

REPORT ON THE DISASTER RELIEF FUND 2003-04

INTRODUCTION

In February 2002, the Audit Commission completed a review of the performance of the administration of grants from ten government funds managed by government bureaux and departments, including the Disaster Relief Fund (the Fund). In response to the Director of Audit's observation that there is no overall review on the effectiveness of the Fund, the Secretariat undertook to strengthen the evaluation on the effectiveness of the Fund by conducting a review of the projects approved and issuing a press statement on the performance of the Fund annually.

2. This report provides, firstly, findings on the performance of the projects approved in the Financial Year 2002-03. Relief organizations are required to submit audited accounts and evaluation reports within six months upon completion of the relief projects. When the Report of the Fund was issued in April last year, the required documents of some of the projects were not due. To complete the picture, this Report summarizes the performance of the projects approved in 2002-03. Secondly, this report provides available findings on the performance of the projects approved in 2003-04.

DISASTER RELIEF FUND

3. A resolution under section 29 of the Public Finance Ordinance (PFO) was introduced into the Legislative Council on 1 December 1993 to establish the Disaster Relief Fund for disaster relief in places outside Hong Kong with an initial appropriation of \$50 million from the General Revenue. The Fund is topped up in the beginning 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.

4. As with all other PFO funds, the Financial Secretary has been designated as the administrator of the Fund. The Finance Committee's approval will be required for each individual disbursement exceeding the limit of the delegated power which at present is \$8 million.

DISASTER RELIEF FUND ADVISORY COMMITTEE

5. A Disaster Relief Fund Advisory Committee (the Committee) has been set up since 1 February 1994 to advise on the policy and practices regarding the disbursement of funds for disaster relief, advise on specific amounts to specific recipients and monitor the use of grants. The current membership of the Committee is at Annex A.

GUIDELINES AND CONDITIONS FOR APPROVAL OF GRANTS

6. The guidelines adopted by the Committee in considering applications for grants from the Fund are as follows –

- (a) grants should only be made in cases of a specific disaster, not an on-going problem;
- (b) grants should only be made in cases of disasters of such nature and scale that stimulate a response by the international community;
- (c) grants should be made in response to -
 - (i) appeals made to the international community by a government or a relief organisation for disaster relief aid in the country or locality concerned, or
 - (ii) applications submitted by a relief organisation for a disaster relief project being or to be carried out by the organisation;
- (d) the appeal/application should be based on humanitarian grounds. Political considerations will not be taken into account;
- (e) the appeal/application should have received a measure of public support in Hong Kong;
- (f) 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;

- (g) the relief organisation should have demonstrated a sound track record in providing similar types of disaster relief services and activities;
- (h) the size of the grant should be sufficient to make an impact; and
- (i) 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.

7. Individual grants from the Fund will take the form of one-off cash payment. They will be given to the government concerned or to a reputable relief organisation in the field. The grant recipients are required to comply with the following conditions –

- (a) up to but not more than 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; and
- (b) the government/relief organisation concerned should submit an evaluation report and an audited account to the Government of the Hong Kong Special Administrative Region on the use of the grant within six months upon the completion of the relief programme.

GRANTS APPROVED AND RELIEF PROGRAMMES SUPPORTED

(a) Number of applications approved (Annex B-1)

8. Since the establishment of the Fund to date, i.e. from 1 December 1993 to 31 March 2004, the Committee received a total of 176 applications for grants from the Fund. Of these, 145 were approved,

representing a success rate of 82%. For the remaining 31 applications, 27 were declined and four withdrawn by the relief organizations.

9. In the year 2002-03, 11 applications were received of which ten were approved. One application was withdrawn. In the year 2003-04, eight applications were received. All of them were approved.

(b) Amount of grants approved (Annex B-2)

10. The total amount of grants made from the Fund since its establishment in 1993 is \$294.64 million. Calls on the Fund vary from year to year as there is no predictable pattern to disasters. The amount of grants approved ranged from \$8.15 million in 2001-02 to \$49.33 million in 1995-96.

11. In the year 2002-03, excluding the application which was withdrawn, the total amount applied for and approved was \$22.60 million and \$18.79 million respectively. In the year 2003-04, the total amount applied for and approved was \$20.74 million and \$15.50 million respectively.

