

Cleaner Production Partnership Programme

Organisation Support Initiative Guide to Application for Funding Support

**The Secretariat
Cleaner Production Partnership Programme
Hong Kong Productivity Council**

October 2022

TABLE OF CONTENTS

Glossary	i
1. GENERAL.....	1
1.1 Objective	1
1.2 Eligibility	1
1.3 Funding Guideline.....	1
2. FUNDING APPLICATION.....	2
2.1 Application Procedure.....	2
2.2 Withdrawal and Resubmission	3
3. ASSESSMENT AND VETTING PROCEDURES	3
3.1 Assessment Procedure	3
3.2 Vetting Criteria	3
3.3 Avoidance of Conflict of Interest.....	3
3.4 Notification of Results.....	4
3.5 Avoidance of Duplicated Government Funding.....	4
4. FUNDING ARRANGEMENT/FINANCIAL MANAGEMENT	4
4.1 Disbursement of Fund.....	4
4.2 Books and Records and Audited Account	4
5. REPORTING REQUIREMENT	5
5.1 Final Report.....	5
6. PROJECT ADMINISTRATION.....	6
6.1 Contractual Requirements.....	6
6.2 Project Commencement and Completion.....	6
6.3 Procurement Procedures	6
6.4 Hiring of Project Staff	8
6.6 Change of Company Status and Project Details	8
6.7 Suspension or Termination of Funding Support	8
6.8 Intellectual Property Rights	9
6.9 Prevention of Bribery.....	9
6.10 Acknowledgement and Disclaimer	9
6.11 Enquiries	10

ANNEXES

- Annex A – Application for Funding Support to Conduct Organisation Support Initiative (Form 5)
- Annex B – Reference Budgets for Different Types of Promotion Activities
- Annex C – General Guidelines and Procedures on Staff Recruitment

Glossary

“Cleaner Production (CP)”	Cleaner Production approach is a preventive, integrated strategy that is applied to the entire production cycle to increase productivity by ensuring a more efficient use of raw materials, energy and water, and to promote better environmental performance through reduction at source of waste and emissions.
“Organisation Support Initiative (OSI) Projects”	These projects are trade-specific promotion and publicity in nature to facilitate the wider adoption of proven cleaner production technologies. The activities may be in the form of seminars, factory visits, workshops, and conferences, etc. for enhancing the understanding of individual trades or industry sectors on CP technologies; participation in sectoral trade exhibitions to showcase CP technologies; and production of promotional materials and references such as video clips, best practices, guidebooks on CP technologies, and online platform, etc.
“Mainland”	The People’s Republic of China excluding Hong Kong, Macau and Taiwan
“Project Management Committee”	The Project Management Committee (PMC) is set up to oversee the implementation of the Programme. The PMC is chaired by the Under Secretary for Environment and Ecology of the Government of the Hong Kong Special Administrative Region (HKSAR) and comprises representatives from the four major trade and industry association, namely, the Chinese General Chamber of Commerce, the Chinese Manufacturers’ Association of Hong Kong, the Federation of Hong Kong Industries, and the Hong Kong General Chamber of Commerce, and an academic, as well as representatives from the Environmental Protection Department, the Trade and Industry Department, and the Innovation and Technology Commission. The Hong Kong Productivity Council (HKPC) provides secretarial support to the PMC.

1. GENERAL

1.1 Objective

- 1.1.1 In April 2008, the Environmental Protection Department (EPD) of the Government of the Hong Kong Special Administrative Region (HKSAR) launched the Cleaner Production Partnership Programme (the Programme) in collaboration with the then Economic and Information Commission of Guangdong Province (now the Department of Industry and Information Technology of Guangdong Province) to encourage and facilitate Hong Kong-owned factories in Guangdong and Hong Kong to adopt cleaner production (CP) technologies and practices. In the light of the environmental benefits brought by the Programme, the EPD has extended the Programme for another five years to 31 March 2025 with an additional funding of \$311 million. Hong Kong Productivity Council (HKPC) continues to be the implementation agent for the Programme and act as the secretariat for operation of the Programme.
- 1.1.2 Under the new phase of the Programme, the Organisation Support Initiative (OSI) continues to provide funding for eligible non-profit distributing organisations¹ (NPOs) to carry out trade-specific promotion and publicity activities with a view to facilitating the wider adoption of proven CP technologies. HKPC continues to be the implementation agent of the Programme and acts as the Secretariat for administration of the OSI.
- 1.1.3 This Guide sets out the funding application procedures, eligibility requirements, vetting criteria and other administration arrangements for the OSI.

