

# **REPORT ON THE DISASTER RELIEF FUND 2004-05**

## **INTRODUCTION**

This is the third annual report on Disaster Relief Fund (the Fund) pursuant to the undertaking of strengthening the evaluation on the effectiveness of disbursements under the Fund in response to the Director of Audit's observations on management of government funds in February 2002. This Report gives an account of grants made for disaster relief outside Hong Kong in the Financial Years 2003-04 and 2004-05 and also reports on available findings on the performance of these relief efforts.

## **DISASTER RELIEF FUND**

2. 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.

3. 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**

4. 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**

5. 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.

6. 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.

#### **SPECIAL MECHANISM FOR 2004 BOXING DAY EARTHQUAKE AND TSUNAMI**

7. On 30 December 2004, the Committee approved a special mechanism for the Administration to respond expeditiously to direct appeals from governments of the countries affected by the 2004 Boxing Day earthquake and tsunami. The governments concerned are required to submit evaluation reports on the use of the grant within six months upon receipt of the grant.

## **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 2005, the Committee received a total of 201 applications for grants from the Fund. Of these, 167 were approved, representing a success rate of 83%. For the remaining 34 applications, 29 were declined and five withdrawn by the relief organizations.

9. In the year 2003-04, eight applications were received and all were approved. In the year 2004-05, 25 applications were received. 22 of them were approved. Two applications were declined and one was withdrawn by the relief organization.

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

10. The total amount of grants made from the Fund since its establishment in 1993 is \$331.96 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 2003-04, the total amount applied for and approved was \$20.74 million and \$15.50 million respectively. In the year 2004-05, excluding the applications which were declined or withdrawn, the total amount applied for and approved was \$49.54 million and \$37.32 million respectively.

### **(c) Grants approved by recipients (Annex B-3)**

12. Altogether, nine relief agencies and four governments 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, Médecins Sans Frontières and the Salvation Army. Together, they have received \$296.60 million from the Fund, representing 89% of the total amount approved.

13. Under the special mechanism approved by the Committee, assistance totalling \$2.77 million were provided to the governments of Indonesia, Maldives, Sri Lanka and Thailand for emergency aid to the earthquake and tsunami victims in response to their direct appeals.

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

14. Some 54% of the total approved grants were for carrying out relief programmes in the Mainland since the establishment of the Fund.

15. For 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). In the year 2004-05, four programmes were carried out in the Mainland (\$6.59 million in total), 16 in the rest of Asia, including Bangladesh, India, Indonesia, Maldives, Sri Lanka, Thailand and the Philippines (\$28.73 million in total), and two in Africa, including Sudan and Kenya (\$2 million in total).

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

16. Around 38% and 32% of all programmes approved by the Committee were for the relief of victims of floods and earthquakes/tsunamis respectively.

17. Of the eight programmes approved in 2003-04, three were for the relief of flood victims (\$9 million in total) and five for earthquake victims (\$6.5 million in total). Among the 22 programmes approved in 2004-05, 12 were for the relief of earthquake/tsunami victims (\$24.77 million in total), six for flood victims (\$8.55 million in total), two for typhoon victims (\$2 million in total), and one each for displaced populations (\$1 million) and drought victims (\$1 million).

(f) Processing time

18. 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 2003-04, all applications were processed within the target

and the average processing time was around 12.4 working days. In 2004-05, the average processing time of the 21 applications from relief agencies was around 8.1 working days. 19 of them were processed within the target. The remaining two applications could not meet the target processing time because they involved helping displaced populations which took a longer time to examine.

## **REVIEW OF PROJECTS APPROVED IN 2003-04**

19. Relief organizations are required to submit audited accounts and evaluation reports within six months upon completion of the relief projects. For the eight projects approved in the Financial Year 2003-04 (**Annex C**), the required documents of some of the projects had not yet been due when the Report of the Fund was issued in May last year. 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. Two relief programmes recorded a total of unexpended balance of \$50,120 (or 0.3 % of the total grants approved) which was refunded to the Fund.
- (b) Number of beneficiaries – The eight relief programmes have all achieved the original proposed target number of beneficiaries in proportion to the grant approved. Immediate emergency relief was provided to 530,382 disaster victims against the proposed target of 508,288 beneficiaries in 3 countries, namely China, Sri Lanka and Iran.
- (c) Timeliness of project completion – All relief projects were delivered according to the approved schedules within one to five months' time except for the following:

During the delivery of a relief programme for earthquake

victims in Iran, World Vision Hong Kong encountered insufficient stocks of some relief items and took more time for customs clearance. The programme was completed by 31 May 2004 against the original schedule of 15 March 2004.