(c) Grants approved by relief agencies (Annex B-3)

12. Altogether, nine agencies have received grants from the Fund. The five organizations which receive the largest amounts of grants are World Vision Hong Kong, Hong Kong Red Cross, Oxfam Hong Kong, Medecins Sans Frontieres and the Salvation Army. Together, they have received \$263.85 million from the Fund, representing 90% of the total amount approved.

(d) Grants approved by countries / geographical regions (Annex B-4)

13. Some 59% of the total approved grants were for carrying out relief programmes in the Mainland since the establishment of the Fund.

14. For the year 2002-03, six programmes were carried out in the Mainland (\$11.77 million in total) and four in Africa (\$7.02 million in total). In the year 2003-04, four programmes were carried out in the Mainland (\$10 million in total), one in Sri Lanka (\$1 million) and three in Iran (\$4.5 million

in total).

(e) Relief programmes approved by nature of disaster (Annex B-5)

15. Around 38% and 29% of all programmes approved by the Committee were for the relief of victims of floods and earthquakes respectively.

16. Of the ten projects approved in 2002-03, five were for the relief of flood victims (\$10.85 million in total), four for drought / famine victims (\$7.02 million in total), and one for earthquake victims (\$0.92 million). Among the eight programmes approved in 2003-04, three were for the relief of flood victims (\$9 million in total) and five were for earthquake victims (\$6.5 million in total).

(f) Processing time

17. The target application processing time is 14 working days from the date of receipt of full information from the applicant to the date of notification of the result. In 2002-03 and 2003-04, all applications were processed within the target and the average processing time was around 12.4 working days.

REVIEW OF PROJECTS APPROVED IN 2002-03

18. For the ten projects approved in the Financial Year 2002-03 (Details in Annex C), all relief organizations have now submitted the evaluation reports and audited accounts. The relief programmes have satisfactorily met the following prescribed targets:

- (a) Use of grants - All grants were used for the designated purposes to cover the budget of relief programme as approved. Not more than 5% of individual grant was used to cover overheads or other administrative costs. Five relief programmes recorded a total of unexpended balance of \$491,196.30 (or 2.6 % of the total grants approved) which was refunded to the Fund.

- (b) Number of beneficiaries – The ten relief programmes have all achieved the original proposed target number of beneficiaries in proportion to the grant approved. Immediate emergency relief was provided to 662,393 disaster victims against the proposed target of 659,390 beneficiaries in 4 countries, namely China, Ethiopia, Eritrea and Malawi.
- (c) Timeliness of project completion – All relief projects were delivered according to the approved schedules, mostly within three to six months' time, except for the following:

During the delivery of a relief programme for drought victims in Northern Red Sea Region, Eritrea, the Cedar Fund encountered some unexpected and insurmountable problems. The Cedar Fund, with covering approval from the Committee, eventually carried out the project in the Anseba Region, Eritrea and completed the programme in February 2004 against the original schedule of mid May 2003.

REVIEW OF PROJECTS APPROVED IN 2003-04

19. Of the eight projects approved in the Financial Year 2003-04 (Details in Annex D), three relief organizations have submitted to us their evaluation reports and audited accounts. These three relief programmes satisfactorily achieved the original targeted number of beneficiaries in proportion to the grant approved. For the remaining five projects, their evaluation reports and audited accounts will be due later in the year. The Secretariat will monitor their submissions and examine their reports and accounts as and when they are received. The outcome of the examination will be reported in the annual report of the Fund for the year 2004-05 to be issued in April 2005.

Secretariat
Disaster Relief Fund Advisory Committee
14 May 2004

Disaster Relief Fund Advisory Committee
Membership
賑災基金諮詢委員會
成員名單

(From 1 January 2003)
(由二零零三年一月一日起)

