REPORT ON THE DISASTER RELIEF FUND 2015-16

INTRODUCTION

This report gives an account of the activities of the Disaster Relief Fund in 2015-16.

DISASTER RELIEF FUND

2. The Disaster Relief Fund (the Fund) was established on 1 December 1993 following the introduction of a resolution under section 29 of the Public Finance Ordinance (PFO) in the Legislative Council (LegCo). It provides a ready mechanism for Hong Kong to respond swiftly to international appeals for humanitarian aid in relief of disasters that occur outside Hong Kong. The Fund is topped up by the Government of Hong Kong Special Administrative Region (the HKSAR Government) at the start of each financial year and, as necessary, during the financial year, depending on calls for relief and the size of the Fund balance and commitments.

3. As with other funds set up under PFO, the Financial Secretary has been designated as the administrator of the Fund. The Financial Secretary further delegated the power of administering the Fund to Director of Administration, including the authority to approve each individual disbursement of \$8 million or below. The LegCo Finance Committee's consent is required for each disbursement exceeding \$8 million. The Fund is audited by the Audit Commission annually and the audited accounts are submitted to LegCo for information¹.

4. All grants from the Fund are made on the advice of the Disaster Relief Fund Advisory Committee (the Committee). Established on 1 February 1994, the Committee is chaired by the Chief Secretary for Administration and made up of both official and non-official members. It advises on the policy and practices regarding the disbursement of funds for disaster relief and the size of grants made to specific recipients, as well as monitors the use of grants. The membership of the Committee in 2015-16 is at **Annex A**.

¹ The Director of Audit submits a report on the accounts of the HKSAR Government to LegCo in around November every year. The accounts of the Disaster Relief Fund are included in that report.

PERFORMANCE IN 2015-16

Grants Approved

5. In 2015-16, ten applications $(18^2 \text{ in } 2014-15)$ were received from relief organisations. Among them, nine (15 in 2014-15) were approved and one (two in 2014-15) was rejected. Of the six relief organisations which successfully applied for grants, one was granted funding for the first time³. In addition to grants for relief organisations, a donation was made to the Government of Nepal for their disaster relief efforts in connection with the earthquake measuring 7.8 on the Richter scale that hit the northwest of Nepal's capital Kathmandu in April 2015. In the reporting period, the total amount of grants approved was \$82.15 million (\$47.21 million in 2014-15) and the number of beneficiaries was estimated to be around 170 000⁴. A summary of the disbursement by relief programmes is as follows –

Relief programmes for

Amount of grants made

*	cyclone victims in Vanuatu (one case)	\$3.92 million
*	earthquake victims in Nepal (five cases ⁵)	\$66.78 million
*	flood victims in Myanmar and India (three cases)	\$8.52 million
*	earthquake victims in Pakistan (one case)	\$2.93 million

A list of approved programmes and related statistics are at Annex B.

Processing Time of Applications

6. Grants are made from the Fund to provide swift response to international appeals for humanitarian aid for relief to disasters that occur outside Hong Kong. The time required for processing an application by the Secretariat of the Committee (the Secretariat) is targeted at within 12 working days from the date of receipt of full information from the applicant to the date

² Including one application which was withdrawn by the relief organisation.

³ Plan International Hong Kong

⁴ Excluding the number of beneficiaries of the donation made to the Government of Nepal. The Government of Nepal was unable to collect beneficiary statistics on individual donations, because all relief contributions had been deposited into the Prime Minister Disaster Relief Fund dedicated to co-ordinate donations solely for rescue, relief, as well as rehabilitation and restoration work.

⁵ Inclusive of the donation of \$50 million at the government-to-government level to the Government of Nepal in May 2015.

of notification of the result. In 2015-16, all applications were processed within the target timeline. The average processing time of the 10 applications from relief organisations was six working days.

