

**Response to Members' question raised at the meeting of
the Panel on Environmental Affairs of
the Legislative Council on 29 April 2019**

The Administration to provide information on the amount of administrative costs incurred arising from the 179 projects funded by the Recycling Fund as at the end of March 2019 (which have commenced or will soon commence), so as to demonstrate whether the administrative costs were proportional to the amount of approved funding of \$152 million for those projects.

The Government launched the \$1 billion Recycling Fund (“the Fund”) in October 2015 to promote the recovery and recycling of waste recyclables by assisting the recycling sector to upgrade its operational capabilities and efficiency for the sustainable development of the recycling industry and hence less waste disposal at landfills. As of end-March 2019, the Fund received 526 applications, of which 226 were approved. Excluding the 47 approved projects which have been subsequently withdrawn after their approval by the Advisory

Committee on Recycling Fund (“RFAC”), a total of 179 funded projects have commenced or will soon commence, accounting for a total funding support of \$152 million.

As the Implementation Partner and Secretariat of the Fund, the Hong Kong Productivity Council (“HKPC”) carries out a number of tasks. The key ones include developing, updating and implementing internal procedures on processing applications; liaising with the applicant and conducting preliminary assessment for each application; providing potential or unsuccessful applicants with guidance and professional advice on submitting applications; monitoring approved projects; handling disbursement to grantees; organising publicity and promotional activities for the Fund; engaging the recycling sector to arrange for trade exchanges and market development events; rendering technical support and professional advice to both the Environmental Protection Department (“EPD”) and the RFAC, etc. The HKPC has to devote resources to handle each application received and the related enquiries, be it eventually approved or not.

Given that the HKPC keeps no statistics on the resources devoted to each application, information on the amount of administrative costs incurred arising from the 179 funded projects, which have commenced or will soon commence, is not available. As of end-March 2019, the HKPC received about \$4.4 million for providing general administrative and clerical support work of the Secretariat, and around \$33.4 million for rendering professional technical support in respect of programme management, technical evaluation, expert advice, project monitoring, trade exchanges and market development. In parallel, the HKPC, as the Implementation Partner, also provided an in-kind contribution of the expenditure equivalent to some \$13.3 million in terms of professional manpower support to supervise, monitor and review the work of the Secretariat; additional manpower for administration and technical evaluation; technical advice from experts that were not members of the Secretariat and venue rentals, etc.