Chairman

Chief Secretary for Administration) *ex-officio*
政務司司長) 當然委任

Members

The Hon Jasper TSANG Yok-sing, GBS, JP
曾鈺成議員, GBS, JP

The Hon Andrew LIAO Cheung-sing, SBS, SC, JP
廖長城議員, SBS, SC, JP

The Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
梁劉柔芬議員, SBS, JP

The Hon CHAN Yuen-han, JP
陳婉嫻議員, JP

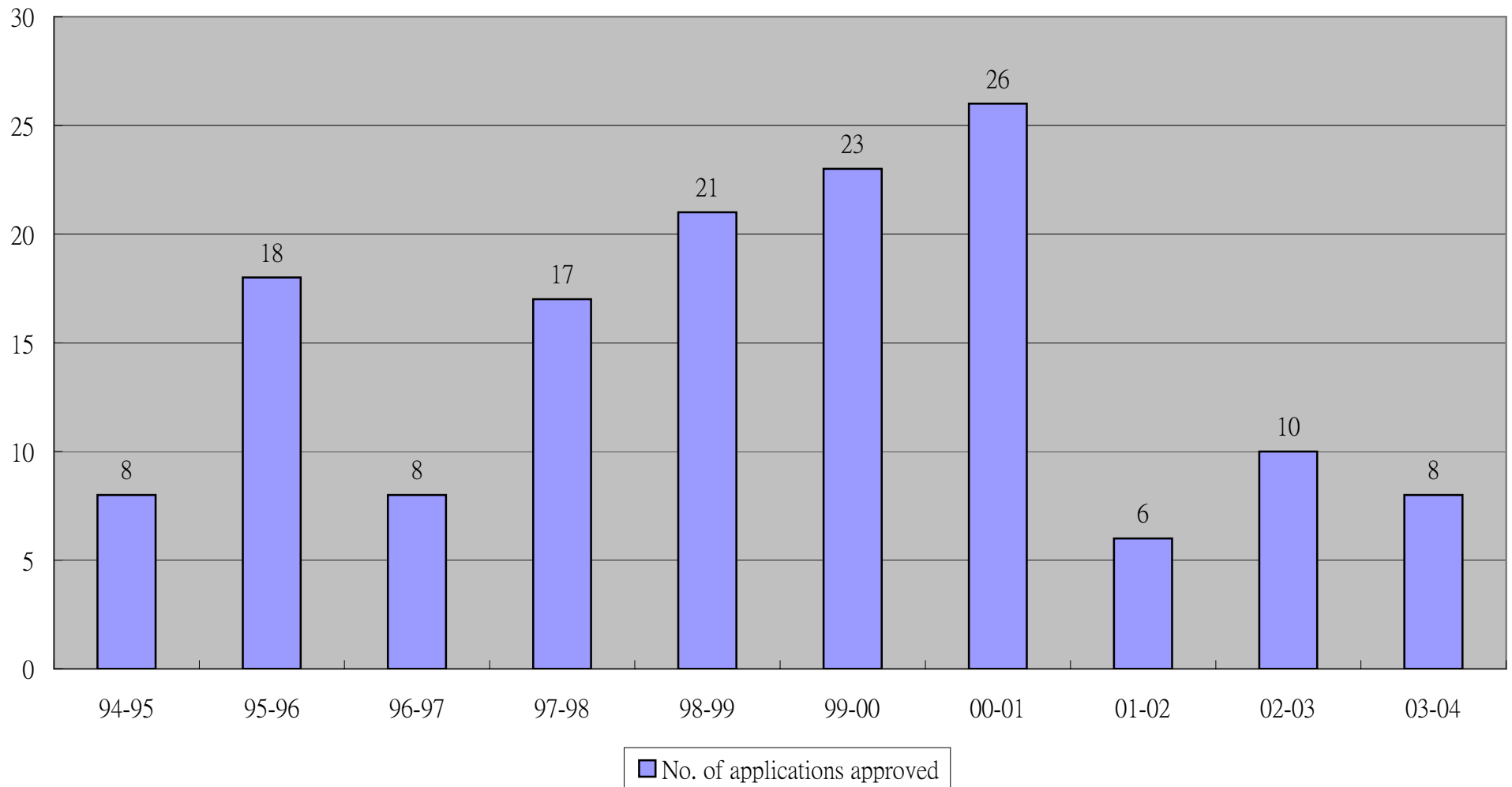
The Hon YANG Ti-liang, GBM, JP
楊鐵樑先生, GBM, JP