Evaluation Reports from Grant Recipients

7. Relief organisations in receipt of grants from the Fund are required to submit to the Committee an evaluation report and the audited accounts of the approved relief programme within six months upon completion of the project. In this regard, all the 14 reports due for submission in 2015-16 (including 12 reports in respect of grants approved in 2014-15) were received and examined by the Secretariat, and then circulated to the Committee. All of these reports were accepted for meeting the targets⁶ specified below –

- (a) Use of grants all grants were used for the approved purposes. The condition that not more than 5% of an individual grant should be used to cover overheads or other administrative costs was met. In respect of the 14 completed relief programmes, a balance of unused grants of about \$1.10 million from 12 programmes had been returned to the Fund.
- Number of beneficiaries all programmes achieved the target (b) number of beneficiaries⁶. These 14 relief programmes in aggregate provided emergency relief to some 360 000 disaster The relief items received by the beneficiaries included victims. food (such as rice, cooking oil, corn, flour and canned food.), blankets/quilts, mosquito nets, cooking utensils, water products, tanks/containers, lighting water purification tablets/solution, disinfection and cleaning products, hygiene items, household items, clothing, folding beds, tarpaulins and temporary shelter materials.
- (c) Timeliness of programme completion all relief projects were delivered according to the approved schedules⁷.

⁶ Including the targets prescribed in the guidelines and conditions for the approved grants but were subsequently revised according to the prevailing mechanism due to changes in circumstances.

⁷ Including revised targets subsequently approved.

8. For grants made in 2015-16 with audited accounts and evaluation reports due for submission in 2016-17, the Secretariat will closely monitor their submissions. All submissions by the relief organisations will be examined by the Secretariat and circulated to Members of the Committee for reference. The outcome of such examination will be reported in the next annual report of the Fund.

9. For grants made to governments outside Hong Kong, recipient authorities are required to submit an evaluation report on their use. Grants at the government-to-government level usually involve devastating disasters that are extensive in scale and complicated in nature. The recipient authorities have to shoulder the responsibilities for carrying out the immediate rescue operations and the handling of the post-disaster restoration/rehabilitation programmes which will, compared with the one-off relief work of a relief organisation, take a much longer time to complete. To allow sufficient time for the recipient authorities to focus on emergency relief work, the HKSAR Government generally does not specify a timeframe for submission of an evaluation report.

10. In 2015, a grant of \$50 million (or Nepalese Rupee (NPR) 662 million) was approved as donation to the Government of Nepal in support of its disaster relief efforts in connection with the major earthquake that hit the northwest of Kathmandu, Nepal. The Government of Nepal deposited all relief donations into the Prime Minister Disaster Relief Fund (PMDRF)⁸. In early 2016, the Consulate General of Nepal provided an initial report on the relief activities carried out for the earthquake victims and the financial status of the PMDRF, stating that the donations in the PMDRF, together with funding injections from the Government of Nepal, amounting to about NPR18.3 billion were used for providing victims in 63 districts with emergency relief, the major items of which being immediate relief grants for families of the deceased, temporary shelters, food, tents/tarpaulins and warm The Initial Report on Deployment of Disaster Relief Fund for clothes. Providing Relief to Earthquake Victims in Nepal was submitted to LegCo for perusal in April 2016.

⁸ The PMDRF is under the Chairmanship of the Prime Minister of Nepal who leads the relief operation and oversees the use of the dedicated relief funds. The funds of the PMDRF cannot be used to cover any other costs, including those for providing facilities and allowances to civil servants or making donations.

TEA GATHERING WITH RELIEF ORGANISATIONS

11. On 29 September 2015, representatives of 13 relief organisations which have been granted funding from the Fund to carry out disaster relief work attended a tea gathering hosted by the Chief Secretary for Administration as the Chairman of the Committee to share experience and exchange views on their work related to disaster relief with the Committee. Participating organisations included the Adventist Development and Relief Agency, China; Amity Foundation, Hong Kong; CEDAR Fund; Correctional Services Department Credit Union (CSDCU) Education Fund; Habitat for Humanity Hong Kong; Hong Kong Red Cross; Operation Blessing Hong Kong; Oxfam Hong Kong; Plan International Hong Kong; The Salvation Army; Save the Children Hong Kong; Social Workers Across Borders and World Vision Hong Kong. The gathering session enabled the Committee to gain better knowledge of the relief work provided by relief organisations. It also fostered a better understanding among organisations on the operation of the Fund and various issues of concern to the Committee pertaining to the disbursement of grants. Through the occasion, representatives of the relief organisations also offered valuable views on matters related to the ambit of the Fund, non-tangible disaster relief, fast-track mechanism on funding applications and their staff deployment, which became useful reference for the Committee's upcoming review on the operation of the Fund.