## **REVIEW OF PROJECTS APPROVED IN 2004-05**

20. Of the 18 projects by relief agencies approved in the Financial Year 2004-05 (**Annex D**), the evaluation reports and audited accounts of two were due on 30 March 2005. The Secretariat has reminded both agencies to submit their reports and accounts as soon as possible. For the remaining 16 projects carried by relief agencies and four disbursements to governments, the review will be due later in the year. The Secretariat will monitor their submissions and examine their findings as and when they are received. The outcome of the examination will be reported in the annual report of the Fund for the year 2005-06 to be issued in April 2006.

**Secretariat**  
**Disaster Relief Fund Advisory Committee**  
**25 April 2005**

Disaster Relief Fund Advisory Committee  
賑災基金諮詢委員會

Membership  
成員名單

Chairman  
主席

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

Members  
成員

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

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

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

The Honourable CHAN Yuen-han, JP [until 30 September 2004]  
陳婉嫻議員，JP [至 2004 年 9 月 30 日止]

Dr the Honourable KWOK Ka-ki [from 19 November 2004]  
郭家麒議員 [由 2004 年 11 月 19 日起]

The Hon YANG Ti-liang, GBM, JP [until 31 December 2004]  
楊鐵樑先生，GBM，JP [至 2004 年 12 月 31 日止]

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

Mr Irving KOO Yee-yin, SBS, JP [from 1 January 2005]  
顧爾言先生，SBS，JP [由 2005 年 1 月 1 日起]

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

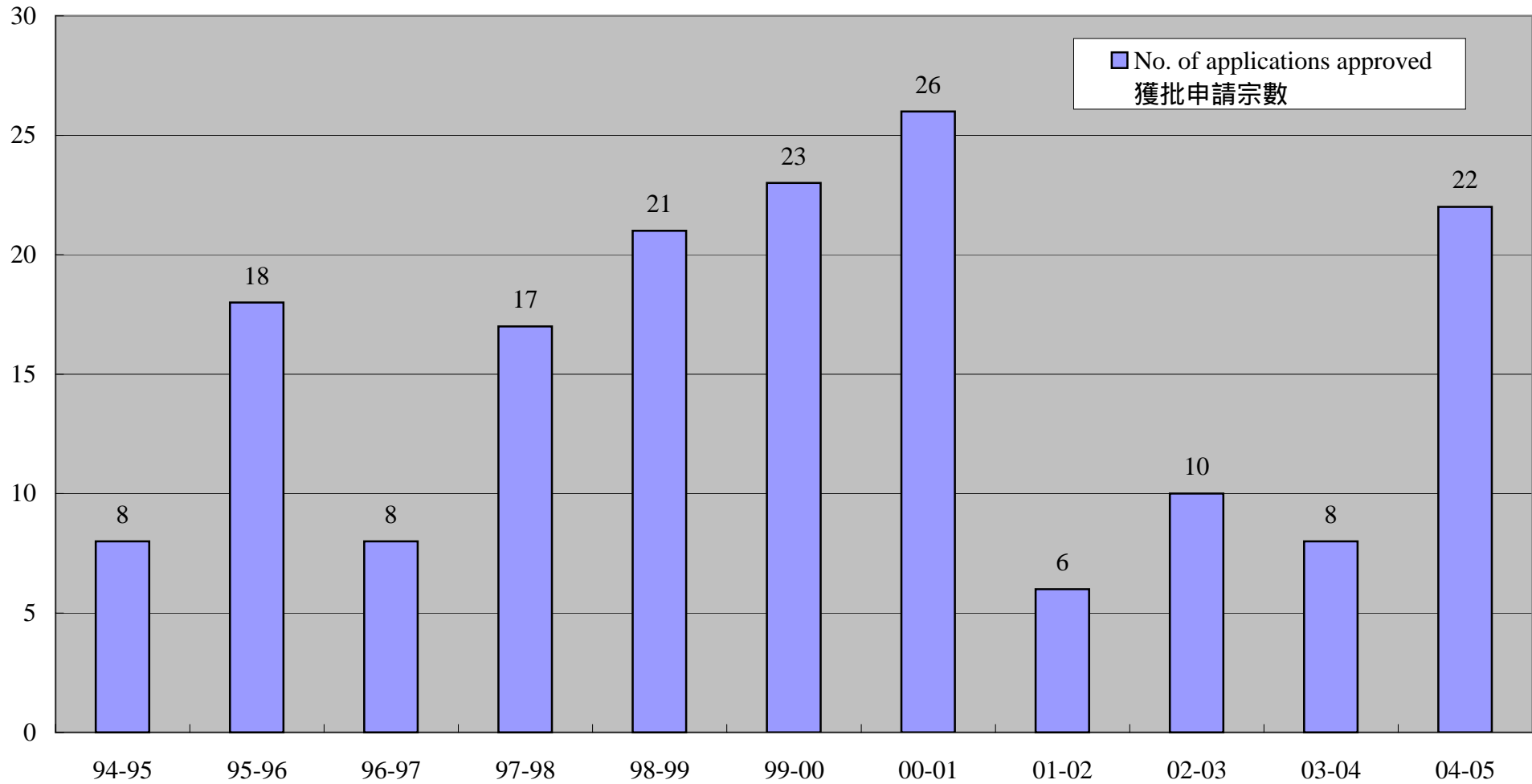
Secretary for Health, Welfare and Food ) *ex-officio*  
衛生福利及食物局局長 ) 當然委任