Mr Michael LAI Kam-cheung, JP
賴錦璋先生, JP

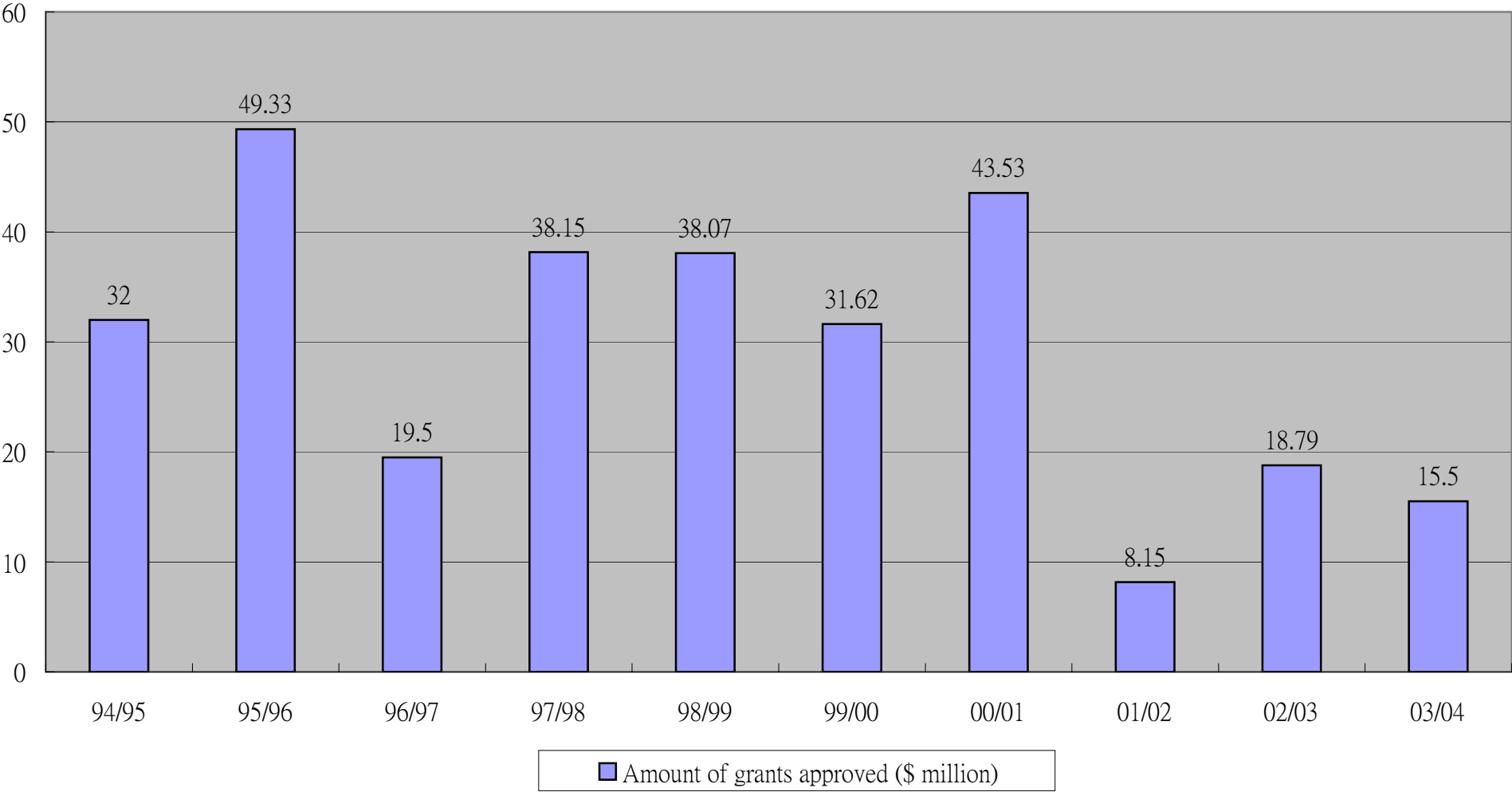
Secretary for Financial Services and the Treasury) *ex-officio*
財經事務及庫務局局長) 當然委任

