

Green Tech Fund

Guide to Applicants

Environment and Ecology Bureau

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INTERPRETATION

In this Guide to Applicants (Guide), the following words and expressions shall have the respective meaning assigned to them unless the context otherwise requires –

“Applicant”	means a Company Applicant or a Non-company Applicant.
“Auditor”	means an independent auditor that is a certified public accountant holding a practising certificate registered under the Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong).
“Auditor Notes”	means the Notes for Auditors of Recipient Organisations.
“Company Applicant”	means a local company that has submitted an application for GTF funding.
“EEB”	means Environment and Ecology Bureau.
“Government”	means the Government of the Hong Kong Special Administrative Region.
“GTF ”	means the Green Tech Fund.
“IP rights” or “intellectual property rights”	means patents, trade marks, service marks, trade names, design rights, copyright, domain names, database rights, rights in know-how, new inventions, designs or processes, and other intellectual property rights whether now known or to be created in future (of whatever nature and wherever arising) and in each case whether registered or unregistered and including applications for the grant of any such rights.
“MPF”	means the Mandatory Provident Fund.
“Non-company Applicant”	means a designated local public research institute or R&D Centre that has submitted an application for GTF funding.
“Non-company Recipient Organisation”	means a Non-company Applicant with its application approved for receiving GTF funding.
“Project Bank Account”	means a separate risk-free interest-bearing Hong Kong dollar savings bank account.
“Project Commencement Date”	means the commencement date as specified in the project agreement.
“PS(E)”	means Permanent Secretary for Environment and Ecology (Environment).

“R&D”	means research and development.
“Recipient Company”	means a Company Applicant with its application approved for receiving GTF funding.
“Recipient Organisation”	means a Non-company Recipient Organisation or a Recipient Company.
“Scheduled Project Completion Date”	means the completion date as specified in the project agreement.

1 INTRODUCTION

1.1 Purpose of this Guide

1.1.1 This guide provides guidance on application for the GTF and sets out the general funding and administrative guidelines for R&D projects funded under the GTF.

1.2 Objective of GTF

1.2.1 The Government announced in the 2020-21 Budget that HK\$200 million would be allocated for setting up the new GTF to provide better and more focused funding support for the R&D and application of decarbonisation and green technologies, so as to expedite low-carbon transformation and enhance environmental protection in Hong Kong.

1.3 Who can apply?

1.3.1 The following organisations are eligible to apply for the GTF –

- (a) designated local public research institutes¹;
- (b) R&D Centres²; and
- (c) local companies³.

¹ Referring to local universities (including all institutions funded by the University Grants Committee), self-financing degree-awarding institutions registered under the Post-Secondary Colleges Ordinance (Cap. 320), the Hong Kong Productivity Council, the Vocational Training Council, the Clothing Industry Training Authority or the Hong Kong Institute of Biotechnology.

² Referring to any of the five R&D centres designated by the Innovation and Technology Fund, namely (a) Automotive Platforms and Application Systems R&D Centre; (b) Hong Kong Applied Science and Technology Research Institute, designated as the R&D Centre for Information and Communications Technologies; (c) Hong Kong Research Institute of Textiles and Apparel; (d) Logistics and Supply Chain MultiTech R&D Centre; and (e) Nano and Advanced Materials Institute.

³ Referring to companies that are –

- a) incorporated in Hong Kong under the Companies Ordinance (Cap.622);
- b) registered in Hong Kong under the Business Registration Ordinance (Cap.310); and
- c) not a government subvented organisation nor its subsidiary. (A government subvented organisation means an organisation that receives grant from the Government on a recurrent basis. The grant contributes towards the organisation's operational expenses, in exchange for its service to the public. The recurrent grant may account for the bulk of the organisation's income or may just be a token contribution/sponsorship forming a small percentage of the organisation's total income.)

