Sustainable Development Fund

Application Guidelines

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1. What is the Sustainable Development Fund?

Background

1.1 As part of the vision of "Making Hong Kong an Ideal Home" outlined in the 1999 Policy Address, the Chief Executive emphasised the importance of the community, the business sector and the Government working in partnership to embrace the principles of sustainable development. To encourage the community to develop an understanding of this concept and to put the principles of sustainability into practice, the Chief Executive identified the need for a dedicated source of funding for this work.

Objectives

1.2 The Sustainable Development Fund (SDF) was established with a sum of $100 million to provide a source of financial support for initiatives that will help develop a strong public awareness of the concept of sustainable development and to encourage sustainable practices in Hong Kong. Specifically, SDF is a source of support for initiatives that will promote:

(a) public understanding of the importance of advancing the long-term economic, social and environmental interests of the community in a balanced and integrated manner;

(b) everyday practices that are consistent with the principles of

sustainability; and

(c) public participation in the discussion and implementation of Hong Kong's long term sustainable development.

2. *What is "Sustainable Development"?*

2.1 The internationally accepted definition of sustainable development comes from the report of the United Nations World Commission on Environment and Development ('Our Common Future' (1987)), namely: "*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*" The Plan of Implementation of the 2002 United Nations World Summit of Sustainable Development specifically states the need to "enhance partnerships between governmental and non-governmental sectors, including all major groups, as well as volunteer groups, on programmes and activities for the achievement of sustainable development at all levels".

2.2 In Hong Kong, the "Sustainable Development for the 21st Century" study, concluded in 2000, defined sustainable development in the Hong Kong context as a balance of "social, economic, environmental and resource needs, both for present and future generations, simultaneously achieving a vibrant economy, social progress and a high quality environment, locally, nationally and internationally, through the efforts

of the community and the Government".

2.3 In his 1999 Policy Address, the Chief Executive articulated the need for the community to work in partnership to achieve sustainable development, by

- finding ways to increase prosperity and improve the quality of life while reducing overall pollution and waste;
- meeting our own needs and aspirations without doing damage to the prospects of future generations; and
- reducing the environmental burden we put on our neighbours and helping to preserve common resources.

3. Who can apply for Sustainable Development Fund?

3.1 Organisations may apply for grant under SDF. Organisations may include non-government and community organisations, academic and research institutes, schools and chambers of commerce. Where an organisation is not a legal person, certain designated individuals will be required to apply for the grant in their own personal capacity. In the case of a society registered under the Societies Ordinance, all office-bearers of that society will generally be required to apply for SDF in their individual capacity on a joint and several basis. In the case of a school registered under the Education Ordinance, and whose management committee is not incorporated, the principal will be required to apply for SDF in his or her individual capacity. In other cases where the organisation is not a legal person, individuals

will have to be specified in the application form, and the individuals shall apply for SDF in their personal capacity as deemed applicants.

3.2 Individuals aged 18 or above who are ordinarily residents in Hong Kong are also eligible to apply for grants from SDF.

3.3 A person applying for grant under SDF may collaborate with other person(s) (who are not project staff, paid or voluntary) to carry out a proposed project. However, only the person leading or driving the project will submit an application in his own name, and if such applicant is successful, he will enter into the grant agreement with the Government as a single grantee. Information on the persons collaborating with the applicant of the project should be provided in the application form. In the case where there must be more than one person as applicant, each such person will be required to comply with, and observe all terms and conditions of the grant from SDF on a joint and several basis, namely each of such person shall be required to comply with all terms and conditions to the fullest extent as if a separate application has been made by each of them.

3.4 Applicants may submit more than one application at any one time. In the case of multiple applications, a clear priority should be indicated. If the project proposal under application already has one or more other sources of funding support or is the subject of a separate application for other public or private funding, details such as the names of other funding sources and amounts of grant already

awarded or sought from other sources should be indicated.