Secretary for Health, Welfare and Food) *ex-officio*
衛生福利及食物局局長) 當然委任

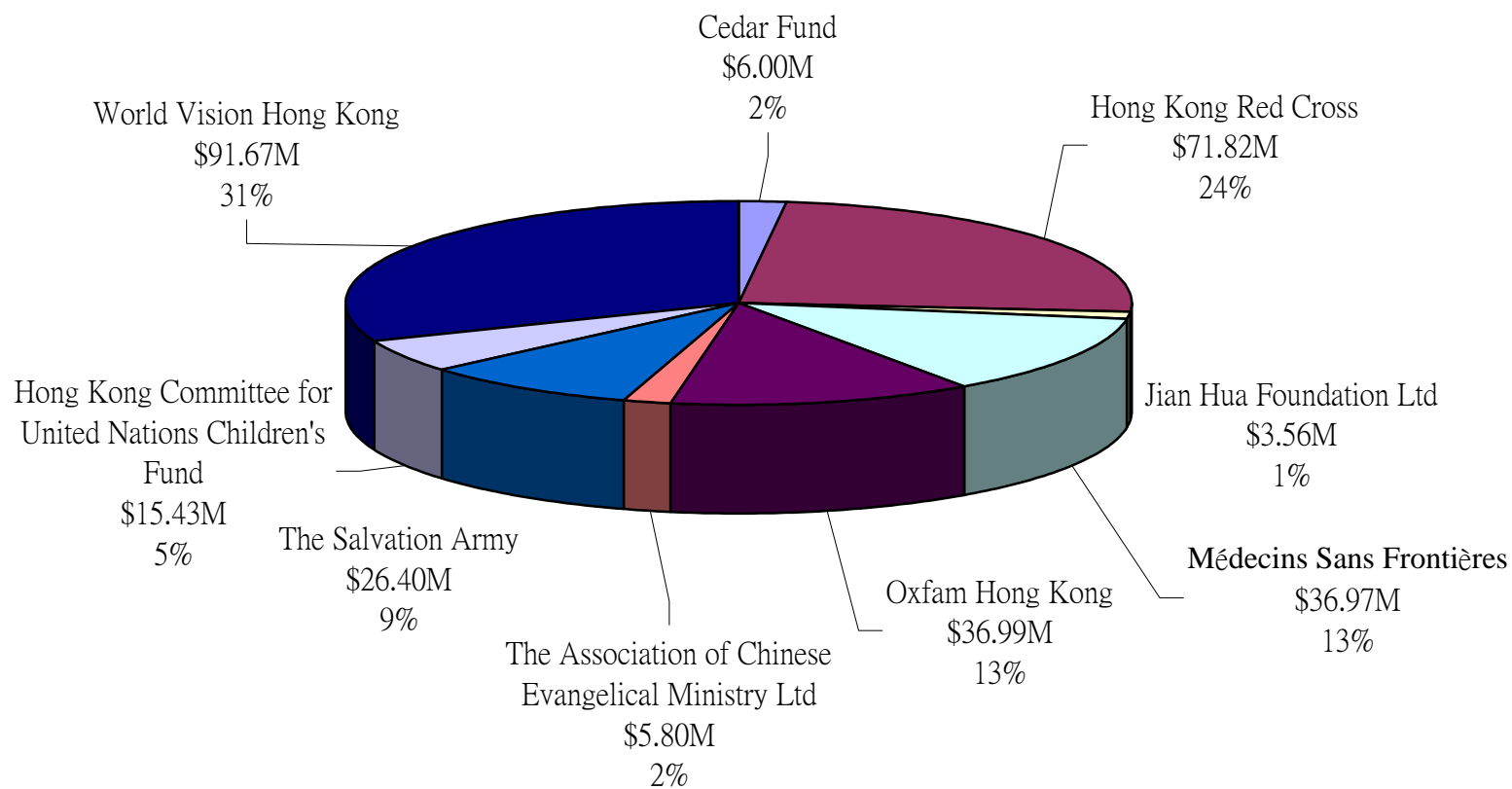
DISASTER RELIEF FUND
NUMBER OF APPLICATIONS APPROVED FOR THE YEARS ENDED 31 MARCH 2004