1.4 Funding Amount and Project Duration

1.4.1 The funding amount and project duration supported by the GTF are as follows:

	Designated local public research institute or R&D Centre	Local company
Funding Support	HK\$2.5 million – HK\$30 million	HK\$2.5 million – HK\$20 million on a matching basis (Applicants shall contribute at least one-third of the total project cost)
Maximum Project Duration	5 years	3 years

1.5 Priority R&D Themes

1.5.1 In the selection of projects, priority will generally be given to those supporting Government's policy objectives in the areas of decarbonisation, green transport, waste/wastewater management and pollution control. A list of these priority R&D themes is published on GTF's dedicated website (www.gtf.gov.hk) for Applicants' reference.

2 APPLICATION

2.1 *How to apply?*

- 2.1.1 Applications are invited twice a year. Details of the invitation and application results are announced on the GTF website (www.gtf.gov.hk).
- 2.1.2 Applications should be submitted to the GTF Secretariat electronically through the GTF website. Applications from universities must be submitted through their Research Offices.
- 2.1.3 The GTF Secretariat reserves the right to require the Applicant to produce the originals of the supporting documents for verification, and to seek additional information where necessary. Except for information provided in response to the request of the GTF Secretariat, supplementary information provided after the deadline for application submission, or not specifically referred to in the application form, will NOT be considered and will NOT form part of the application.

2.2 *Assessment of applications*

- 2.2.1 Upon receipt of an application, the GTF Secretariat will conduct a preliminary check and may seek clarification or supplementary information from the Applicant. If the Applicant fails to respond to the GTF Secretariat's request for clarification or supplementary information within 2 weeks or by the deadline specified by the GTF Secretariat (whichever is the earlier), the application will be regarded as withdrawn with immediate effect. Applications are subject to review by relevant Government Bureaux/Departments and external reviewers. Their assessments will be submitted to the GTF Assessment Committee for consideration.
- 2.2.2 The GTF Assessment Committee, comprising members from different sectors including the academia, the industry, green groups and the Government, will provide advice during the assessment and monitoring process. Project team members may be required to attend meetings to present their projects to, and answer queries from, the Assessment Committee/GTF Secretariat. The membership list of the Assessment Committee is available at www.gtf.gov.hk/en/assessment.html.

2.2.3 The Applicant will be notified of the result of the application in writing. Withdrawal of an application should be made by the Applicant in writing to the GTF Secretariat before the project agreement is signed.

2.3 *Assessment Criteria*

2.3.1 The criteria for assessing applications are set out below –

Components	Weightings
Potential Contributions to Decarbonisation and Environmental Protection	40%
Technical and Management Capability	30%
Plan for Further Development of Project Deliverables	20%
Financial Considerations	10%

2.3.2 The criteria have been developed to achieve the following purposes –

- (a) to encourage and support projects with greater prospect of realisation and commercialisation of decarbonisation and green technologies that can expedite low-carbon transformation and enhance environmental protection in Hong Kong;
- (b) to facilitate the development, trial and fine-tuning of decarbonisation and green technologies, to build up ‘reference’ for subsequent marketing, and to encourage wider adoption of such technologies; and
- (c) to motivate and attract more investment in R&D on decarbonisation and green technologies in Hong Kong.

2.4 *Avoidance of Conflict of Interests*

2.4.1 To avoid conflict of interests, members of the GTF Assessment Committee who are directly or indirectly related to a proposed project or to an Applicant shall declare the relationship to the GTF Assessment Committee. Moreover, members who are themselves part of the team submitting an application, or have a close relationship with an Applicant, or have any other direct personal interest in the project should declare interest and should not be involved in the

assessment of the application and other applications in the same batch and the monitoring of project progress if the application is approved by the GTF Assessment Committee.

- 2.4.2 The Applicant and project team shall refrain from communicating with members of the GTF Assessment Committee on the application submitted, lest doing so would exert influence on the members in the process of assessing the application.

3 PROJECT AGREEMENT AND PROJECT ACCOUNT

3.1 Project Agreement

3.1.1 After an application has been approved by the GTF Assessment Committee, the Recipient Organisation should sign an agreement with the Government before commencing the project, and shall comply with all the terms and conditions therein, including monitoring project progress and expenditures, the submission of reports and audited accounts, etc.