COMPREHENSIVE REVIEW OF THE OPERATION OF THE FUND

Guidelines and Conditions for Approval of Grants

12. To enable a fair and objective assessment of funding applications, the Committee has devised a set of guidelines and conditions for the disbursement of grants. In 2015-16, the Committee reviewed the ambit of the Fund, and concluded that grants could be made to support emergency relief programmes drawn up for specific non-natural catastrophes⁹, providing that the prevailing guidelines for grants from the Fund were duly complied with. The set of revised guidelines and conditions for the disbursement of grants is at **Annex C**.

⁹ For example, technological disasters or terrorist attacks causing substantial damages and casualties.

13. To enhance the flexibility of the relief organisations in the deployment of resources, the Committee also extended the coverage of the 5% administrative cost of each grant to include the additional staff costs¹⁰ to be borne by relief organisations for the redeployment of existing staff members to carry out relief programmes.

14. To address the need of disaster victims for post-disaster psychological or social support, the Committee has launched a pilot scheme since 1 January 2016 to provide funding support for a maximum of three programmes providing non-tangible relief support; which generally refers to those essential support and services to be provided in the course of emergency relief, such as psychological counselling or social support. Prevailing guidelines and conditions for grants will continue to apply, and the funding can be used to meet the necessary expenses of the relief programme for a period up to three months. The Committee will review and evaluate the pilot scheme upon the completion and conclusion of the programmes before deciding if the coverage of the Fund should be extended to cover non-tangible relief assistance. As at 31 March 2016, no application has been received.

Refining the Use of Grants and Monitoring Measures

15. In 2015-16, the Committee conducted a thorough review on the following measures which were introduced in recent years to refine the use of grants and monitoring measures.

- (a) the relief organisation is authorised to make specific minor adjustments to an approved relief programme without the need for seeking prior approval from the Committee, but it should notify the Committee within one month from the effective date of any minor adjustments;
- (b) the relief organisation is required to display prominently that the relief materials are funded by the Government of the Hong Kong Special Administrative Region" or "Funded by the Disaster Relief Fund, Government of the Hong Kong Special Administrative Region, and provide photographs in the evaluation report to substantiate the compliance of this requirement;

¹⁰ For example, the overtime allowance or time-off compensation payable to existing staff members or the cost of hiring temporary/part-time staff.

- (c) the relief organisation is required to state in the funding application the names of the targeted relief locations up to the township/municipality level. It will only be required to provide further geographical details if the target location overlaps with the relief programme submitted by another relief organisation; and
- (d) the target time for processing applications for programme variations will not exceed eight working days from the date of receiving all requisite information from the relief orgnisation to the date of notification of the result.

16. The above refinement measures were implemented smoothly, suitably enhancing the flexibility for relief organisations to respond swiftly to the changing needs in the disaster-stricken areas and provide emergency relief to disaster victims. In parallel, the Committee can continue to monitor the use of grants by relief organisations effectively. Hence, the Committee decided to maintain these measures and introduce the following adjustments on the mechanism and processing of programme variations –

- (a) more flexibility is allowed for the relief organisation to make minor adjustments to an approved relief programme. Provided that there is no change to the approved grant amount and no reduction of the total number of beneficiaries, the relief organisation is authorised to proceed with minor variations to (i) the number of beneficiaries, (ii) the quantities of relief items, and (iii) the budget for individual spending items. (i) and (ii) may be adjusted within 20%, whereas no upper limit has been set for variations regarding (iii); and
- (b) the target processing time is adjusted to not more than three working days for applications for minor variations, but for applications involving major variations, the processing time is kept at not more than eight working days.

Monitoring the Use of Grants

17. The following control measures to monitor the use of grants were effective and would continue to be adopted by the Committee. Such measures require that the relief organisation should –

- (a) lay down a relief schedule setting out, among others, the commencement and completion dates of a project, and report to the Committee the critical project milestones within one month from the respective scheduled date;
- (b) seek prior approval of the Committee should there be signs of deviation from the approved targets (such as the schedule, relief location and type of relief items), save for those minor adjustments as referred to in paragraph 15(a) above;
- (c) obtain at least three quotations in each procurement exercise to ensure that the procurement of relief materials with the grants is conducted in a fair and open manner; and
- (d) submit an evaluation report and audited accounts on the use of the grants within six months upon completion of the relief programme. The evaluation report submitted should make an overall assessment of targets of the programme, including the number of beneficiaries and the time used to provide emergency relief.