DISASTER RELIEF FUND  
賑災基金

Annex B-1  
附件 B-1

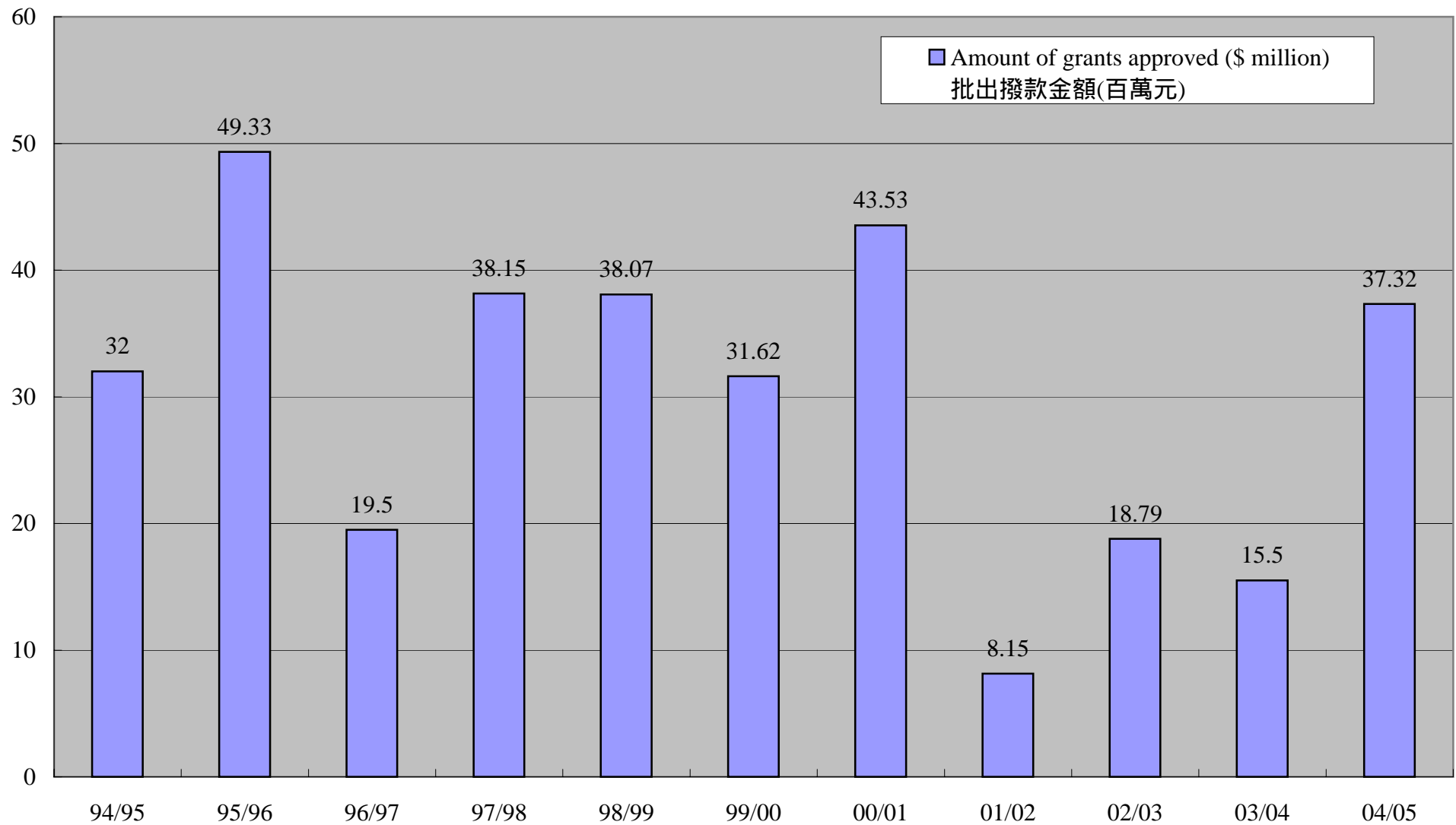
NUMBER OF APPLICATIONS APPROVED FOR THE YEARS ENDED 31 MARCH 2005  
截至2005年3月31日獲批申請宗數