3.2 Project Account and Interest

3.2.1 Unless otherwise agreed by the Government, the Recipient Organisation should open a Project Bank Account with a licensed bank registered under the Banking Ordinance (Cap. 155) under its name, specifically for processing all receipts (including all interest generated) and payments of all its GTF projects, and assign a unique account code specifically for processing all receipts and payments of each project.

3.2.2 The Recipient Organisation must keep all its project funds (including GTF grant and Recipient Company's matching fund) in the Project Bank Account and shall, until such funds are spent in accordance with the agreement or returned to the Government by the Recipient Organisation, hold the same as trustee for the Government.

3.2.3 Unless otherwise specified in the project agreements, all interest income generated in the Project Bank Account should be credited to the project account and returned to the Government upon completion of the project or termination of the project agreement.

3.2.4 No negative interest and bank charges should be charged to the Government. The Recipient Organisation is not entitled to charge to the Project Bank Account any interest expenses or claim any compensation or relief of any nature against the Government in the event of any late payment or withholding of payment of the GTF grant for whatever reason.

3.3 *Books and Records*

- 3.3.1 The Recipient Organisation must keep a proper and separate set of books and records (project account) for each project. The project accounts should be maintained in such a manner as to enable the production of statement of income and expenditure and balance sheet in respect of each project. All income and expenditure of a project should be properly recorded in the books of accounts in a timely manner.
- 3.3.2 Accounting on an accrual basis should be adopted for all GTF projects. Unless otherwise approved by PS(E), expenditure could only be charged to the Project Bank Account after the equipment and goods have been received or services delivered, and the expenditure so charged should be incurred between the Project Commencement Date and Scheduled Project Completion Date as specified in the agreement. All income derived from the project during the project period, budgeted or not, should form part of the project income and should be used solely for the project until its completion. All the income and expenditure of a project must be accrued based on each expenditure item in the approved budget.
- 3.3.3 Unless otherwise agreed by the Government, the books and records of the project must be kept by the Recipient Organisation for at least seven years after completion of the project or termination of the agreement, whichever is the later.
- 3.3.4 The Recipient Organisation shall ensure that PS(E), the Director of Audit and their authorised representatives will have unhindered access to the books of accounts and records when conducting financial audit and inspection of such books of accounts and records at any time when such books and records are kept. PS(E), the Director of Audit and their authorised representatives may, at their absolute discretion, request the Recipient Organisation to make available and/or deliver copies of such books and records to the Government at Recipient Organisation's sole costs and expenses. When so requested, the Recipient Organisation will be obliged to make available all project books of accounts and records and explain to PS(E), the Director of Audit and their authorised representatives any matter relating to the income, expenditure or custody of any money derived from the project.

- 3.3.5 The Director of Audit may carry out value for money audits on any organisation in receipt of GTF grants. EEB reserves the right to require the Recipient Organisation to return any misspent funds and unspent funds together with interest income accrued to the Government.

3.4 Change Requests

- 3.4.1 An approved project is required to be carried out strictly in accordance with the final proposal appended to the project agreement. Save as provided in paragraph 3.5.1, any modification, amendment or addition to the project or the agreement, including change of the Project Commencement Date or Scheduled Project Completion Date, project coordinator or key equipment, scope, methodology or cashflow projection, will require prior approval by EEB. The project coordinator should inform EEB well in advance by submitting a change request. The GTF Assessment Committee will be consulted on the proposed changes if necessary.
- 3.4.2 Any request on the change of project coordinator will not be considered within the first half of the project period or the first six months of an approved project, whichever is longer, save for very exceptional circumstances.