The evaluation report and the audited accounts under item (d) are to be examined by the Secretariat to ensure that the grant conditions are duly complied with, before being submitted to Members of the Committee for perusal. They are also subject to review by the Audit Commission during the annual audit of the Fund.

GRANTS APPROVED SINCE ESTABLISHMENT OF THE FUND

Summary

18. By 31 March 2016, the Committee has received a cumulative total of 434 applications by relief organisations for grants from the Fund. Of these, 355 applications amounting to \$838.63 million were approved, representing a success rate of 81.80%. For the remaining 79 applications, 58 (13.36%) were rejected as they did not comply with the guidelines for approval and 21 (4.84%) were withdrawn by relief organisations. In addition, 22 grants amounting to \$994.82 million were made to governments outside Hong Kong. Altogether, 18 relief organisations and nine governments/authorities have received grants totalling \$1,833.45 million from the Fund. The beneficiaries were mostly victims of earthquakes/tsunamis, floods, typhoons/cyclones and droughts/famines. Relevant information and statistics are set out in the ensuing paragraphs.

Distribution of Grants by Recipients

19. Among the 18 relief organisations, the top five recipients of the Fund, namely, World Vision Hong Kong, The Salvation Army, Hong Kong Red Cross, Oxfam Hong Kong and Amity Foundation, Hong Kong, received grants totalling \$686.80 million, representing 37.46% of the total amount approved. In the past three financial years, a total of three relief organisations were granted funding from the Fund for the first time. They are Habitat for Humanity Hong Kong¹¹, CSDCU Education Fund and Plan International Hong Kong. Statistics on distribution of grants by recipients are at **Annex D**.

Distribution of Grants by Countries/Geographical Regions

20. Of the grants approved, 74.27% (amounting to \$1,361.68 million) were used for relief programmes in the Mainland, 20.58% (amounting to \$377.41 million) for programmes in other places in Asia and the remaining 5.15% (amounting to \$94.36 million) for programmes in Africa, Latin America, Oceania and Europe. Statistics on distribution of grants by countries/geographical regions are at **Annex E**.

Distribution of Grants by Nature of Disaster

21. Of the programmes approved on the advice of the Committee, 33.95% (128 cases) were for the relief of earthquake/tsunami victims; 32.63% (123 cases) for flood victims; 12.20% (46 cases) for typhoon/cyclone victims; 11.67% (44 cases) for drought/famine victims; 6.10% (23 cases) for snowstorm victims and 3.45% (13 cases) for other disasters. Statistics on distribution of grants by nature of disaster are at **Annex F**.

Secretariat Disaster Relief Fund Advisory Committee December 2016

¹¹ Formerly named Habitat for Humanity China.

Disaster Relief Fund Advisory Committee Membership in 2015-16 2015-16 年度賑災基金諮詢委員會 成員名單

Chairman

Chief Secretary for Administration 政務司司長

) ex-officio)當然委任

Members

Executive Council Members 行政會議成員

The Honourable CHENG Yiu-tong, GBM, GBS, JP 鄭耀棠議員, 大紫荊勳賢, GBS, JP

The Honourable Starry LEE Wai-king, JP 李慧琼議員, JP (up to 17 March 2016) (至二零一六年三月十七日止)

The Honourable IP Kwok-him, GBS, JP 葉國謙議員, GBS, JP (from 29 March 2016 onwards) (由二零一六年三月二十九日起)

Legislative Council Members 立法會成員

The Honourable CHEUNG Kwok-che 張國柱議員

Dr the Honourable Priscilla LEUNG Mei-fun, SBS, JP 梁美芬議員, SBS, JP

Other Members 其他成員

Mr Leo KUNG Lin-cheng, BBS, JP 孔令成先生, BBS, JP

Dr TIK Chi-yuen, SBS, JP 狄志遠博士, SBS, JP

Secretary for Financial Services and the Treasury) ex-officio
財經事務及庫務局局長)當然委任
Secretary for Labour and Welfare) ex-officio
勞工及福利局局長)當然委任