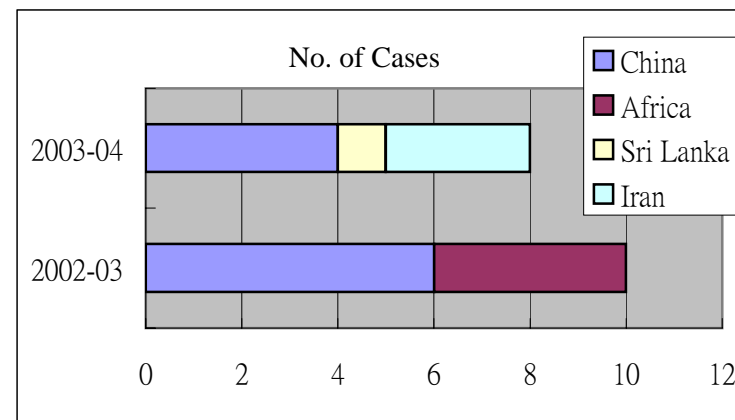
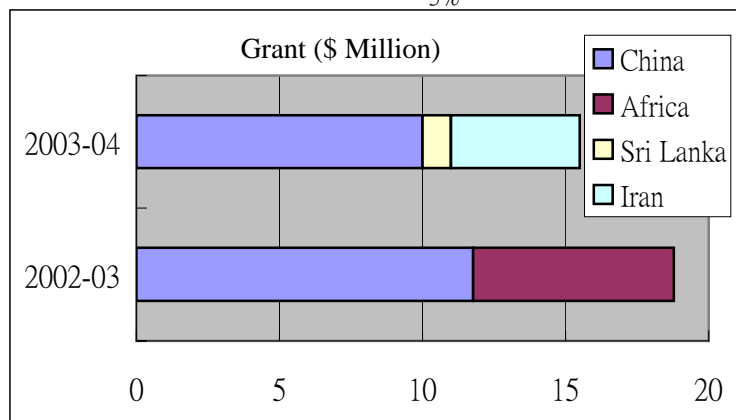
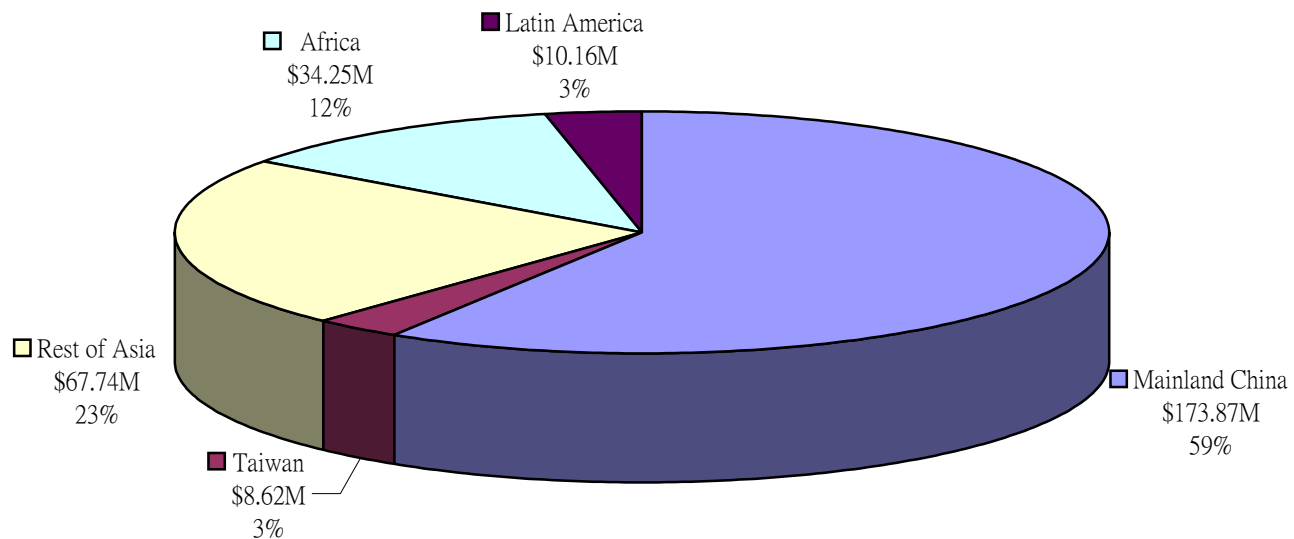
DISASTER RELIEF FUND
GRANTS APPROVED FOR THE YEARS ENDED 31 MARCH 2004