3.5 Government departments may *only* apply for grants in partnership with non-government organisations, and in such cases the latter should be the lead partner in the proposed project.

3.6 The Council for Sustainable Development (SDC) may also apply for grants from SDF and will be subject to the same application and vetting procedure as other applicants.

4. What types of project will the Sustainable Development Fund support?

4.1. Projects selected for funding support will be expected to enhance Hong Kong people's understanding of sustainable development, or to encourage people to put the concept of sustainable development into practice.

4.2 The concept of sustainable development involves integrating the economic, social and environmental aspects of development. Projects failing to clearly demonstrate full integration of at least two of these aspects would normally not be supported.

4.3 The benefits of projects must accrue to the community as a whole, and not just a single organisation, a consortium of companies or a narrow sector. Projects may involve work undertaken outside Hong

Kong. However, such work should be able to benefit the local community.

4.4 Projects should be non-profit making in nature. Any income derived from a project must be used to further the project's objectives.

4.5 In considering a project proposal, due consideration will be given to -

(a) whether there is a demonstrated need for the proposed project;

(b) whether the nature and scope of the project are consistent with the aim of SDF,

(c) whether the project will likely have a significant impact on community awareness of sustainable principles and practices;

(d) the applicant's technical and management capability;

(e) the track record and past experience of the applicant in related projects or studies and in organising activities of comparable scale;

(f) the number of participants directly involved in the project;

(g) whether partner organisations are involved;

(h) whether the proposed project's schedule of implementation is well-planned;

(i) whether the proposed budget is reasonable and cost effective in general terms;

(j) whether the proposed project has one or more alternative sources of funding support or would be more appropriately funded by other sources;

(k) whether there would likely be duplication of work between the proposed project and other community projects; and

(l) whether the proposed project has the potential to become a self-sufficient ongoing initiative.

4.6 Applications for one-off events with limited potential for long-term impact, such as carnivals and exhibitions of short duration would generally be accorded lower priority.

4.7 An application from an individual for scholarship or study or research in relevant fields should show clearly how such work could benefit the community, for example, in terms of the applicant's ability to use the knowledge acquired to participate in work relating to sustainable development. If funds are granted for the proposed study course, the applicant may be required to share his or her acquired expertise by participating in the work of NGOs or capacity building in the community.

5. How will the applications be processed?

5.1 The SDF Secretariat will issue an acknowledgement letter to applicants within two weeks of receipt of the application. The Secretariat aims to assess project proposals efficiently and within a realistic timeframe.

5.2 The SDF Secretariat will conduct an initial screening to ensure that applications are complete and in line with the broad funding criteria

and then make a summary assessment of applications for consideration by the Vetting Committee (VC) and/or the Education and Publicity Sub-committee (EPSC) of the SDC. If there are a large number of applications, the VC and/or EPSC will form sub-groups to conduct the initial screening and short-listing of applications. The SDF Secretariat will then make a summary assessment of the short-listed applications for further consideration by the VC and/or EPSC.

5.3 Approval of applications for $500,000 or above would be subject to the advice of the SDC. Approval of applications for sums of less than $500,000 will be subject to the advice of the EPSC.

5.4 Provided all relevant information is available, the SDF Secretariat would advise applicants of the outcome of their applications within five to seven months.

5.5 For the purpose of understanding the details of an application, an applicant may be invited to provide supplementary information or to present their proposals to the VC or EPSC.