Secretary

Chief Executive Officer (Administration)1 總行政主任(行政)1

DISASTER RELIEF FUND GRANTS APPROVED IN 2015-16 販災基金 2015-16 年度批出款項 1.4.2015-31.3.2016

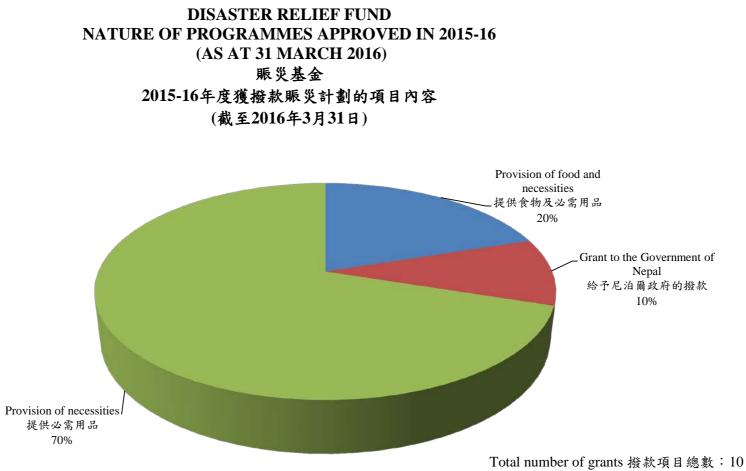
	Applicant/Recipient Authority 申請機構/收款機關	Date of Approval 撥款日期	Beneficiaries 受惠人士	Nature of Programme 項目內容	Relief Areas 賑災地區	Grant Approved 批出款項 (\$million 百萬元) Rounded to two decimal places 約至小數點後兩個位
1	Save the Children Hong Kong 香港救助兒童會	30.4.2015	Cyclone victims 風災災民	Emergency shelter repair kits, water tanks and hygiene kits 緊急維修屋舍工具包、大型水缸及衞 生包	Vanuatu 瓦努阿圖	3.92
2	The Government of Nepal 尼泊爾政府	4.5.2015	Earthquake victims 地震災民	Cash grant 現金	Nepal 尼泊爾	50.00
3	World Vision Hong Kong 香港世界宣明會	14.5.2015	Earthquake victims 地震災民	Corrugated galvanised iron sheets, tarpaulins and portable solar lights with mobile phone charger 波狀鍍鋅鐵片、防水帆布及太陽能燈 連手提電話充電器	Nepal 尼泊爾	7.00
4	Habitat for Humanity Hong Kong 香港仁人家園	10.6.2015	Earthquake victims 地震災民	Emergency shelter kits 緊急臨時居所包	Nepal 尼泊爾	3.50
5	Amity Foundation (Hong Kong) 愛徳基金會(香港)	10.6.2015	Earthquake victims 地震災民	Corrugated galvanised iron sheets, tool kits, floor mats, blankets, portable solar lights, buckets with cover and temporary plastic latrines 波狀鍍鋅鐵片、工具包、地蓆、毛 毯、便攜太陽能燈、有蓋塑膠桶及塑 膠廁盤	Nepal 尼泊爾	5.85
6	Plan International Hong Kong ^{Note} 國際培幼會 ^世	16.7.2015	Earthquake victims 地震災民	Blankets and sleeping mats 毛毯及睡墊	Nepal 尼泊爾	0.43
7	World Vision Hong Kong 香港世界宣明會	1.9.2015		Food packs and emergency shelter kits 糧食包及緊急臨時居所包	Myanmar 緬 甸	2.43
8	World Vision Hong Kong 香港世界宣明會	1.9.2015	Flood victims 水災災民	Food packs, Chlorine tablets, hygiene kits, non-food item packs and tarpaulins 糧食包、氯片劑、衞生包、生活用品 包及防水帆布	-	3.00
9	World Vision Hong Kong 香港世界宣明會	24.11.2015	Earthquake victims 地震災民	Tents, floor mats, hygiene kits, mosquito nets, kitchen sets and winterisation kits 帳篷、地蓆、衛生包、蚊帳、廚具包 及禦寒包	Pakistan 巴基斯坦	2.93
10	Oxfam Hong Kong 樂苑會	28.12.2015	Flood victims 水災災民	Hygiene kits, household water filters, tarpaulins, ground sheets, blankets, bed sheets, smokeless stoves, solar lanterns, mosquito nets and kitchen sets 衛生包、家庭式濾水裝置、防水帆 布、地墊、毛毯、床單、煮食爐、太 陽能燈、蚊帳及廚具包	India - Tamil Nadu State 印度 - 泰米爾 納德邦	3.09
Note 註	A first-time recipient of gran 首次獲得賑災基金撥款之。	Grand Total 總數	82.15			