DISASTER RELIEF FUND  
賑災基金

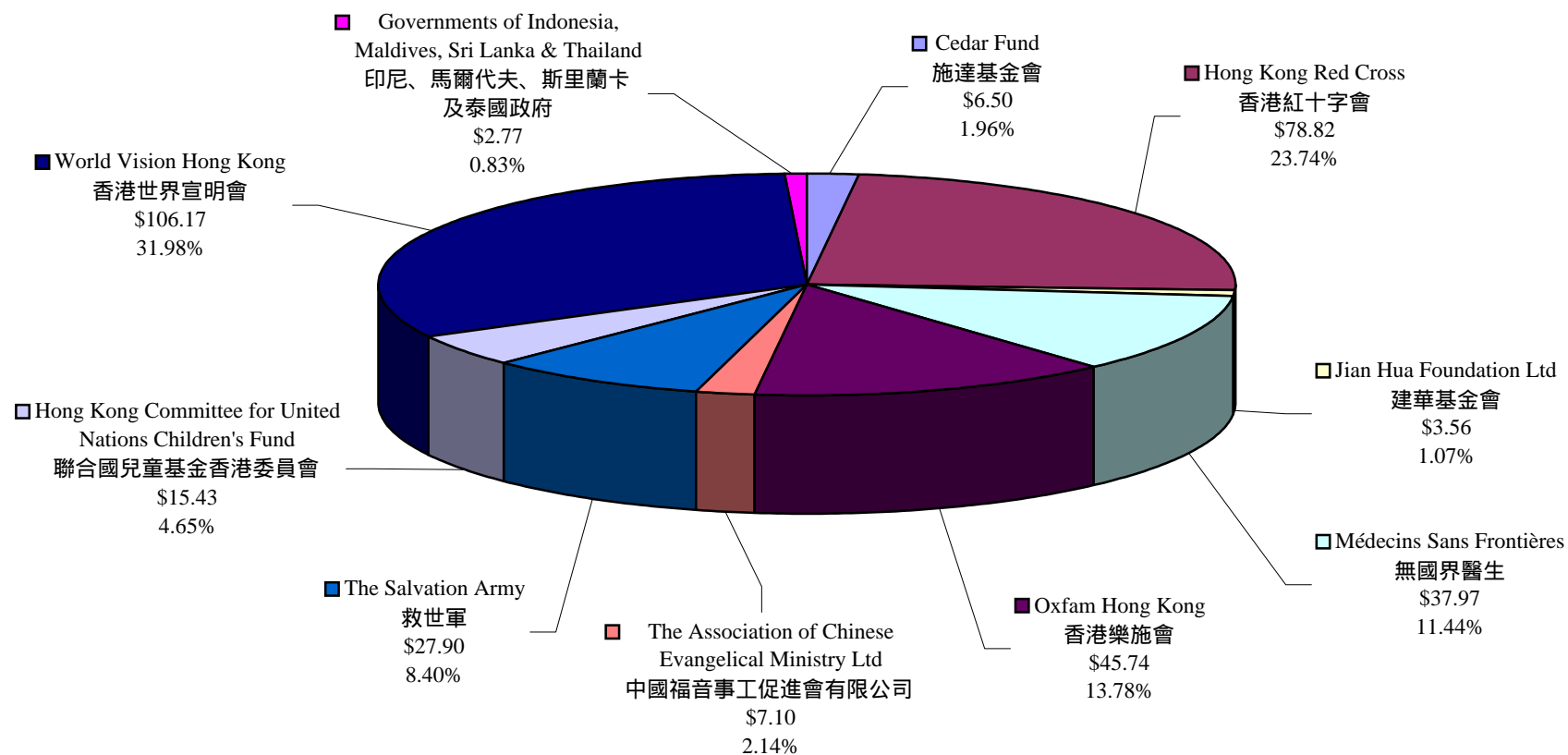
Annex B-2  
附件 B-2

GRANTS APPROVED FOR THE YEARS ENDED 31 MARCH 2005  
截至2005年3月31日批出的撥款金額