1.2 Eligibility

- 1.2.1 A NPO operating as a trade and industrial organisation which shall either be a statutory organisation or an organisation registered under the laws of Hong Kong Special Administrative Region is eligible to apply for funding support under the OSI.

1.3 Funding Guideline

- 1.3.1 Each OSI project may comprise a number of different promotion and publicity activities to be organised in Hong Kong and Guangdong. The activities may be in the form of seminars, factory visits, workshops and

¹ Non-profit-distributing organisations refer to organisations which do not distribute profits to their directors, shareholders, employees or any other persons. An applicant has to declare in the Application Form that it has not distributed any profit generated by the applicant in the past to any of its directors, shareholders, employees, or any other persons. The applicant shall provide supplementary information, such as the Articles of Association, to prove that the organisation is non-profit-distributing in nature. In the case of organisations registered under the Societies Ordinance (Cap. 151), the applicant shall provide supplementary information, such as Constitution or Articles of Association, to prove that the organisation is non-profit-distributing in nature.

conferences, etc. for enhancing the understanding of individual trades or industry sectors on CP technologies; participation in sectoral trade exhibitions to showcase CP technologies that are applicable to the trades; and production of promotional materials and references such as video clips, best practices and guidebooks on CP technologies, and online platform, etc.

1.3.2 Government funding support for each approved project is up to 90% of the total project expenditure. The applicant will be required to contribute at least 10% of the project expenditure, which may be in cash or sponsorship from third parties other than the Government. The proposed budgets for different types of promotion activities should not normally exceed the reference budgets as shown in Annex B unless strong justifications are given to substantiate the funding application and as endorsed by the PMC of the Programme.

1.3.3 Expenditures which are directly incurred for the project and featured in the approved project proposal within the project duration may be funded. These include:

- (a) salary (including employer's contributions to the Mandatory Provident Fund) of the additional staff directly incurred for the project;
- (b) the cost of leasing of additional equipment and/or venue rental for implementing the project; and
- (c) other costs directly incurred for the project, including:
 - i. external consultancy fees;
 - ii. production and promotion cost of project deliverables (such as printing of leaflets, production of CD-ROMs, etc)
 - iii. travelling expenses incurred by project team members, which shall be capped at 5% of the total actual expenditure; and
 - iv. external audit fee which shall not be more than HK\$10,000 for each project, etc.

1.3.4 Unless otherwise expressly approved by the PMC, overheads expenses (such as salary, rental, renovation expenses, utility expenses), entertainment expenses, expenses for meals and other administration costs will NOT be funded.

2. FUNDING APPLICATION

2.1 Application Procedure

2.1.1 The applicant shall complete the Application Form for Funding Support under the OSI (Form 5) and submit it together with supporting documents as required to the Secretariat. Copies of the application form can be obtained from the Secretariat or downloaded from the website (www.cleanerproduction.hk). No application fee will be charged.

2.2 Withdrawal and Resubmission

- 2.2.1 The applicant may write to the Secretariat to withdraw a funding application at any time before a funding agreement is signed between the applicant and HKPC. Applicant may resubmit a funding application that had been rejected by the PMC only if the applicant has been substantially revised or if the applicant is able to produce supplementary evidence to address the comments made by the PMC. A resubmitted application will be considered as a new application and will be subject to the same vetting procedures.

3. ASSESSMENT AND VETTING PROCEDURES

3.1 Assessment Procedure

- 3.1.1 Upon receipt of the application, the Secretariat will process the application and may seek clarification or supplementary information from the applicant. The Secretariat will vet the application based on the vetting criteria and submit an assessment to the PMC for their decision on approval or rejection of the application.