3.5 Budget

- 3.5.1 Non-company Recipient Organisations should seek prior approval from EEB if they foresee that the cumulative deviation of expenditure in any of the expenditure categories will exceed 50% of the original approved budget. For Recipient Companies, EEB's prior approval is necessary for any deviation of expenditure in respect of the "manpower" category, and any cumulative deviation of expenditure in either the "equipment" or "other direct costs" category that exceeds 50% of the original budget. EEB will consult the GTF Assessment Committee on the proposed deviations if necessary.
- 3.5.2 All deviations of expenditure from the original approved budget and the reasons for such deviations should be reported in the relevant progress report(s) and/or final report, regardless of whether prior approval from EEB is required.
- 3.5.3 As a general rule, transfer of budgeted expenditure for obtaining patent registrations to other cost items is NOT allowed.

4 AUDITING

4.1 Auditing Requirements

- 4.1.1 The project coordinator is required to submit annual and final audited accounts to assure the Government that the project funds are applied to the project in accordance with the approved budget and in compliance with the terms and conditions set out in the agreement. The annual and final audited accounts should be reported by Auditors, and the audits should be conducted in accordance with the latest version of the Auditor Notes issued by the GTF Secretariat.
- 4.1.2 The Recipient Organisation should specify in the engagement letter for the employment of the Auditor that they should strictly follow the requirements and the specimen stipulated in the latest version of the Auditor Notes in conducting reasonable assurance engagements and preparing auditors' reports for annual and final audited accounts of the project. The engagement letter shall also specify that PS(E), the Director of Audit and their authorised representatives shall have the right to communicate with the Auditor on matters concerning the annual and/or final audited accounts and the supporting documents.
- 4.1.3 In conducting the audit, the Auditor should comply with the relevant standards and code of ethics issued and updated from time to time by the Hong Kong Institute of Certified Public Accountants. The Auditor is required to express an audit opinion as to whether the Recipient Organisation and the project accounts have complied, in all material aspects, with all the requirements set out in the Auditor Notes and to make full disclosure of any material non-compliance in auditors' report.
- 4.1.4 The Recipient Organisation is required to make available to the Auditor all information, documents and explanations relating to the project.

4.2 Audited Accounts

- 4.2.1 The Recipient Organisation is required to submit to EEB annual and final audited accounts, which shall be prepared on an accrual basis. The audited accounts shall be properly prepared from and in agreement with the books of accounts of the projects.

- (a) Annual audited accounts ending 31 March each year should be submitted on or before 30 June of that year. The first annual audited accounts may cover more than 12 months but not more than 18 months. The last annual audited accounts can be waived if it covers not more than 18 months.
- (b) Final audited accounts covering the period from Project Commencement Date to Scheduled Project Completion Date or termination date of the project agreement should be submitted within four months after the Scheduled Project Completion Date or termination date of the project agreement, as the case may be.
- (c) The financial position reported in each annual and final audited account should tie in with the technical progress/results of that reporting period(s)/year(s).

4.2.2 If the Recipient Organisation has encountered difficulties and an extension of deadline for the audited account submission is required, it should seek prior agreement from EEB. Upon EEB's request, the Recipient Organisation is also required to provide timely clarification and/or supplementary information to substantiate the content of the audited account.

5 PROJECT EXPENDITURE

5.1 GTF Funding

- 5.1.1 All project funds (including GTF grants, sponsorship, Recipient Company's matching fund and other income derived from the project during the project period) must be used exclusively for the project and incurred within the project period, except otherwise approved by PS(E). Sponsorship may be accepted from funding sources that would not bring the Government into disrepute or give rise to any actual or perceived conflict of interest. Any expenditure or part thereof which is already funded by the Government, a Government subvented body/institution, a university or another concurrent GTF-funded project will not receive further funding from the GTF, i.e. no double subsidy is allowed for the same part of an expenditure item.
- 5.1.2 Project funds may be used in accordance with the agreement for covering the costs of manpower in Hong Kong, equipment (see paragraph 5.3.7 below), as well as other direct costs, provided that these costs are incurred specifically for carrying out the project.
- 5.1.3 The Recipient Organisation must seek prior approval from EEB if it wishes to use GTF funding to conduct R&D tasks outside Hong Kong. Such tasks have to be carried out through outsourcing arrangements and the cost for such outsourcing arrangements should be accounted for as "other direct costs". In general, up to 50% of the approved total project cost can be incurred outside Hong Kong. It is the Recipient Organisation's responsibility to ensure compliance with the laws applicable to the jurisdiction(s) where the project activities are conducted and to provide the necessary insurance coverage for such activities.
- 5.1.4 GTF funding can be used to carry out upstream and downstream activities, including development engineering/system integration, large scale process optimisation, compliance testing, licensing of third-party IP rights and industrial design, etc. Generally, GTF funding may not be used for mass production activities.

