** for Members' reference.

**Advice Sought**

7. Subject to members' comments, the two proposals will be submitted to the ECF Committee for funding support in December 2009.

*Agriculture, Fisheries and Conservation Department*

*Environmental Protection Department*

*November 2009*



# **ENVIRONMENT AND CONSERVATION FUND**

環境及自然保育基金

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## **Guide to Application**

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### **Nature Conservation**

### **Management Agreement Projects**

*(Latest version on 5.11.2008)*

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## **1. INTRODUCTION**

The Government has announced 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) Committee<sup>1</sup> supports the continuation of the Scheme and will provide allocation for this cause.

### **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. Under these agreements, NGOs may provide landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the priority sites listed in *Appendix 1*.

### **1.3 Administration**

Applications will be administered by Environmental Protection Department (EPD) and the Agriculture, Fisheries and Conservation Department (AFCD).

<sup>1</sup> 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.

## **2. GUIDE TO APPLICATION**

### **2.1 Who may apply?**

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

### **2.2 What are the funding limits?**

There are no funding limits. Funds may be granted for full or partial support of projects.

### **2.3 What is the duration of each project?**

Each conservation management agreement project should last for at least 12 months. Duration of each funded project will be considered on a case-by-case basis.

### **2.4 How to apply?**

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 and returned to the Nature Conservation and Infrastructure Planning Division (46/F, Revenue Tower, 5 Gloucester Road, Wanchai) at least four months before commencement of the project.

### **2.5 What are the vetting procedures?**

All applications received will first be vetted by EPD and 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. Information of the approved projects will be uploaded onto the websites of EPD and the ECF Committee.

### **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 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) 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; and
  - (g) if recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time.

## **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. PROJECT PROPOSAL**

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

#### **3.1 Project Title**

State the project title, in both English and Chinese.

#### **3.2 Duration of Project**

Give the commencement and completion date and duration of project.

#### **3.3 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 non-governmental organisations (NGOs) and landowners. Under these agreements, NGOs may provide landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the priority sites listed in *Appendix 1*.

#### **3.4 Name of Recipient Organisation**

Give the Chinese and English name of recipient organisation, which must be a local non-profit making organisation or a group formed under a registered non-profit making organisation in Hong Kong.

#### **3.5 Details of Team Members**

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

#### **3.6 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.

#### **3.7 Details of other co-organising/assisting/supporting/sponsoring bodies for the proposed project**

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

#### **3.8 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.

### **3.9 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.

### **3.10 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.

### **3.11 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 headcounts, schools, students, companies, buildings or households participating in the programmes;
- (b) number of volunteers recruited or trained;
- (c) number of local community organisations involved;
- (d) types and quantities of recyclables collected;
- (e) quantities of refuse reduced or electricity saved;
- (f) number of research papers published;
- (g) technologies transferred to practitioners;
- (h) media coverage on the programmes; and
- (i) increase in environmental awareness (by conducting pre- and post-

project questionnaire survey with participants).

### **3.12 First Time Applicant**

For applicant organisation which applies 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 with supporting receipts (original). 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.

##### **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 coordinators/assistants 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 coordinators/research assistants 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 relevant vetting authorities including EPD and AFCD, funding for the cost of project coordinators/research assistants 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 (such as installation of green roofs, waste recycling facilities and demonstration set-up on renewable energy, etc.) will be considered on a case-by-case basis.

4.2.2 Funding for purchase of equipment (e.g. composting machinery, waste recycling and energy saving equipments, etc.) will be considered on a case-by-case basis.

4.2.3 Maintenance costs of the approved minor works and equipment up to the initial two year 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 green lifestyle, energy efficiency, 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 Softwares**

4.4.1 Expenses on educational materials and computer softwares will be considered on the condition that the educational materials and computer softwares 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 All applications are considered on their individual merits. For projects involving recurrent expenditures, the recipient organisation has to demonstrate that such expenses will be of a specified finite duration or that the project is able to become self-financing after a certain period of time.

4.6.3 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 are set out in *Appendix 2*.

4.6.4 For applications from NGOs (including green groups) 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 the less. (note: the applicant organisation should declare in the application form whether it receives government subventions or not)

4.6.5 Requests for funding for contingency items will be considered on a

case-by-case basis.

4.6.6 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.

4.6.7 Funding will **not** be granted to the recipient organisation for renting or purchasing materials already in the organisation's stock.