3.2 Vetting Criteria

- 3.2.1 The vetting criteria are as follow:
- (a) eligibility of applicant;
 - (b) whether the project can facilitate a wider adoption of proven CP technologies in particular trade or industry sector;
 - (c) expected number of participants and/or users who may benefit from the projects;
 - (d) implementation plan for achieving project objectives and cost effectiveness of the project;
 - (e) whether the applicant and the project team have the relevant knowledge and experience for implementing the project;
 - (f) reasonableness of the proposed budget;
 - (g) whether the project duplicates the work carried out by other organisations during the same period;
 - (h) balanced participation by trade and industrial associations, and
 - (i) priority will be given to projects which promote the types of CP technologies which (1) had been demonstrated under the Programme; (2) would reduce volatile organic compounds (VOC) and nitrogen oxide (NO_x); and (3) will benefit the eight targeted industries, namely textiles, non-metallic mineral products, metal and metal products, food and beverage, chemical products, printing and publishing, furniture, and paper/paper product manufacturing.

3.3 Avoidance of Conflict of Interest

- 3.3.1 To avoid conflict of interest, PMC members who are directly or indirectly

related to a funding application will be required to declare his/her interests when vetting the application. Where considered appropriate, the Chairman of the PMC may request members concerned to refrain from participating in the discussion of the relevant application.

3.4 Notification of Results

- 3.4.1 The Secretariat will notify the applicant of the vetting result within two weeks upon decision on the application by the PMC.

3.5 Avoidance of Duplicated Government Funding

- 3.5.1 Successful applicant shall not apply for duplicated funding for the same activities or project from other funding schemes of the Government such as the SME Funding Schemes and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), etc. Likewise, if the applicant has successfully applied for any Government funding, it shall not apply for funding for the same activities or project under the Programme,

4. FUNDING ARRANGEMENT/FINANCIAL MANAGEMENT

4.1 Disbursement of Fund

- 4.1.1 Disbursement of funds will be made in full for approved project to the successful applicant when all the following conditions are fulfilled:
- (a) submission of a Final Report of the project to the satisfaction of the Secretariat within two months upon the completion of the project;
 - (b) production of documentary evidence to the satisfaction of the Secretariat showing the availability of total cash contribution and all other sponsorship (if any) in accordance with the approved application; and
 - (c) submission of an audited account on the project by a qualified external auditor.
- 4.1.2 Disbursement of funds will be made by cheques or bank transfer to the applicant normally within one month upon fulfilment of all the respective conditions. The Secretariat reserves the right to withhold the payments if necessary. Under such circumstance, the Secretariat will inform the successful applicant the reason of withholding payment.

4.2 Books and Records and Audited Account

- 4.2.1 The applicant shall keep a proper and separate set of books and records for the project. The books and records shall be maintained in such a manner so as to enable the production of statement of expenditure of the project. All transactions relating to the project shall be properly and timely recorded in its books of accounts. All receipts and expenditure of

the project, including the contribution by the applicant shall be fully and properly recorded in the books and records in accordance with the funding agreement, and all requirements, instructions and correspondences issued by the Secretariat in respect of the project.

- 4.2.2 To ensure that the project funds have been fully and properly applied to the project, and the expended/received are in accordance with the approved budget, the required accounts shall be audited by a qualified external auditor who must be either Certified Public Accountants or Public Accountants registered under the Professional Accountants Ordinance (Cap. 50) (the Auditors).
- 4.2.3 The audited account on the project shall cover the period from the project commencement date to project completion date.
- 4.2.4 The audited account shall contain all receipts and receivables including the funding, contribution by the applicant and sponsors (if any), project income (if any) and payments for the project. The audited account shall also comprise Statement of Income and Expenditure, Balance Sheet, Notes to the Accounts and Auditors' Report. The accounts of a project shall be properly prepared from and in agreement with the books and records of the project.
- 4.2.5 In the audited accounts, the Auditors are required to express an audit opinion as to whether the applicant has complied, in all material respects, with all the requirements set out in the Funding Agreement, this Guide and the instructions and correspondences issued by the Secretariat from time to time in respect of the project or the Programme and to make full disclosure of any material non-compliance. The Government/ PMC/ Secretariat or their authorised representatives shall have the right to communicate with the Auditors concerned on matters regarding the project accounts and the supporting documents. In conducting the audits, the Auditors should comply with the relevant Standards and Statements of Professional Ethics issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants.