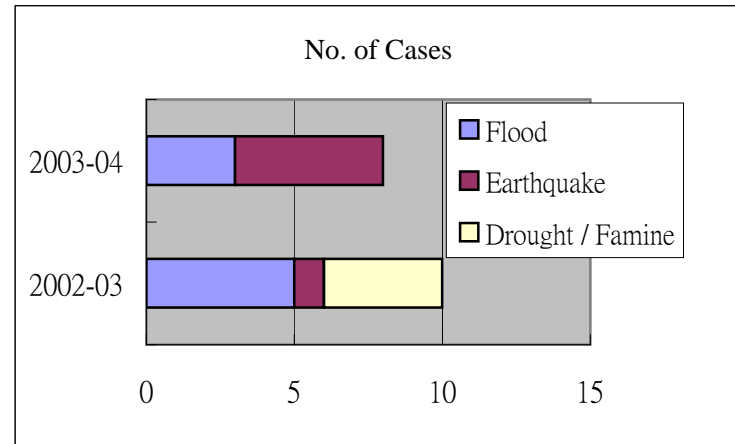
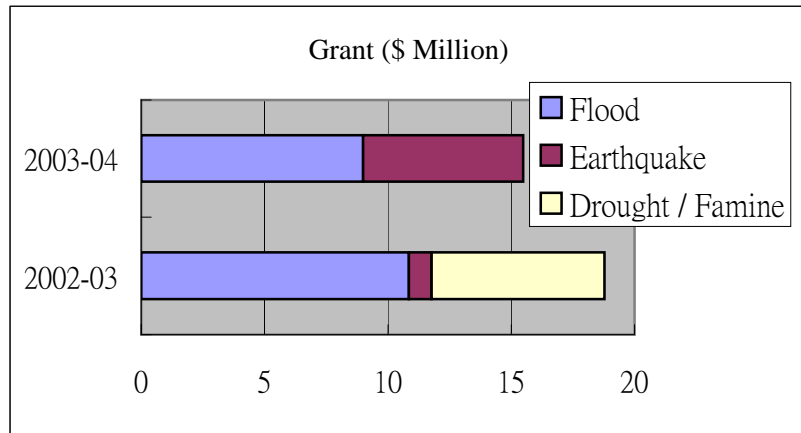
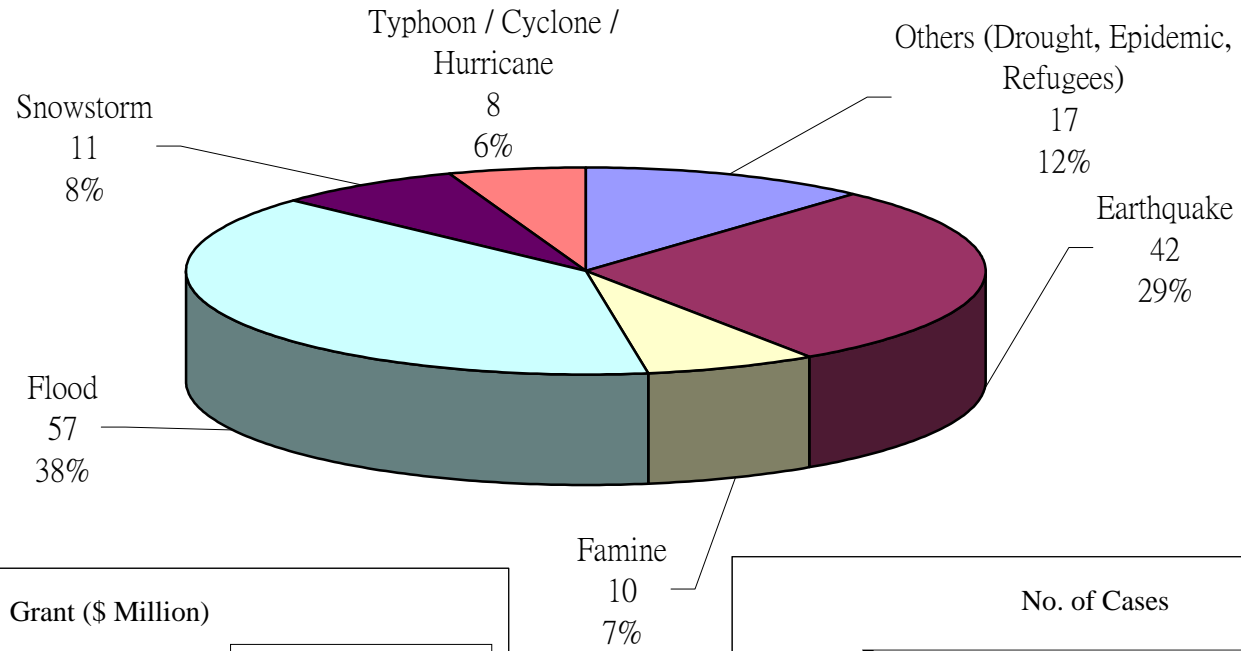
DISASTER RELIEF FUND
GRANTS APPROVED BY RELIEF ORGANIZATIONS (\$ Million)
FOR THE YEARS ENDED 31 MARCH 2004