4.6.8 Funding for payments to individuals as a reward for their participation in the activities organised under a project will **not** be given.

4.6.9 The applicants may provide a proposed payment schedule in accordance with the conditions in paragraph 5.3 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. 11

## **5. CONDITIONS FOR THE USE AND ALLOCATION OF FUND**

### **5.1 Contractual Requirements**

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.

### **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 Disbursement and Reimbursement of Funds**

5.3.1 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 endorsement of the proposed payment plan and progress report. 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 5.5.2 and 5.6 below.

5.3.2 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.

5.3.3 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.

5.3.4 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.

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

5.3.6 Any unspent balance of the grant shall be returned to ECF within two months after completion of the project.

5.3.7 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.

#### **5.4 Project Interest**

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

5.4.2 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.

5.4.3 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.

#### **5.5 Progress and Completion Reports**

5.5.1 The recipient organisation has to submit a progress report with statement of accounts of its project together with receipts for expenses once every six months to EPD/AFCD. For projects receiving a grant over 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.

- 5.5.2 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 over 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.
- 5.5.3 All progress and completion reports should be signed off by the person-in-charge of the recipient organisation and submitted in such format as prescribed in the Progress/Completion Report Form.
- 5.5.4 Unsatisfactory performance will affect the organisation's future chance of getting funding. The organisation's management will be informed.
- 5.5.5 Specific projects like minor works projects, the recipient organisations are required to complete post-implementation review on the effectiveness of the projects.

## **5.6 Statement of accounts**

- 5.6.1 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.
- 5.6.2 For any project receiving a grant under HK\$150,000, the grant received must be shown in a complete statement of accounts, together with the original copy of invoices and receipts. 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.
- 5.6.3 For projects receiving a grant of HK\$150,000 or more, 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.

5.6.4 For universities, the funds should be kept by the finance office and there is no need to open a separate account with a licenced 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 Intellectual Property Rights Arising from Projects and the Use of Project Results**

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

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

### **5.8 Publicity of Project Events and Results**

5.8.1 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.

5.8.2 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.

5.8.3 Project findings will be uploaded on the websites of EPD and the ECF Committee for public access.

### **5.9 Procurement of Capital Items, Goods and Services**

5.9.1 The recipient organisation should exercise utmost prudence in procuring capital items (including minor works and equipment), 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.

5.9.2 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/AFCDC.

5.9.3 In case the recipient organisation intends to procure the items from a company/organisation/individual without following the open procurement process in paragraph 5.9.1 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/AFCDC will not be required.

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

5.9.5 All quotations and tendering documents should be kept for inspection by EPD/AFCDC.

### **5.10 Title of Capital Items, Educational Materials and Compute Softwares**

The title of capital items (including minor works and equipments), educational materials and computer softwares 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 changed to the recipient organisation on a case-by-case basis.

### **5.11 Acknowledgement of Support and Disclaimer**

5.11.1 The source of funding (the name and logo of ECF) must be acknowledged in all publicity materials relating to the project.

5.11.2 The 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.

5.11.3 Use of the name and logo of ECF or EPD/AFCD for other purposes is subject to the prior approval of EPD/AFCD in consultation with the ECF Committee.

5.11.4 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.

## **5.12 Suspension/Termination of Funding Granted**

5.12.1 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.

5.12.2 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 change the unsatisfactory situation 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 softwares acquired for the project.

5.12.3 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.

5.12.4 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.

5.12.5 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;

(c) transfer of the project to another organisation; or

(d) deferral of the submission of progress/completion reports/statement of accounts.

5.12.6 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.

5.12.7 Any proposed minor changes to a project should be submitted to EPD/AFCD for approval.

### **5.13 Others**

5.13.1 The Government and ECF Committee shall bear no responsibility, financial or otherwise, for expenditure or other liabilities arising from the projects.