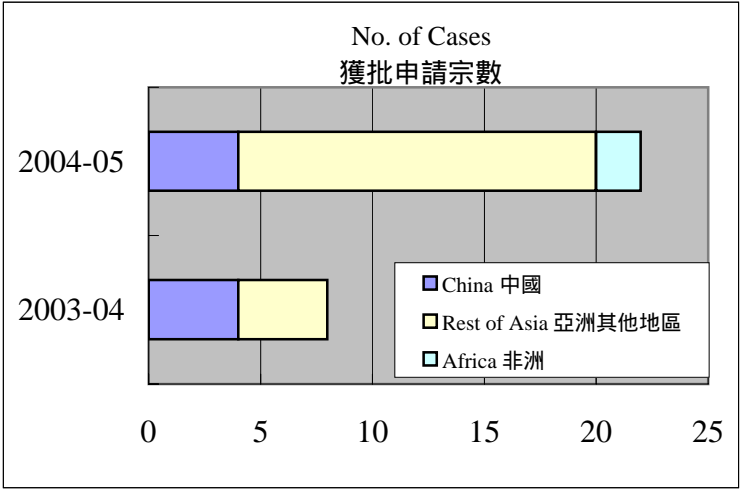
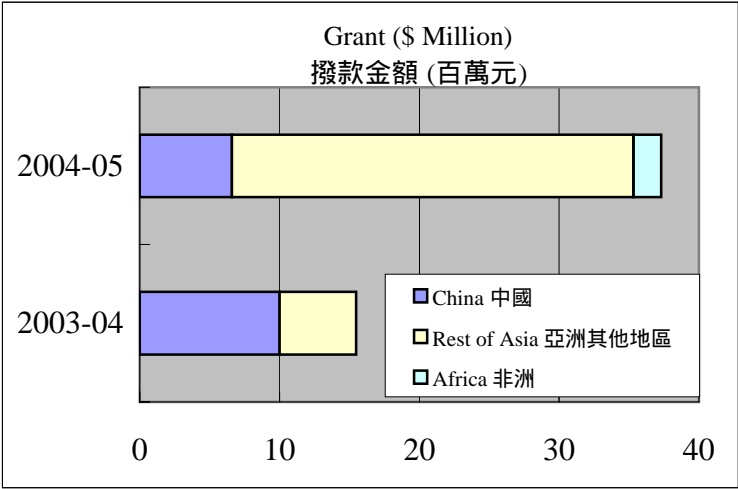
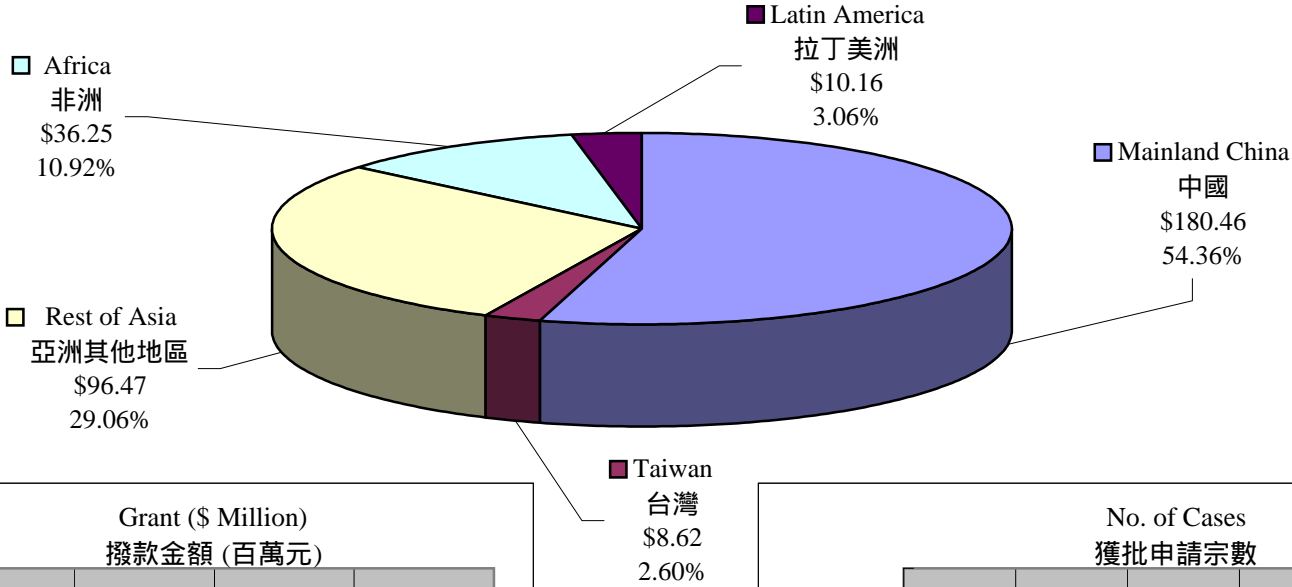
DISASTER RELIEF FUND  
賑災基金