5. REPORTING REQUIREMENT

5.1 Final Report

- 5.1.1 Within two months after completion of the project, the applicant shall submit to the Secretariat a Final Report to facilitate evaluation of the funded project. The Final Report shall contain the following information:
 - (a) statistics such as number of participants to seminars, number of visitors to exhibition booths, hit rate of toolbox, etc.;
 - (b) feedback from participants of promotional activities, or users of deliverables, etc.;
 - (c) overall assessment on the effectiveness of the project; and

(d) recommendations on improvements for future activities.

- 5.1.2 The Secretariat will review the Final Report and assess the effectiveness of the project by comparing the project deliverables against its original objectives and deliverables as set out in the project proposal. The applicant should immediately provide clarification and supplementary information on the contents of the Final Report upon request of the Secretariat.
- 5.1.3 If the applicant completes the project without fully meeting the proposed targets/ objectives, the PMC and the Government reserves the right to reduce the approved funding by an amount based on the progress of the project, completion of the quantifiable milestones and/ or other factors deemed relevant.
- 5.1.4 Any record of mishandling of public funds or lack of discipline in financial management or any breach of the funding agreement by an organisation will be taken into account by the PMC and Government in considering future applications from the same organisation or project team. Any such record may prejudice that organisation's future applications under the Cleaner Production Partnership Programme.

6. PROJECT ADMINISTRATION

6.1 Contractual Requirements

- 6.1.1 Successful applicant will sign a funding agreement with HKPC and agree to comply with all the terms and conditions of the agreement, this Guide and the instructions and correspondences issued by the Secretariat from time to time in respect of the project or the Programme. The applicant will also be required to appoint a representative (Project Coordinator) who shall be responsible for overseeing the implementation of the project and liaising with the Secretariat. The Secretariat has the right to request access to any information related to the project possessed by the applicant.

6.2 Project Commencement and Completion

- 6.2.1 Successful applicant shall commence the project within two weeks upon signing the funding agreement. The project should normally be completed in 12 months unless otherwise approved by the PMC.

6.3 Procurement Procedures

- 6.3.1 The applicant shall exercise the utmost prudence in procuring goods and services for the project and must adhere to the following procedures unless the PMC agrees otherwise:

- (a) For every procurement whereby the aggregate value does not exceed HK\$50,000, written quotations from at least two suppliers or service providers should be obtained while verbal quotation is acceptable for aggregate value less than HK\$10,000.
- (b) For every procurement whereby the aggregate value exceeds HK\$50,000 but does not exceed HK\$1,400,000, written quotations from at least five suppliers or service providers should be obtained.
- (c) For every procurement where the aggregate value is more than HK\$1,400,000, open tendering should be used.

6.3.2 For (a) to (c) above, the lowest conforming bid meeting the technical requirements should be accepted unless justifications are endorsed by the PMC. For (a) and (b) above, if less than the required number of suppliers or service providers could be identified from the market, it should be recorded on the procurement document.

6.3.3 In engaging service provider(s)/contractor(s) for implementing the project under the Programme, the applicant should not engage a service provider/contractor that is an associate and/or associated person of the applicant². For clarity purposes, where an applicant is an unincorporated entity, associate of such applicant shall include, among other things, relative of the owner, founder or office bearer of, and/or anyone having control over the applicant.