DISASTER RELIEF FUND GRANTS APPROVED BY GEOGRAPHICAL REGIONS (\$ Million) FOR THE YEARS ENDED 31 MARCH 2004



DISASTER RELIEF FUND
NUMBER OF PROGRAMMES APPROVED BY NATURE OF DISASTER
FOR THE YEARS ENDED 31 MARCH 2004



DISASTER RELIEF FUND
GRANTS APPROVED FOR THE YEAR 2002-03

PAPER NO.	APPLICANT	DATE OF APPLICATION	BENEFICIARIES (Target Number in the Proposal)	COUNTRY	PROVINCE/ DISTRICT	GRANT APPROVED
05 / 02	The Salvation Army	24.6.2002	70,370 flood victims	China	Sichuan and Shaanxi Provinces	\$2 m
06 / 02	World Vision Hong Kong	28.6.2002	28,000 flood victims	China	Jiangxi Province	\$1.35 m
07 / 02	Hong Kong Red Cross	2.7.2002	165,600 flood victims	China	Hunan, Jiangxi, Guangxi and Sichuan Provinces	\$5 m
08 / 02	World Vision Hong Kong	6.8.2002	14,500 famine and drought victims	Malawi	---	\$1.36 m
09 / 02	World Vision Hong Kong	5.9.2002	56,860 flood victims	China	Hunan Province	\$2 m
10 / 02	The Association of Chinese Evangelical Ministry Ltd	5.9.2002	60,000 flood victims	China	Hunan Province	\$0.5 m
11 / 02	Oxfam Hong Kong	3.12.2002	21,560 drought victims	Ethiopia	---	\$2 m
01 / 03	World Vision Hong Kong	9.1.2003	27,500 drought victims	Ethiopia	---	\$2.76 m
02 / 03	Cedar Fund	28.2.2003	20,000 drought victims {Revised to 200,000}	Eritrea	---	\$0.90 m
03 / 03	Jian Hua Foundation Ltd.	3.3.2003	15,000 earthquake victims	China	Xinjiang Uygur Autonomous Region	\$0.921 m
Total						\$18.79 m

DISASTER RELIEF FUND
GRANTS APPROVED FOR THE YEAR 2003-04

PAPER NO.	APPLICANT	DATE OF APPLICATION	BENEFICIARIES (Target Number in the Proposal)	COUNTRY	PROVINCE/ DISTRICT	GRANT APPROVED	SUBMISSION OF EVALUATION REPORT AND AUDITED ACCOUNTS DUE ON
04 / 03	World Vision Hong Kong	7.3.2003	24,960 earthquake victims	China	Xinjiang Uygur Autonomous Region	\$1.5 m	Submitted
05 / 03	The Association of Chinese Evangelical Ministry Ltd	10.3.2003	28,800 earthquake victims	China	Xinjiang Uygur Autonomous Region	\$0.5 m	Submitted
06 / 03	World Vision Hong Kong	6.6.2003	100,000 flood victims	Sri Lanka		\$1 m	Submitted
07 / 03	World Vision Hong Kong	24.7.2003	99,200 flood victims	China	Anhui & Jiangxi Province	\$3 m	30.6.2004
08 / 03	Hong Kong Red Cross	25.7.2003	159,728 flood victims	China	Anhui, Guangxi, Hunan and Guizhou Provinces	\$5 m	30.4.2004
01 / 04	Hong Kong Red Cross	3.1.2004	7,600 earthquake victims	Iran	Bam	\$2 m	30.11.2004
02 / 04	World Vision Hong Kong	5.1.2004	40,000 earthquake victims	Iran	Bam	\$2 m	20.9.2004
03 / 04	The Association of Chinese Evangelical Ministry Ltd	9.3.2004	48,000 earthquake victims	Iran	Bam	\$0.5 m	30.12.2004
Total:						\$15.50 m	