GRANTS APPROVED BY RECIPIENTS (\$ million)  
FOR THE YEARS ENDED 31 MARCH 2005  
截至2005年3月31日按機構劃分的撥款金額 (百萬元)



**DISASTER RELIEF FUND**  
**賑災基金**

**GRANTS APPROVED BY GEOGRAPHICAL REGIONS (\$ million)**  
**FOR THE YEARS ENDED 31 MARCH 2005**  
**截至2005年3月31日按國家 / 地區劃分的撥款金額 (百萬元)**

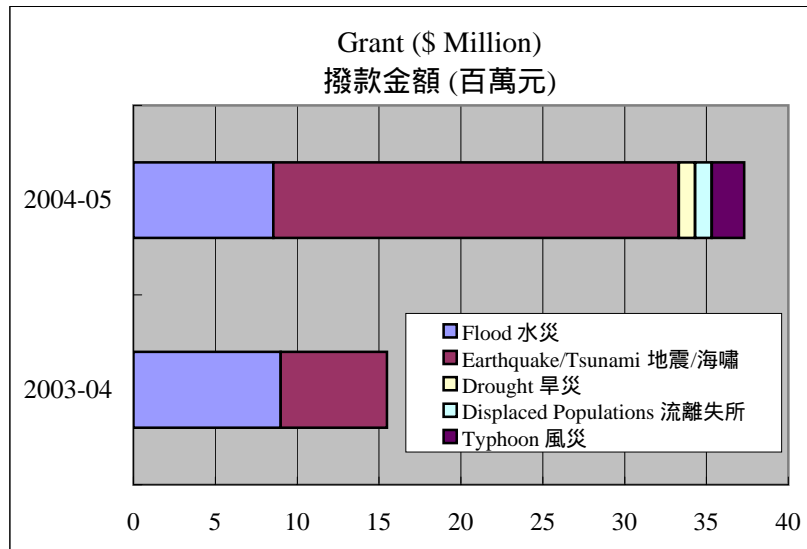
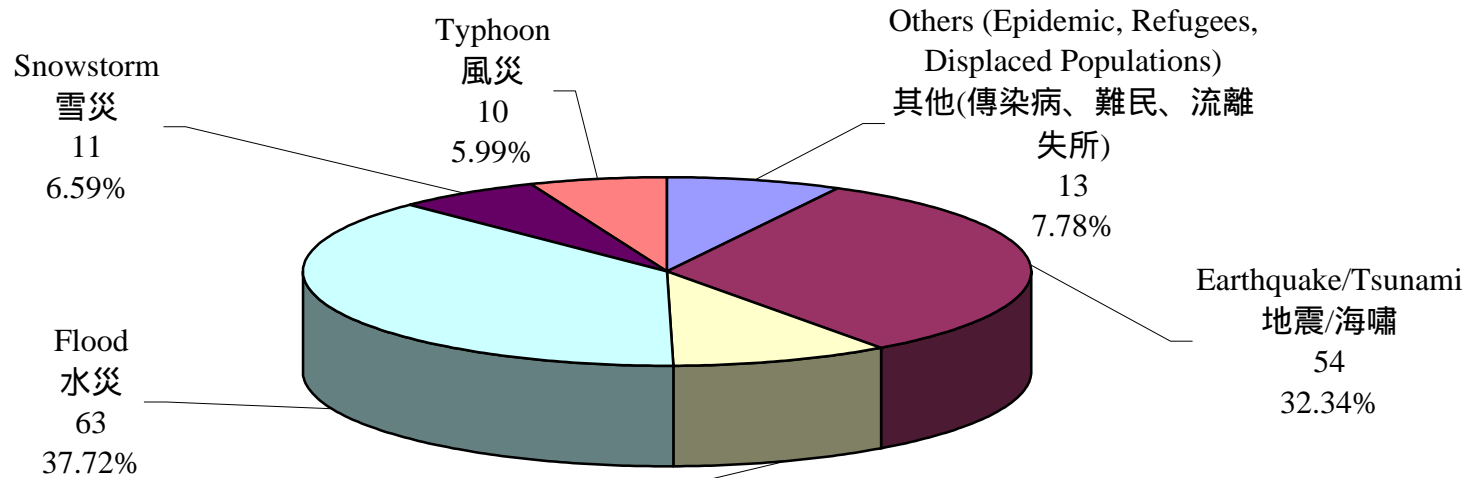