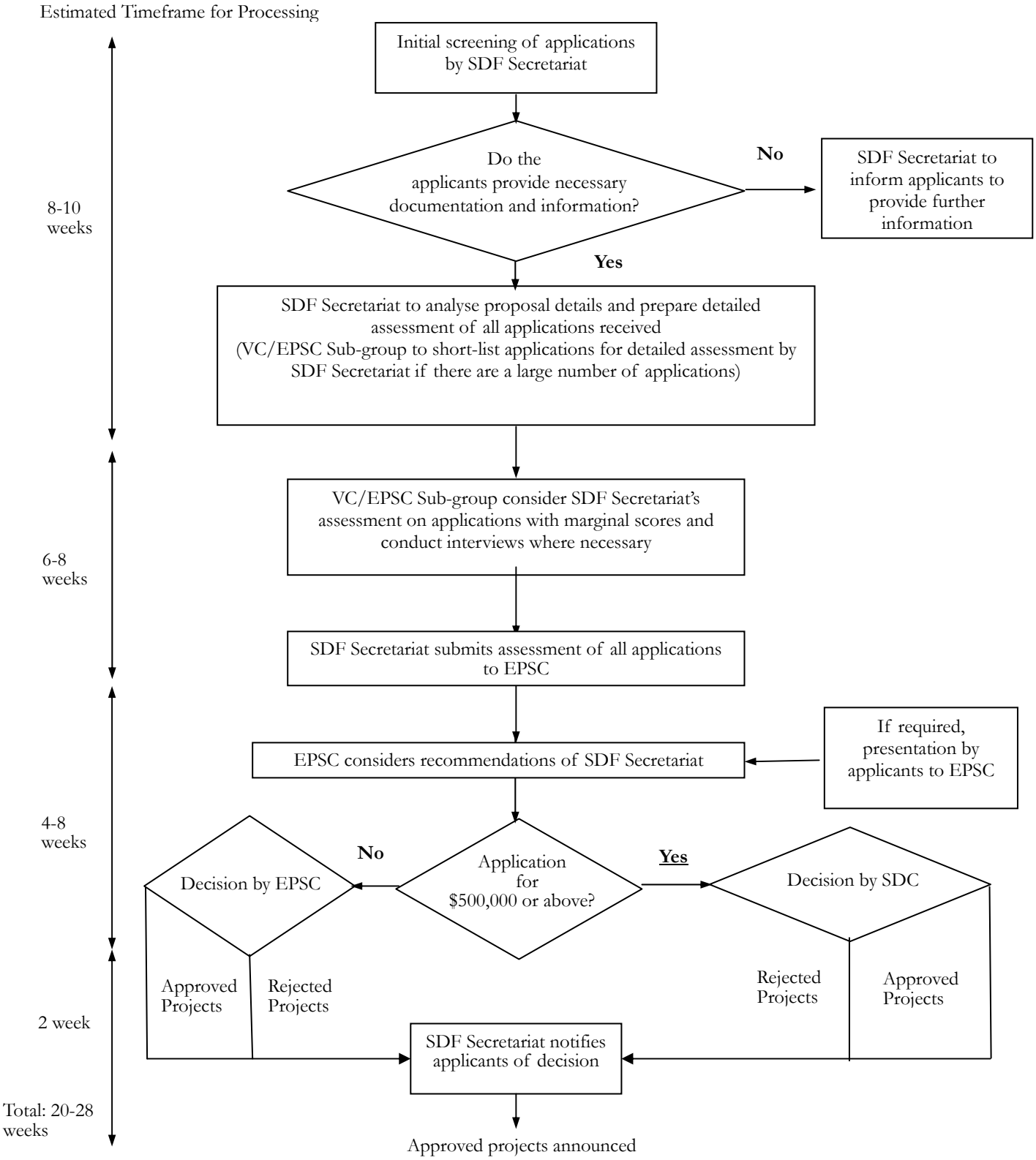
5.6 A successful applicant will be required to enter into a written agreement with the Government (grant agreement). The grant agreement, together with these Application Guidelines, the proposal and budget as submitted by the successful applicant (subject to such modifications as the Government may stipulate), together with all

requirements, directions and orders relating to the project as may from time to time be prescribed or made by the Government in writing, constitute the complete terms and conditions of a grant to be made under SDF to that successful applicant. The grant agreement will cover matters including, but not limit to, obligations of the grantee, payment of the grant, representations and warranties of the grantee, indemnity by the grantee in favour of the Government, intellectual property rights arising from the project material, title to the equipment, confidentiality, procurement of goods and services, insurance and an early termination clause. A standard form grant agreement may be made available to applicants for perusal upon request. Notwithstanding anything herein to the contrary, no grant shall be made under SDF to a successful applicant, until and unless a grant agreement is entered into between the Government and the successful applicant.