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

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

**Sites**

Ramsar Site

Sha Lo Tung

Tai Ho

Fung Yuen

Luk Keng Marsh

Mui Tsz Lam and Mau Ping

Wu Kau Tang

Long Valley and Ho Sheung Heung

Deep Bay Wetland outside Ramsar Site

Cheung Sheung

Yung Shue O

Sham Chung

## Appendix 2

### **Level of Funding Granted for Expenses and Staff for Nature Conservation Management Agreement Projects (with effect from 1 April 2008)**

<b>Items</b>	<b>Level of Funding Support (HK\$)</b>
<b>1. Publicity</b> – including items such as banners, posters, leaflets, postage, etc.	<ul style="list-style-type: none"><li>● The ceiling is capped at 20% of the approved total budget.</li><li>● The applicant is free to manoeuvre with the grant.</li></ul>
<b>2. Opening / Closing Ceremony</b> – 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"><li>● The ceiling is capped at 20% of the approved total budget.</li><li>● The applicant is free to manoeuvre with the grant among the various approved.</li></ul>
<b>3. Venue Setup</b> – 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"><li>● The ceiling is capped at 30% of the approved total budget. Quotations must be provided.</li><li>● For use of in-house equipment/facilities of the applicant organisation, prior agreement of EPD/AFCDD must be secured and the expenditure for rental is set at 20% of the current market price.</li></ul>
<b>4. Booths</b> – including rental payments, decoration and prizes for game booths.	<ul style="list-style-type: none"><li>● The ceiling is capped at \$600 per booth.</li></ul>
<b>5. Production of Exhibition Panel</b>	<ul style="list-style-type: none"><li>● Maximum \$1,000 per panel.</li><li>● The ceiling is capped at \$10,000 per application.</li><li>● Applicant is encouraged to borrow exhibition panels from Environmental Protection Department (Hotline: 2835 1056).</li></ul>
<b>6. Prizes for Competition</b>	<ul style="list-style-type: none"><li>● Maximum \$800 per set of trophies and book coupons.</li></ul>
<b>7. Hire of Speakers/Instructors</b>	<ul style="list-style-type: none"><li>● Maximum \$500 for a speaker for each function.</li><li>● The funding support may be adjusted upwards on the merit of each case.</li></ul>
<b>8. Insurance for Third Party Liabilities</b>	<ul style="list-style-type: none"><li>● Funding support will be based on the basic requirements.</li><li>● Quotation must be provided.</li></ul>
<b>9. Transportation</b> – including hire of coach, hire of van/lorry for transportation of materials and hire	<ul style="list-style-type: none"><li>● Maximum \$1,500 per coach.</li><li>● The amount of funding support is based on the actual expenditure with the proof of receipts.</li></ul>

of launch	<ul style="list-style-type: none"> <li>● Quotations must be provided.</li> <li>● For hire of launch, 40% of the charge should be paid by the participants.</li> </ul>
<b>10. Admission Fee</b>	<ul style="list-style-type: none"> <li>● Participants are required to pay 40% of the admission fee.</li> </ul>
<b>11. Package Tour</b>	<ul style="list-style-type: none"> <li>● For hire of package tour, 40% of the charge should be paid by the participants.</li> </ul>
<b>12. Souvenir</b> (for officiating guests and judges only for function other than ceremony)	<ul style="list-style-type: none"> <li>● Maximum unit price : \$50.</li> </ul>
<b>13. General Expenses</b> – including stationery, films and film development, video tapes and etc.	<ul style="list-style-type: none"> <li>● The ceiling of funding support is capped at 10% of the approved total budget, or actual expenditure, whichever is the less.</li> </ul>
<b>14. Travel Allowance for Staff and Volunteers</b>	<ul style="list-style-type: none"> <li>● Maximum \$15 per journey.</li> </ul>
<b>15. Meal Allowance</b> (for volunteers only)	<ul style="list-style-type: none"> <li>● For half day activities – maximum: \$34 per day.</li> <li>● For full-day activities – maximum \$48 per day.</li> </ul>
<b>16. Project Coordinator / Assistant</b>	<ul style="list-style-type: none"> <li>● The ceiling of expenditure should normally be below 50% of the approved total budget or actual expenditure for the project, whichever is the less.</li> </ul>
<b>17. Direct labour cost</b> involved in conducting nature conservation or related activities on the site	<ul style="list-style-type: none"> <li>● Maximum \$35 per hour for each labour.</li> </ul>
<b>18. Administrative and Overhead costs</b> (Note : only applicable to NGOs (including green groups) without government subventions)	<ul style="list-style-type: none"> <li>● The ceiling is capped at 10% of the approved total budget or actual expenditure, whichever is the less.</li> </ul>
<b>19. Contingency items</b>	<ul style="list-style-type: none"> <li>● Only supported with full justification to the satisfaction of EPD/AFCD in consultation with the ECF Committee.</li> </ul>