2

a “person” shall mean any person or body of persons whether incorporated or unincorporated;

“associate” of a person means:

- (i) a relative or partner of that person; or
- (ii) a company one or more of whose directors is in common with one or more of the directors of that person;

“associated person” of a person means:

- (i) any person who has control, directly or indirectly, over that person;
- (ii) any person who is controlled, directly or indirectly, by that person; or
- (iii) any person who is controlled by, or has control over, the first-mentioned person in (i) or (ii);

“control” over another person (“person under control”) means the power of a person to secure:

- (i) by means of the holding of shares or interests or the possession of voting power in or in relation to that person under control or any other person;
 - (ii) by virtue of powers conferred by any constitution, memorandum or articles of association, partnership, agreement or arrangement (whether legally enforceable or not) affecting that person under control or any other person; or
 - (iii) by virtue of holding office as a director in that person under control or any other person;
- that the affairs of the person under control are conducted in accordance with the wishes of that person exercising control;

“director” means any person occupying the position of a director by whatever name called and includes a de facto or shadow director; In the context of HKPC, it means a member of HKPC appointed under section 9 of the Hong Kong Productivity Council Ordinance (Cap. 1116);

“relative” means the spouse, parent, child, brother or sister of the relevant person, and, in deducing such a relationship, an adopted child shall be deemed to be a child both of the natural parents and the adopting parent and a step child to be a child of both the natural parents and the step parent;

- 6.3.4 The Secretariat reserves the right to withhold disbursement of any percentage of the funding support if the applicant fails to comply with the procurement guidelines when procuring equipment/ service for the project.

6.4 Hiring of Project Staff

- 6.4.1 In recruiting staff for the project, the applicant shall abide by the principles of openness, fairness and competitiveness, and shall follow the General Guidelines and Procedures on Staff Recruitment at Annex C.
- 6.4.2 When hiring speaker and project staff, applicants should select suitable candidates according to the existing internal evaluation system. The Secretariat reserves the right to request applicants to provide details of the selection process.

6.5 Quality Checking

- 6.5.1 The applicant shall be fully accountable for the quality of services and activities detailed in its application and funding agreement. The Secretariat shall conduct random spot check for at least one promotion activity for each project with a view to ensuring that the project is implemented as planned. The applicant shall facilitate the Secretariat to conduct the quality checking.

6.6 Change of Company Status and Project Details

- 6.6.1 Approved funding application is required to be carried out strictly in accordance with the scope of the project as set out in the funding agreement. The successful applicant must seek prior approval of the Secretariat in writing for any modification, amendment or addition to the project details and the funding agreement, including change of organisation status, representative of the applicant, management structure of the company, project commencement or completion dates, nature of the promotion activities etc. The Secretariat reserves the right to accept these changes or not.

6.7 Suspension or Termination of Funding Support

- 6.7.1 Without prejudice to any other rights or remedies which the Secretariat may have, the Secretariat may at any time terminate the project and/or suspend disbursement of funds if: (i) the project is not progressing at a satisfactory pace; (ii) the successful applicant fails to submit reports, deliverables or audited accounts within the stipulated time or to the satisfaction of the Secretariat; (iii) the successful applicant breached of any of the terms and conditions of the funding agreement; or (iv) the Secretariat considers it fit to do so on the grounds of public interest. The

reasons for termination or suspension are non-exhaustive and the Secretariat, after consulting the PMC, may exercise such right when it considers appropriate. Upon termination, no funds will be disbursed to the successful applicant and the Secretariat or the PMC shall not be liable for any costs incurred by the successful applicant.

6.8 Intellectual Property Rights

- 6.8.1 The applicant will hold all the intellectual property rights arising from the deliverables/results of the project.

6.9 Prevention of Bribery

- 6.9.1 The applicant shall observe the Prevention of Bribery Ordinance (Cap.201) (“PBO”) and shall procure that its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project shall not offer to or solicit or accept from any person (including HKPC staff) any money, gifts or advantages (as defined in the PBO) in relation to the project.
- 6.9.2 The offer of an advantage to the Secretariat or any member of the PMC/Government either with or without a view to influencing the approval of an application is an offence under the PBO. Any such offer by the project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project will render the application null and void. The Government may also cancel the application approved and hold the applicant liable for any loss or damage which the Government may sustain.
- 6.9.3 The applicant is also advised to observe the guidelines set out in the “Best Practice Checklist – Strengthening Integrity and Accountability – Grantee’s Guidebook” compiled by the Corruption Prevention Department of the Independent Commission Against Corruption (ICAC) in order to execute the funding agreement in an ethical and accountable manner which meets the public expectation. The Guidebook is available for download from the Web Portal of Corruption Prevention Advisory Service of ICAC (https://cpas.icac.hk/EN/Info/Lib_List?cate_id=3&id=142).