DISASTER RELIEF FUND RATIO OF BENEFICIARIES BY NATURE OF DISASTER FOR GRANTS APPROVED IN 2015-16 (AS AT 31 MARCH 2016) 賑災基金 2015-16年度批出款項按災禍類別劃分的受惠人士比率 (截至2016年3月31日) Typhoon victims_ 風災災民 3% Flood victims 水災災民 31% Earthquake victims_ 地震災民 66%

Total estimated number of beneficiaries: Around 170 000 預計受惠人士總數:約十七萬人次

Remark: The figure does not include beneficiaries of the grant donated to the Government of Nepal. 註:上述數據不包括捐助尼泊爾政府的撥款受惠人數。





Food items include rice, pulses, cooking oil, seasoning and biscuits, etc.. 食物包括食米、豆子、食油、調味料及餅乾等。

Necessities include tarpaulins/tents, mosquito nets, floor mats/ground sheets, sleeping mats, blankets, hygiene items, household items, kitchen utensils, plastic latrines, water tanks, water filters, solar lamps, as well as emergency shelter materials and tools, etc.. 必需用品包括防水帆布/帳篷、蚊帳、地蓆/地墊、睡墊、毛毯、衞生用品、家居用品、廚具、塑膠廁盤、水缸、濾水器、太陽能燈,以及緊急臨時居所材料及工具等。

Guidelines for Grants from the Disaster Relief Fund (March 2016)

I. <u>Coverage</u>

- (1) Grants should only be made in cases of a specific disaster¹, not an on-going problem².
- (2) Grants should only be made in cases of disasters of such nature and scale that stimulate a response by the international community.
- (3) The relief support should be confined to time-critical response in the emergency context.

II. <u>Assessment of Proposals</u>

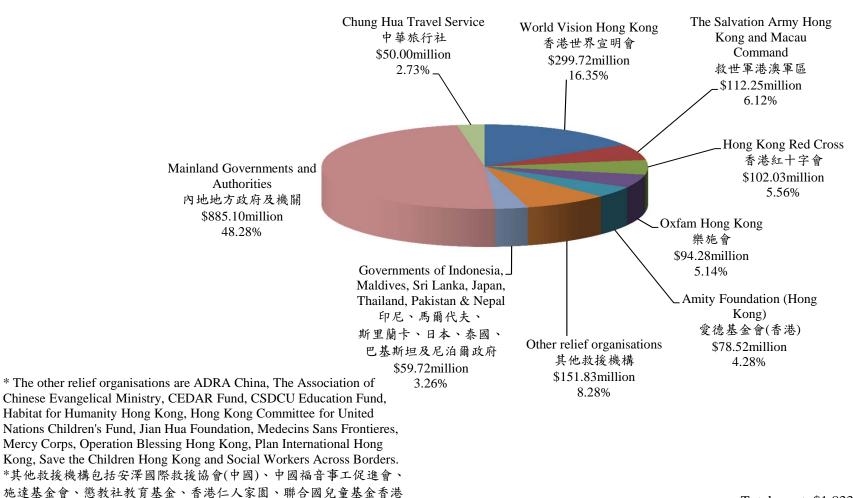
- (4) Grants should be made in response to-
 - (a) an appeal made to the international community by a government or a relief organisation for disaster relief aid in the country or locality concerned; or
 - (b) an application submitted by a locally registered relief organisation³ for a disaster relief project being or to be carried out by the organisation. Retroactive funding is not supported.
- (5) The appeal/application should be based on humanitarian grounds. Political considerations will not be taken into account.
- (6) The appeal/application should have received a measure of public support in Hong Kong.