5.7 Membership and terms of reference of the SDC and the EPSC can be viewed at www.susdev.gov.hk.

5.8 A flowchart summarising the procedure for assessing applications to the SDF is shown below:

Procedures of Processing SDF Applications



6. Financial arrangements

Upper and Lower Limit of Grants

6.1 Except in the case of applications from schools and individuals, the minimum amount to be applied for should be not less than HK$50,000 for each application. There is no pre-set level of maximum funding for projects.

Full and Itemised Budget

6.2 Applicants will be required to provide a full and itemised budget for their proposed projects. Where 50% or more of the total budget for a project is for staff costs, applicants will have to provide appropriate justification.

6.3 Pricing Standards setting out limits for the budget cost of certain items of equipment and furniture, and the appropriate salaries for project staff are at the ***Annex*** for reference.

Income from Project

6.4 Should the applicant expect any income to be generated by the project, this should be noted in the application. "Income" refers to any additional revenue over and above the amount required to meet the stated cost of the project.

Payment to Grant Recipients

6.5 Grant recipients should keep a separate interest-bearing Hong Kong

Dollar account with a bank licensed in Hong Kong, for the SDF grant. Payments from that account should be made by the individual or the authorised representative(s) of the organisation that receives the approved funding. Subject to para. 6.8 below, the unspent amount of the grant should be kept at all times in that account.

6.6 A one-off lump sum payment will be made to grant recipients in respect of projects with a time-span of less than six months. For projects lasting more than six months, payment would be made to recipients every three months, in accordance with a schedule of payment shown on the relevant grant agreement.

6.7 Expenses incurred before the commencement date of the project will not be reimbursable from the SDF. Applications for supplementary grants will not normally be considered. The Government, SDC, EPSC, VC and the SDF Secretariat accept no liability for deficits arising from projects funded by SDF grants.

6.8 Following the completion of the project in question, any unspent amount of the grant must be returned to the SDF Secretariat.

6.9 The grant recipients should maintain proper books, accounts, relevant records and information related to the approved projects. These records should be kept for two years after the completion of the project, and be available for inspection by authorised staff of the SDF Secretariat and the Audit Commission at all reasonable times.

6.10 Individual applicants are required to have a warrantor countersign the application form. By countersigning the form, the warrantor will confirm that information provided therein is true, complete, and accurate.

6.11 Where circumstances justify, the SDF Secretariat may withhold or

reclaim any payment from grant recipients in accordance with the grant agreement.

6.12 Grants cannot be used to create any permanent staff posts or recurrent financial commitments. Project staff engaged in approved projects should be recruited through an open and fair procedure.

Quotations

6.13 Grant recipients should ensure that the purchase of goods and services in relation to their projects be made on a competitive basis by obtaining quotations from a number of suppliers to ensure openness and value for money.

6.14 For the purchase of goods and services with a value:

(a) not exceeding $50,000, more than one quotation should be obtained;
(b) over $50,000 but not exceeding $1,430,000, at least five written quotations should be obtained; and
(c) over $1,430,000, a competitive tendering procedure should be adopted.

Progress and Financial Reports

6.15 Grant recipients will be required to submit a quarterly schedule on planned activities (including preparatory meetings) upon commencement of the project and at the end of each quarterly period, quarterly expenditure statements in prescribed forms supported with original receipts, updated progress reports and financial statements half-yearly and at the conclusion of the project. For projects lasting less than six months, the grant recipients are required to submit a progress report three months after the project

has started. Depending on the amount of grant approved, either a signed financial statement of account or an audited statement should also be made available to the SDF Secretariat within four months of the completion of the project (see paragraph 7.3 below). In addition, projects in receipt of funds in excess of $250,000 each will be required to submit an annual audited statement.