5.2 *Manpower*

- 5.2.1 Project funding can generally be used to cover the salary of project staff, including the employer's mandatory contribution to the MPF.
- 5.2.2 Specifically, with the exception of expense for participation in conferences or visits that are incidental to the research project mentioned in paragraph 5.4.1(h), project funds cannot be used to cover personal allowances and benefits such as expenses on housing (including nominal rental for quarters), education, training, passage and travelling, food, insurance and severance pay and untaken leave, etc. Contract gratuities, annual salary adjustment (excluding increments and promotions) and general fringe benefits (e.g. medical) in accordance with the established mechanism of the Recipient Organisations could be covered.
- 5.2.3 Project funds will not cover any emolument to a person who is already on the payroll of the Government, a Government subvented body/institution, or another Government-funded project. This principle should apply irrespective of whether the relevant service/work is carried out within or outside normal working hours of the person concerned.
- 5.2.4 For Recipient Companies, in general, their company shareholders/directors shall NOT take salary from the project fund. Only in exceptional cases would company shareholders/directors who directly participate in the R&D work of the project be allowed to receive nominal salary from the project funds. PS(E) has the absolute discretion to grant such a permission.
- 5.2.5 Subject to above, the project team members may charge their manpower costs to the projects. If only part of their working time is deployed for the project, they should charge their time spent on a pro-rata basis.

5.3 *Equipment*

- 5.3.1 Project funds should be used in accordance with the project agreement for renting, procuring or repairing equipment specifically for carrying out the project.
- 5.3.2 The cost of equipment for implementing the project can be charged to the project account (excluding existing equipment owned by the Recipient

Organisation or a company within the same group of companies as the Recipient Company). In general, hire-purchase of equipment is NOT allowed. If the equipment is to be shared among different projects with its cost charged on a pro-rata basis under each project, the Recipient Organisation is required to maintain a record on the usage of the equipment by the concerned projects for cost allocation purpose.

- 5.3.3 The maintenance cost of the existing equipment can be charged to the project account on a pro-rata basis provided that the Recipient Organisation can produce, for EEB's inspection as and when required, a record of the usage of the equipment.
- 5.3.4 For IT equipment specifically required for the project, they have to be either included in the approved budget or the funding of which has been specifically approved by PS(E). The costs of such items cannot be charged to the Project Bank Account otherwise.
- 5.3.5 The title to the equipment for a project, including the equipment procured with the project funds, will be held by the Recipient Organisation.
- 5.3.6 Specifically, project funds cannot be used to cover –
- (a) charges/time cost for the use of existing equipment owned by the Recipient Organisation or a company within the same group of companies as the Recipient Company, except the charging of services approved by the EEB under paragraph 5.4.2;
 - (b) depreciation/amortisation or provisions not representing actual expenses incurred; and
 - (c) general office equipment.
- 5.3.7 The Recipient Organisation must seek prior approval from EEB for installing any piece of equipment for the project purchased with the project funds outside Hong Kong. Such equipment –
- (a) has to remain under the ownership of the Recipient Organisation for at least two additional years thereafter;

- (b) must be installed in a university or a public research institute, and not in a private company; and
- (c) should not account for a dominant part of the equipment budget (in general, the total cost of all equipment to be installed outside Hong Kong should be less than 25% of the total equipment budget).