¹ Including natural disasters and non-natural catastrophes, e.g. explosion of nuclear/chemical facilities and terrorist attacks causing substantial damages and casualties.

² Such as refugee problems, wars or post-disaster rehabilitation/reconstruction.

³ The relief organisation should be a charitable organisation exempted from tax under Section 88 of the Inland Revenue Ordinance, Cap. 112.

- (7) Any application by a relief organisation should be supported by a proposal outlining the nature and scale of the aid project, the number and type of beneficiaries and the size of grant required.
- (8) The relief organisation should have demonstrated a sound track record in providing similar types of disaster relief services and activities.
- (9) The size of the grant should be sufficient to make an impact.
- (10) When there is more than one application of a similar nature and for the same disaster, regard should be given to the likely number of beneficiaries, the promptness with which the relief may be provided and the nature of the relief to be provided.
- III. <u>Conditions of Grant</u>
 - (11) Individual grants should take the form of one-off cash payments.
 - (12) The grant should be given to the government concerned or to a reputable relief organisation in the field.
 - (13) Up to 5% of the grant may be used to cover overheads or other administrative costs. The rest should be spent entirely on disaster relief services and activities.
 - (14) The government/relief organisation concerned should be required to submit an evaluation report and/or an audited account as appropriate to the Government of the Hong Kong Special Administrative Region on the use of the grant within a specified period.



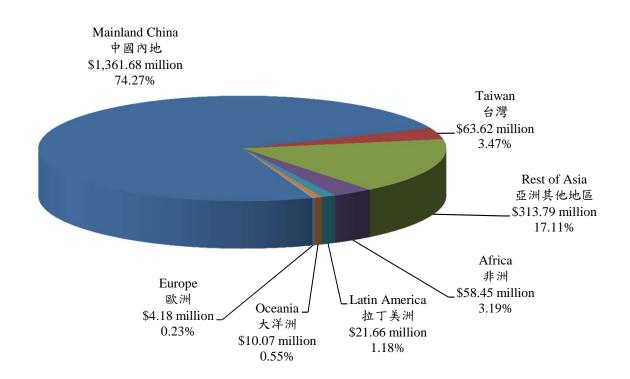
委員會、建華基金會、無國界醫生、國際美慈組織、慈福行動、國際

培幼會、香港救助兒童會及無國界社工。

(2016 3 31)

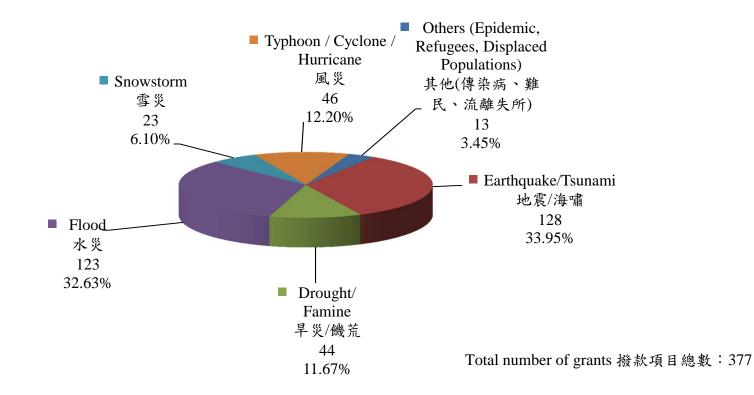
Total grant: \$1,833.45 million 撥款總額: 18.3345 億元

DISASTER RELIEF FUND DISTRIBUTION OF GRANTS BY COUNTRIES/GEOGRAPHICAL REGIONS SINCE ESTABLISHMENT OF FUND (AS AT 31 March 2016) 賑災基金 自基金成立以來按受助國家/地區劃分的撥款 (截至2016年3月31日)



Total grant: \$1,833.45 million 撥款總額: 18.3345 億元

DISASTER RELIEF FUND NUMBER OF PROGRAMMES APPROVED BY NATURE OF DISASTER SINCE ESTABLISHMENT OF FUND (AS AT 31 MARCH 2016) 賑災基金 自基金成立以來按災禍類別劃分的撥款 (截至2016年3月31日)



Annex 附件 F