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

**Summary of Application for  
Nature Conservation Management Agreement Projects**

Project Title	Nature Conservation Management for Long Valley 2010-2012 塋原自然保育管理計劃 2010-2012	Management Agreement on the Private Land with High Conservation Value at Fung Yuen Valley Site of Special Scientific Interest in Tai Po, Hong Kong 以管理協議方式保育鳳園谷具特殊科學價值地點內具高生態價值的私人土地
Site involved	Long Valley	Fung Yuen
Size of proposed management area	About 1,390,000 sq. ft. (13 hectares)	About 200,000 sq. ft. (2 hectares)
Proponent	Conservancy Association (CA)	Tai Po Environmental Association (TPEA)
Key partner in project implementation	Hong Kong Bird Watching Society (HKBWS)	N/A
Project description	This is a joint project to conserve and enhance the biodiversity, particularly the avifauna and freshwater wetland dependent species, in Long Valley through management agreement with local farmers and landowners.	This is a nature conservation project to conserve and enhance the natural habitat of butterflies in the Fung Yuen Valley SSSI through management agreement with local landowners.
Key conservation objectives	<ul style="list-style-type: none"> <li>● To enhance nature conservation in Long Valley, particularly avifauna and amphibians, as well as other freshwater dependent species;</li> <li>● to conserve agricultural freshwater habitats in Long Valley;</li> <li>● to establish close partnership with</li> </ul>	<ul style="list-style-type: none"> <li>● To reduce and minimize environmentally incompatible behavior on private land in Fung Yuen;</li> <li>● to enhance and maintain the habitat quality of private land in Fung Yuen;</li> </ul>



	<p>farmers and landowners in management agreement and small projects;</p> <ul style="list-style-type: none"> <li>● to monitor habitats and biodiversity with a view to developing effective and efficient habitat management measures for long term ecological conservation; and</li> <li>● to promote nature conservation awareness.</li> </ul>	<ul style="list-style-type: none"> <li>● to provide a refuge area for butterfly foraging, inhabiting, and breeding, so as to help increase the diversity of butterfly species;</li> <li>● to train volunteers in conservation programme; and</li> <li>● to promote nature conservation awareness.</li> </ul>
Duration	24 months	36 months
Amount of fund applied for	<p>Funding applied : \$4,590,960 (\$2,295,480 per year)</p> <p>Expected income : \$106,600</p> <p>Expected balance : \$4,484,360</p>	<p>Funding applied : \$5,035,876.65 (\$1,678,625.55 per year)</p> <p>Expected income : \$150,000</p> <p>Expected balance : \$4,885,876.65</p>

**Evaluation of Application for  
Nature Conservation Management Agreement Projects**

**Our views on the applications received are set out below:**

**I. Nature Conservation Management for Long Valley 2010-2012  
(submitted by the Conservation Association (CA) in cooperation with  
the Hong Kong Bird Watching Society (HKBWS))**

<b>Evaluation criteria</b>	<b>Comments</b>
Benefits that will bring to the efforts in enhancing the conservation of the site concerned and in better achieving the nature conservation objective	<p>The project is expected to benefit the conservation of Long Valley by –</p> <ul style="list-style-type: none"> <li>● reducing and minimizing the incidence of any irregularities and environmentally incompatible activities on the private land;</li> <li>● enhancing habitat diversity and quality of agricultural freshwater wetland in Long Valley;</li> <li>● enhancing conservation of freshwater wetland dependent birds and amphibians, in particular the Greater Painted-snipe;</li> <li>● enriching our knowledge on effective and efficient habitat management measures to facilitate the long-term conservation and management of Long Valley;</li> <li>● building communication channels with landowners and local villagers, and gaining their support in nature conservation; and</li> <li>● demonstrating how stakeholders cooperate in biodiversity conservation to the general public.</li> </ul>
Sustainability including its resources	<ul style="list-style-type: none"> <li>● The present proposal requires a 2-year funding (a total of \$4,590,960) from ECF. The expected income generated (\$106,600) will be returned to ECF to cover cost</li> </ul>