5.4 *Other Direct Costs*

5.4.1 Project funds can be used to cover –

- (a) External consultancy, purchase of consumables and technology licences, as well as promotion and marketing activities for disseminating project deliverables and technology transfer;
- (b) Outsourcing to third party technology vendor;
- (c) Production of samples/prototypes required for functional verification and not for commercial production purposes;
- (d) The necessary testing and certification to certify the functionality as described in the application (e.g. functional test, reliability test, failure analysis);
- (e) Industrial design;
- (f) Fees for obtaining patent registrations within or outside Hong Kong for functional inventions to be developed in the project may also be included in the budget. The above notwithstanding, the fees for obtaining patent registrations charged to the project account should not exceed HK\$250,000.
- (g) The maximum funding support allowed for an interim/final audited account of a project costing between HK\$2.5 million and HK\$5 million should not be more than HK\$14,000. For a project that costs more than HK\$5 million, funding support for interim/final audited account should not be more than HK\$20,000.

(h) Funding may be used to support participation in conferences or visits that are incidental to the research project. Funding may be used to cover one event for each project and should not exceed HK\$20,000. For a project with a project period of not less than four years, funding of not more than \$20,000 per event may be used to cover up to two events. Standalone visits/conferences will NOT be funded.

5.4.2 As a general rule, services provided by the Recipient Organisation are not allowed to be charged to the GTF. However, EEB may consider approving the charging of such services, at cost, to the GTF project account if –

(a) prior application is made to EEB on grounds of operational efficiency, reliability and quality of services, etc.; and

(b) the services are not for providing general or administrative support such as personnel, accounting, security, cleansing, library services, etc. An example of allowable services is laboratory testing service. Other services should be considered on a case-by-case basis.

5.4.3 For Non-company Applicants, administrative overheads up to 15% of the total amount of funds requested from the GTF (net of overheads) can be included in the project budget.

5.4.4 For Company Applicants established within 2 years prior to the deadline of the respective round of application invitation, rental subsidy up to 15% of the total amount of funds requested from the GTF can be included in the project budget.

5.5 *Disallowed Cost Items*

5.5.1 Project funds cannot be used to cover –

(a) building facilities (including office, laboratory, accommodation) - rates, rental (except for the rental subsidy specified in paragraph 5.4.4), renovation, operation, repair and maintenance expenses;

(b) costs of setting up office or forming association/consortium;

(c) utilities - charges for electricity, gas, water, telephone and fax;

- (d) transport - shuttle bus services and home to workplace travelling expenses;
- (e) general administration and office expenses;
- (f) staff-related costs - provident fund handling charges, staff training and development costs and staff facilities;
- (g) entertainment expenses or prizes, regardless of whether they are in the form of cash, goods, services or any other kind of advantages;
- (h) advertisement (except for disseminating project deliverables, or staff recruitment for projects carried out by Non-company Recipient Organisations);
- (i) organisation of trade missions and participation in study/trade missions for individuals/companies;
- (j) charges for non-R&D services (e.g. accounting, personnel, procurement, library, security, cleansing, legal, and central and departmental administrative support) provided by the Recipient Organisation or its contractors/agents;
- (k) costs incurred due to correction of any error in financial statements; and
- (l) capital financing expenses, e.g. mortgage and interest on loans/overdrafts.

5.5.2 The list of disallowed cost items for manpower, equipment and other direct costs set out above is NOT exhaustive. The Recipient Organisation should consult EEB if it has any doubt whether an item could be charged to a project account.

