

Guidelines on Level of Sanction

Principles

1. The level of sanction to be imposed on MEF grantees in the case of non-compliance with the terms and conditions in the Funding Agreement must be fair and proportionate to the seriousness of the non-compliance.
2. The level of sanction should also be appropriate if it is intended to deter bad conduct.
3. The MEF Assessment Committee should consider all circumstances leading to the non-compliance, as some of them may be beyond the control of the applicant.
4. Having taken into account the nature, seriousness and circumstances of the non-compliance and the overall outcome of the event, the MEF Assessment Committee could make a recommendation on the level of sanction to be imposed.

Levels of Sanction

5. There could be several types of sanction –
 - (a) written warning;
 - (b) suspension from future applications;
 - (c) financial sanction (i.e. reduction of MEF payment); and/or
 - (d) termination of Agreement.

Having regard to the seriousness of the non-compliance in individual cases, and on the recommendation of the MEF Assessment Committee, the Government may impose one or more types of sanction to the MEF grantee.

Actual Implementation Examples

6. In the case of late submission of evaluation report and audited accounts without obtaining prior consent from the Government, it may be appropriate to give a written warning. When the late submission is found to be repeated and intentional without reasonable explanation, the Government may reduce the amount of MEF payment to the grantee and/or blacklist this organisation in future rounds.

7. In the case the grantee failed to attain the deliverable(s) and target(s) in respect of the funded event as stipulated in the Agreement, the MEF Assessment Committee could recommend one or more sanctions after taking into consideration the following –
- (a) the number and significance of the funding conditions and deliverables/targets being breached (e.g. could not meet the actual number of participants, bad publicity);
 - (b) the nature and circumstances of the non-compliance (e.g. whether there are factors beyond the control of the grantee);
 - (c) whether the non-compliance is persistently or flagrantly committed without reasonable explanations; and
 - (d) whether the event has achieved outstanding results in other aspects which could partially offset the undesirable outcome arising from the non-compliance.