<p>implications, participation of the landowners and local community, the nature and enforceability of the management agreement</p>	<ul style="list-style-type: none"> <li>● The proposed project will continue assessing the effectiveness of different management measures for conservation management of Long Valley. Experience gained will help determine which management scheme is most effective and appropriate for the long-term conservation of Long Valley.</li> <li>● CA has already entered into agreements with 23 local farmers and 1 landowner in the current MA scheme. It is anticipated that more local farmers and landowners will enter into MA with CA in the new project.</li> <li>● Revenue generating eco-tours and harvesting activities will be organized to promote nature conservation, recruit supports from the public and generate income.</li> </ul>
<p>Technical and project management capability, and track record of the applicant. NGOs may seek assistance or support from other relevant professional bodies where necessary</p>	<ul style="list-style-type: none"> <li>● Both CA and HKBWS are experienced in implementing environmental projects including projects funded by the ECF and Sustainable Development Fund.</li> <li>● They have gained experience and knowledge on nature conservation of private lands in Long Valley in the Pilot and current MA schemes. The results produced so far are encouraging in terms of species and habitat diversity, cooperation with local communities, and conservation education.</li> <li>● The project is supported by the North District Council member Mr. Hau Kam Lam and the New Territories Conservation Association.</li> </ul>
<p>Whether the proposed project's schedule of implementation is well-planned and practicable, and the duration is reasonable</p>	<ul style="list-style-type: none"> <li>● The proposed schedule of implementation is mainly based on the bird migration period, active season of amphibians and harvesting period. It is considered well-planned and practicable.</li> <li>● Considering that long-term habitat management is required to maintain and enhance the conservation value of the subject site, the proposed duration of 2 years of habitat management is considered reasonable.</li> </ul>

<p>Whether the budget is reasonable and realistic, and whether the project is cost effective</p>	<ul style="list-style-type: none"> <li>● There is an increase in the management area by 9.2% in the new proposal (i.e. from about 11.8ha to 12.9ha). Also, the present proposal has included new element of revenue generating activities to enhance the sustainability for the project, and publicity is strengthened. The proposed budget has proportionally increased by 15% (i.e. from \$3,974,964 to \$4,590,960) compared with the 2<sup>nd</sup> MA.</li> <li>● Considering the amount of works to be undertaken by the applicant and the expected results, the project is considered cost effective and the proposed budget is deemed reasonable. The exact amount of funding to be approved will be decided by the ECF Committee.</li> </ul>
<p>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</p>	<ul style="list-style-type: none"> <li>● “Long Valley Harvest Club for Public” will be set up to generate income (\$52,400). Under this programme, club members have to pay membership fees. In return, they can join farming and harvesting activities, and will receive the harvest produced.</li> <li>● An estimate of \$54,200 will be generated from paid eco-tours and harvesting activities.</li> <li>● The income generated from the above activities for the present proposal is limited. Financial support from sources like the ECF is still required. However, funds required may be reduced in the long-run if the above income generating measure is proved to be effective.</li> </ul>
<p>If recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time</p>	<ul style="list-style-type: none"> <li>● Under the MA scheme, non-governmental organizations may provide landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the Priority Sites. As such, recurrent expenditure is expected in MA projects.</li> <li>● New elements of revenue generating activities on trial basis are included in the present proposal. It is expected that revenue equivalent to 2.3% (\$106,600) of</li> </ul>

	<p>the estimated expenditure will be generated for the present proposal. Evaluation on the potential of such activities to generate adequate revenue to support the project in the long run is needed so as to assess whether the proposed project has potential to become self-sufficient after a certain period of time.</p>
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**II. Management Agreement on the Private Land with High Conservation Value at Fung Yuen Valley Site of Special Scientific Interest in Tai Po, Hong Kong**  
**(submitted by Tai Po Environmental Association (TPEA))**

Evaluation criteria	Comments
Benefits that will bring to the efforts in enhancing the conservation of the site concerned and in better achieving the nature conservation objective	<p>The project is expected to benefit the conservation of Fung Yuen by –</p> <ul style="list-style-type: none"> <li>● reducing and minimizing the incidence of any irregularities and environmentally incompatible behaviours on the private land;</li> <li>● enhancing and maintaining the habitat quality of private land as an important site to butterflies;</li> <li>● enhancing and maintaining the diversity of butterfly species;</li> <li>● enhancing conservation of rare and uncommon butterfly species, in particular the Common Birdwing (<i>Troides Helena</i>, 裳鳳蝶), Common Rose (<i>Pachliopta aristolochiae</i>, 紅珠鳳蝶) and White Dragontail (<i>Lamproptera curius</i>, 燕鳳蝶);</li> <li>● enriching our knowledge on effective and efficient habitat management measures to facilitate the long-term conservation and management of Fung Yuen;</li> <li>● building communication channels with landowners and local villagers, and gaining their support in nature conservation; and</li> <li>● promoting the importance of conservation to local community and general public.</li> </ul>