7. What are the obligations of the grant recipients?

Monitoring Mechanism

7.1 While grant recipients should be allowed reasonable flexibility in the management of resources, they should ensure that project objectives are achieved, their obligations are fulfiled and that the grants are disbursed according to the terms and conditions of the grant agreement.

7.2 An applicant should set out in the application form the criteria for benchmarking the effectiveness of the project. He should also specify the method used to gauge and demonstrate the effectiveness of the project. The focus should be on the outcome and impact of the project, and these should be measured quantifiably as far as possible. The applicant could consider conducting surveys of the target audience to substantiate the effectiveness of the project.

Regular and Final Reports

7.3 Grant recipients will be required to submit the following reports -

(a) a quarterly schedule on planned activities (including preparatory meetings) upon commencement of the project, and one month before the upcoming quarterly period during the entire project period;

(b) a progress report for projects lasting less than six months (to be submitted three months after the project has started);

(c) a half-yearly report (to be submitted within one month following the end of the six-month period);

(d) a final evaluation report (to be submitted within four months following the agreed project completion date);

(e) a signed financial statement of account supported by receipts for grants of less than $50,000 (to be submitted within four months following the agreed project completion date);

(f) an audited statement for grants of between $50,000 and $250,000 (to be submitted within four months following the agreed project completion date); and

(g) an annual audited statement for grants of more than $250,000 (to be submitted within four months following the end of each 12-month period and the agreed project completion date).

7.4 The reports in 7.3 (b), (c), and (d) above should include progress and financial reports (including an Income and Expenditure Statement with actual expenditure against budget plan and the annual Balance Sheet, if appropriate). Failure to submit a report containing sufficient, complete information may result in deferral or termination of project funding.

Audited Statement of Accounts

7.5 For grants of more than $250,000, grant recipients will be required to submit annual audited accounts. The accounts must contain the Auditors' Report (including an assurance that the funding was spent in accordance with the conditions of grant), Balance Sheet, Income and Expenditure Statement, Cash Flow Statement and Notes to Accounts. Such accounts should be audited by a certified public accountant.

7.6 Annual audited statements should be submitted no later than four months following the end of the financial year of the organisation, and the last audited statement of the project should be submitted no later than four months after the completion of the project.

7.7 Should the project not be audited separately, but rather as part of the annual audit of the grant recipient, the SDF grant should be shown as a separate item in the audited financial statement.

7.8 Grant recipients should identify their own auditors. Should the

auditing of an SDF grant incur extra cost (in terms of auditors' remuneration), the extra cost can be claimed on a reimbursement basis from the SDF (not as part of the grant for the project), according to the following scale:

Size of the Grant	Maximum Auditors' Remuneration Payable (Per Year)
Less than $1 million	$5,000
$1 million to $5 million	$10,000

Monitoring Meeting/ Visit

7.9 Monitoring meetings with grant recipients/ visits to projects may be arranged for members of the VC, the EPSC, the SDC and staff of the SDF Secretariat. Grant recipients will be required to attend such meetings/ assist in arranging such visits.

Public Forum

7.10 The SDC, EPSC, VC or the SDF Secretariat may hold public forums from time to time to review progress of SDF, and to allow grant recipients to share their experience of implementing successful projects and encouraging best practices. Grant recipients may be required to attend and participate in these forums.

8. *Who should the applicants approach for assistance during the application process?*

8.1 You may contact the following for general enquiries regarding the SDF and for assistance in completing the application form.