6 DISBURSEMENT OF GRANTS

6.1 Disbursement arrangement

6.1.1 Disbursement of grants will be made by instalment based on agreed milestones:

	Recipient Companies	Non-company Recipient Organisations
First disbursement	Upon exhaustion of the company's matching fund for the first disbursement period as supported by the bank account statement	Upon signing agreement
Subsequent instalments	Made half-yearly subject to submissions of proof of the company's contribution and progress report with satisfactory project progress against agreed milestones	Made annually subject to submissions of progress report with satisfactory project progress against agreed milestones

6.1.2 For Recipient Companies, unless otherwise agreed by the Government, no less than 10% of Government's contribution will be retained at the last instalment, which will be disbursed only after PS(E) has accepted the final report and audited project accounts of the completed projects. The amount of the last instalment is subject to adjustment to ensure that the total amount of GTF grant disbursed will not be more than Government's pro-rata share of the actual expenditure of the project as indicated in the audited project accounts of the completed projected accepted by PS(E).

6.1.3 The Government reserves the right to withhold any payment to the project on the occurrence of certain events including but not limited to the unsatisfactory project progress against the agreed project milestones and termination of the agreement.

6.1.4 Any income generated during the project period should be used to recoup wholly or partly the cost of the deliverables.

6.2 *Termination of Funding Support*

6.2.1 EEB may suspend or terminate funding for a project at any time for reasons which include, but are not limited to, the Recipient Organisation's failure to make progress by the agreed project milestones; to complete the project in accordance with the agreed Scheduled Project Completion Date; or to submit audited project accounts, progress reports and final report in accordance with the project agreement. EEB may also terminate project funding at any time if the original objectives of the project are no longer relevant to the needs of the industry as a result of any material change in the circumstances; the objectives and relevance of the project have been overtaken by events; or EEB sees it fit to terminate the project in the public interest.

6.3 *Return of Residual Funds*

6.3.1 All GTF funding, other sources of financial contribution and project income received during the project period should be credited to the Project Bank Account and ought to be used for offsetting actual project expenditure. After completion of the project or its earlier termination as the case may be, the Recipient Organisation shall return to the Government all residual project income and interest income in the project account, and any other income as set out in the project agreement within one month after the acceptance in writing of the final report and audited project account by PS(E). For Recipient Companies, such return to the Government shall be made on a pro-rata basis having regard to Government's contribution to the project funds.

7 PROJECT MONITORING

7.1 Progress and Final Reports

- 7.1.1 The Recipient Organisation is required to submit half-yearly progress report(s) and a final report strictly against the stated milestones for approval according to the reporting schedule as set out in the project agreement, within four months from the Scheduled Project Completion Date (or in the case of early termination of the project for whatever reason, the date of the termination of the agreement), or any subsequent revised submission schedule(s) as prescribed by EEB.
- 7.1.2 All reports should be prepared in the standard format and submitted through the GTF website (www.gtf.gov.hk/en/login.php). Failure to comply with the reporting requirements (e.g. delay in submission of report(s), or failure to produce reports of reasonable quality to the satisfaction of EEB) may affect the Recipient Organisation's future applications to EEB for funding. If the Recipient Organisation has encountered difficulties and an extension of the deadline for report submission is required, it should seek prior agreement from EEB.
- 7.1.3 Upon receipt of the final report, EEB will assess the effectiveness of the project by comparing the project results against its original objectives and targets (both technical and financial) as set out in the proposal appended to the project agreement. Upon EEB's request, the Recipient Organisation is required to provide timely clarification and/or supplementary information to substantiate the content of the report, and shall organise visits or meetings for PS(E) or his representatives to examine the progress of the project, or present to EEB the project results.

7.2 Dissemination of R&D Results and Acknowledgement

- 7.2.1 The Recipient Organisation should submit presentation slides to summarise and publicise the project results within one month from the Scheduled Project Completion Date for publication at the GTF website. The use of pictures and graphics is recommended to facilitate understanding by the general public. The slides should cover areas such as –
- (a) scope of R&D work;

(b) key problem(s) solved;

(c) decarbonisation and green technologies developed/deployed in the project and their contributions to/merit in decarbonisation and environmental protection; and

(d) key findings/achievements of the project.

7.2.2 The Recipient Organisation should also try to publicise the project results or any events related to the project through publications, seminars, workshops, conferences, exhibitions, etc., and make available the technologies or intellectual property to interested parties in an open, transparent and non-exclusive manner.