<p>Sustainability including its resources implications, participation of the landowners and local community, the nature and enforceability of the management agreement</p>	<ul style="list-style-type: none"> <li>● The present proposal requires a 3-year funding (a total of \$5,035,876.65) from ECF. The expected income generated \$150,000 will be returned to ECF to cover cost.</li> <li>● TPEA has already entered into agreements with landowners in the current MA project. These will be extended to the coming project.</li> <li>● Conservation and volunteer workshops will be organized for schools and local community members to build up conservation capacity of the public.</li> <li>● Revenue generating activities, such as butterfly courses, butterfly club membership, production of souvenirs and eco-tours, will be organized to promote nature conservation, recruit supports from the public and generate income.</li> </ul>
<p>Technical and project management capability, and track record of the applicant. NGOs may seek assistance or support from other relevant professional bodies where necessary</p>	<ul style="list-style-type: none"> <li>● TPEA is experienced in implementing environmental projects including projects funded by the ECF and Environmental Campaign Committee.</li> <li>● They have gained experience and knowledge on nature conservation of private land in Fung Yuen in the Pilot and current MA schemes. The results produced so far are encouraging in terms of species and habitat diversity, cooperation with local communities, and conservation education.</li> <li>● The project is supported by the Chinese University of Hong Kong, the Hong Kong Bird Watching Society, the Hong Kong Lepidopterists' Society and the New Territories School Association.</li> </ul>
<p>Whether the proposed project's schedule of</p>	<ul style="list-style-type: none"> <li>● Habitat and species management and/or conservation measures are scheduled</li> </ul>

<p>implementation is well-planned and practicable, and the duration is reasonable</p>	<p>year-round. Education, publicity and consultation activities are scheduled at regular intervals or as appropriate. The proposed schedule of implementation is considered well-planned and practicable.</p> <ul style="list-style-type: none"> <li>● Considering that long-term habitat management is required to maintain and enhance the conservation value of the subject site, the proposed duration of 3 years of habitat management is considered reasonable.</li> </ul>
<p>Whether the budget is reasonable and realistic, and whether the project is cost effective</p>	<ul style="list-style-type: none"> <li>● The proposed management area is increased by 15% (i.e. from 1.7ha to 2ha), and the proposed budget is increased by 18% per year (from \$2,849,990 for 2 years to \$5,035,876.65 for 3 years) compared to the 2<sup>nd</sup> MA.</li> <li>● The present proposal has included new element of revenue generating activities to enhance the sustainability for the project.</li> <li>● Considering the amount of works to be undertaken by the applicant and the expected results, the project is considered cost effective and the proposed budget is deemed reasonable. The exact amount of funding to be approved will be decided by the ECF Committee.</li> </ul>
<p>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</p>	<ul style="list-style-type: none"> <li>● Day Visitor Conservation Fee (\$20 per person per day) is required for visiting the Fung Yuen Butterfly Reserve. It is expected to generate \$150,000 over three years.</li> <li>● TPEA will explore the opportunity of having corporate sponsorship and sponsorship from the District Council.</li> </ul>



	<ul style="list-style-type: none"> <li>● Revenue generating activities, such as butterfly courses, butterfly club membership, production of souvenirs and eco-tours, will be organized.</li> <li>● The income generated from the above activities for the present proposal is limited. Financial support from sources like the ECF is still required. However, funds required may be reduced in the long-run if the above revenue generating measures proved to be effective.</li> </ul>
<p>If recurrent expenditure is incurred, whether the proposed project has potential to become self-sufficient after a certain period of time</p>	<ul style="list-style-type: none"> <li>● Under the MA scheme, non-governmental organizations may provide landowners with financial incentives in exchange for management rights over their land or their cooperation in enhancing conservation of the Priority Sites. As such, recurrent expenditure is expected in MA projects.</li> <li>● New elements of revenue generating activities on trial basis are included in the present proposal. It is expected that revenue equivalent to around 3% (\$150,000) of the estimated expenditure will be generated. Evaluation on the potential of such activities to generate adequate revenue to support the project in the long run is needed, so as to assess whether the proposed project has potential to become self-sufficient after a certain period of time.</li> </ul>

***Agriculture, Fisheries and Conservation Department  
Environmental Protection Department  
November 2009***