6.10 Acknowledgement and Disclaimer

- 6.10.1 Successful applicant is allowed to publicise its role in the project and promotion materials. Acknowledgement of this funding support (by showing the official logo of the Programme provided by the Secretariat) must appear on all publicity/media events related to the project, as well as in publications arising from the project. The following disclaimer should also be included in these publicity and media events related to the acknowledgement:

“Any opinions, findings, conclusions or recommendations expressed in this material/event (or by the successful applicant) do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Environmental Protection Department of the HKSAR Government, the Project Management Committee of the Cleaner Production Partnership Programme or Hong Kong Productivity Council.”

6.11 Enquiries

6.11.1 Below are the contacts for further enquiries about the Programme:

*The Secretariat
Cleaner Production Partnership Programme
HKPC Building
78 Tat Chee Avenue
Kowloon
Hong Kong*

Telephone : (852) 2788-5588
Fax : (852) 3187-4532
E-mail : enquiry@cleanerproduction.hk
Website : <http://www.cleanerproduction.hk>

Annex A

Application for Funding Support to Conduct Organisation Support Initiative (Form 5)

The application form is available for download from the Web Portal of the Programme at <https://www.cleanerproduction.hk/en/application>.

Annex B

Reference budgets for different types of promotion activities

	Promotion Activities	Reference Budget (HK\$'000)
1	Exhibition	180
2	Seminar	50
3	Factory Visits	27
4	Video Clips	100
5	Cleaner Production (CP) Guidebooks / Best Practices	150

Annex C

General Guidelines and Procedures on Staff Recruitment

1. Introduction

- 1.1 These guidelines deal with the adoption of a system of staff recruitment where staff is employed to carry out the OSI projects. They serve as a ready reference for the applicant who is allocated with any funding from the Programme. The main issues are openness, fairness and competitiveness in staff recruitment.

2. Staff Recruitment

- 2.1 Personnel outside the organisation may be recruited to help with the implementation of OSI projects as stipulated in the application by adopting a credible recruitment procedure. To ensure fairness, staff shall be recruited through an open and competitive system. A gist of the recruitment procedures is given below for reference.

3. Conflict of Interest

- 3.1 Any staff member of the applicant organisation taking part in a recruitment exercise (e.g. as a recruitment panel member) shall be required to declare any conflict of interest and refrain from participating in the selection process if a candidate under consideration is his family member, relative or close personal friend. Please note that failure to avoid or properly handle conflict of interest situations may give rise to criticism of favouritism, abuse of authority and even allegations of corruption. The PMC reserves the right to recall the funding in full should any irregularities or criminal elements are discovered after the disbursement of funding to an applicant.

4. Reference Material

- 4.1 The Independent Commission Against Corruption (ICAC) has published a booklet “Staff Administration” providing organisations with information on good practices on staff recruitment procedures. The Best Practice Checklist concerned is available for download from the Web Portal of Corruption Prevention Advisory Service of ICAC (https://cpas.icac.hk/EN/Info/Lib_List?cate_id=3&id=220).

Staff Recruitment Procedures

1. Job vacancies shall be advertised in public channels.
2. The advertisement shall set out clearly the job descriptions and requirements, and other essential information such as the application deadline and the contact point for enquiries.
3. All applications received shall be systematically recorded.
4. Shortlisting for interview shall be based on specified criteria.
5. If practicable, a recruitment panel shall be formed to conduct selection interviews and skill tests as necessary.
6. A standard assessment form shall be devised to record assessment by individual panel members.
7. Assessment of candidates and recommendations of panel members shall be properly documented.
8. Approving authority for the staff appointment shall be defined clearly.