Sustainable Development Fund Secretariat

	On or before 31 December 2011	**On or after 1 January 2012**
Address:	The SDF Secretariat Sustainable Development Division M/F, Murray Building Garden Road Central, Hong Kong	The SDF Secretariat Sustainable Development Division 46/F, Revenue Tower 5 Gloucester Road Wanchai Hong Kong
Contact Tel:	3150 8166	3150 8166
Fax No.:	3150 8168	3150 8168
Email Address:	sdf@enb.gov.hk	sdf@enb.gov.hk
Web-site:	http://www.susdev.gov.hk	http://www.susdev.gov.hk

9. *Notes about personal data of the applicants*

Purposes of Collection

9.1 The personal data provided as part of the application process will be used by the SDF Secretariat to process the application, and to conduct research and surveys. The provision of personal data by means of this application is voluntary. However, if you do not provide sufficient information, we may not be able to process your application.

Classes of Transferees

9.2 The personal data provided by means of application to SDF may be disclosed to other Government bureaux, commissions and departments for the purposes mentioned above. However, in the interests of transparency of the operations of the SDC, by signing and submitting an application, a successful applicant consents to the disclosure of details of the project to the public. In the event that an application is not successful, the applicant is required to indicate in the application form whether consent will be given for the disclosure of the name of the applicant, project title and amount of grant sought to the public for general information.

Access to Personal Data

9.3 Applicants will have the right of access and correction with respect to personal data as provided for in Section 18 and 22 and Principle 6 of Schedule 1 of the Personal Data (Privacy) Ordinance, Cap. 486. The applicant's right of access includes the right to obtain a copy of the personal data provided in the application.

Enquiries

9.4 Enquiries concerning the personal data collected by means of application to SDF, including the provision of access and making of corrections, should be addressed to:

	On or before 31 December 2011	On or after 1 January 2012
Address:	The SDF Secretariat Sustainable Development Division M/F, Murray Building Garden Road Central Hong Kong	The SDF Secretariat Sustainable Development Division 46/F, Revenue Tower 5 Gloucester Road Wanchai Hong Kong
Contact Tel:	3150 8166	3150 8166
Fax No.:	3150 8168	3150 8168
Email Address:	sdf@enb.gov.hk	sdf@enb.gov.hk

Annex

Pricing Standards for Applications to Sustainable Development Fund

(for reference only)

Personnel

	Job Title	Maximum Rate * HK$ (depending on job nature)	Minimum Qualification
1.	Project Manager	24,050/ month	University graduate with at least 3 years' relevant experience
2.	Project/ Research assistant	20,780/ month	University graduate
		9,675/ months	Non-university graduate
3.	Professional Officer	Not higher than the minimum entry point of Government's Master Pay Scale	Professional qualification
4.	Technician	10,300/ month	Certificate level* + Diploma in IT or related subjects
5.	Clerk	9,675/ month	Certificate level*
6.	Staff trainer	500 ~ 700/ hour	Renowned academics or professionals in the relevant field
		300 ~ 400/ hour	Lecturer or equivalent in the relevant field
7.	Instructor/ Tutor	160 ~ 190/ hour	Instructor certificate issued by the relevant authorities or equivalent
8.	Casual/ Student helper	30 ~ 40/ hour	Both should be at tertiary level

9.	Others	At minimum market rate	As required

* Certificate level with five subjects passed including English (Syllabus B) and Chinese.

Equipment

	Description	**Price HK$**
1.	Standard desktop computer set (with CRT monitor and operating system)	6,500
2.	Notebook computer (with CD ROM and operation system)	9,000
3.	Office software package (Educational version)	1,200
	Office software package (Full version)	4,000
4.	Laser printer	1,600
5.	Inkjet color printer	1,000
6.	Digital camera	3,000
7.	Digital video camera	6,000
8.	Radio programme production and broadcast equipment	120,000 – 180,000
9.	Television production and broadcast equipment	250,000 – 400,000
10.	Others	At minimum market price

Furniture

	Description	**Price HK$**
1.	Cabinet	1,000
2.	**Book-shelf**	1,000
3.	Others	At minimum market price

* The maximum rate is inclusive of MPF and other employment-related allowances.