7.2.3 Acknowledgement of GTF funding must appear on all equipment, facilities, publicity/media events funded by GTF, and in publications mentioning the project. The following disclaimer should also be included in any publication and media event funded by GTF –

"Any opinions, findings, conclusions or recommendations expressed in this material/event (or by members of the project team) do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Environment and Ecology Bureau or the Assessment Committee for the Green Tech Fund."

7.3 *Post-Project Evaluation*

7.3.1 The Recipient Organisation should complete a post-project evaluation questionnaire through the GTF website (www.gtf.gov.hk/en/login.php) at one year and three years after project completion to report on the efforts in publicising project deliverables and facilitating technology transfer, and to provide quantitative measurement on the adoption of the project results by the industry. EEB will take into account the outcomes of the R&D work and the post-project evaluation in considering future funding applications from the same Recipient Organisation or the same project coordinator.

- 7.3.2 The Recipient Organisation has the obligation to notify the GTF Secretariat of any change in its contact information, including its address, telephone number or email address.

8 PROCUREMENT AND RECRUITMENT

8.1 Procurement Requirement

8.1.1 The Recipient Organisation shall adhere to the principles of openness, fairness and value for money in the procurement for all equipment, goods and services of any value, and comply with the following procedures –

Aggregated value of each procurement	Requirement
HK\$50,000 and below	Written quotations from at least two suppliers
Above HK\$50,000 to HK\$1,400,000	Written quotations from at least five suppliers
Above HK\$1,400,000	Open tender

8.1.2 In case the Recipient Organisation intends to procure goods or services from one company/organisation/individual, it has to seek the prior approval of EEB, and in doing so, provide details, justifications and its relationship with the company/organisation/individual for not following the procurement process set out above.

8.2 Hiring of Project Staff

8.2.1 The Recipient Organisation is required to abide by the principle of openness and competitiveness in hiring staff for the approved project.

9 INTELLECTUAL PROPERTY RIGHTS AND BENEFIT SHARING

- 9.1 As a general rule, IP rights generated from the project should be vested with the Recipient Organisation.
- 9.2 While income derived from the project during the project period must be used for offsetting actual project expenditure, the Applicant may decide whether to share with the Government the financial gains or other benefits generated after project completion by its commercialised project deliverable(s). The Applicant's intention in this regard should be stated clearly in the application form, and would be taken into account by the Assessment Committee when assessing the application.
- 9.3 Benefit-sharing with the Government shall be made in cash only and shall commence after project completion. The Applicant would have the flexibility to propose the number of years that it would like to offer benefit-sharing with the Government, and the percentage of its profits for the year to be shared with the Government.
- 9.4 For the purpose of determining the Government's share of Recipient Organisation's profit for the year, the Recipient Organisation shall submit its accounts for the relevant financial year(s) to the Government.

10 PROBITY REQUIREMENTS

- 10.1* Applicants or Recipient Organisations should prohibit their directors, employees, contractors and agents from offering, soliciting or accepting any advantages as defined in the Prevention of Bribery Ordinance.
- 10.2* Applicants or Recipient Organisations should not undertake any service, task or job or do anything whatsoever which conflicts, or which may be seen to conflict, with their duties as Applicants or Recipient Organisations under the project agreement. They should also require their directors, employees, contractors and agents to observe the same rule. Where a conflict of interest situation is unavoidable, declaration of the conflict should be made and properly handled, with EEB duly notified in writing as soon as possible of the circumstances involved and the actions taken to remove/mitigate its impact (e.g. removing the personnel concerned from the related duties).
- 10.3* Applicants or Recipient Organisations should follow, as far as practicable, the good practices set out in the “Best Practice Checklist (BPC) on Strengthening Integrity and Accountability – Government Funding Schemes Grantees’ Guidebook” published by ICAC (https://cpas.icac.hk/EN/Info/Lib_List?cate_id=3&id=142), including but not limited to the sample probity clauses detailed in Appendices 3 to 5 of the BPC for procurement.