**DISASTER RELIEF FUND**  
**賑災基金**

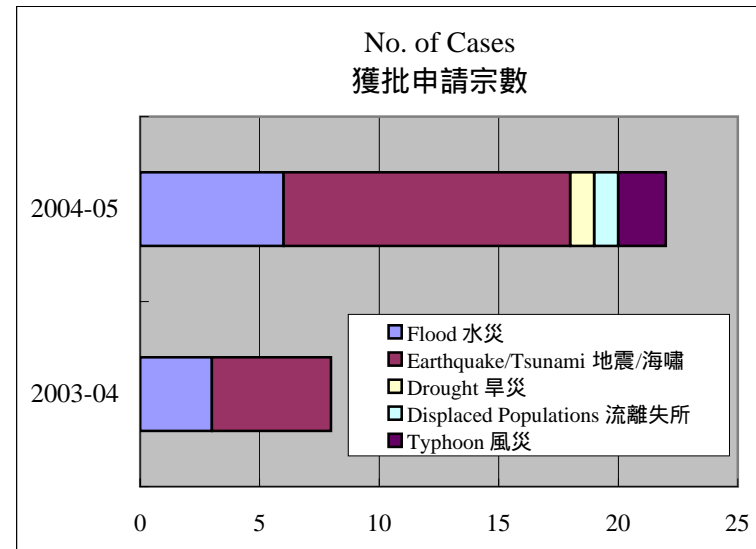
Annex B-5  
附件 B-5

**NUMBER OF PROGRAMMES APPROVED BY NATURE OF DISASTER**  
**FOR THE YEARS ENDED 31 MARCH 2005**

**截至2005年3月31日按天災類別劃分的獲撥款賑災計劃**



**Drought/Famine**  
**旱災/饑荒**  
16  
9.58%



**DISASTER RELIEF FUND**  
**RELIEF PROJECTS APPROVED IN THE YEAR 2003-04**

RELIEF ORGANISATION	DATE OF APPLICATION	BENEFICIARIES (Target Number in the Proposal)	COUNTRY/PROVINCE	GRANT APPROVED
World Vision Hong Kong	7.3.2003	24,960 earthquake victims	China - Xinjiang Uygur Autonomous Region	\$1.5 m
The Association of Chinese Evangelical Ministry Ltd	10.3.2003	28,800 earthquake victims	China - Xinjiang Uygur Autonomous Region	\$0.5 m
World Vision Hong Kong	6.6.2003	100,000 flood victims	Sri Lanka	\$1 m
World Vision Hong Kong	24.7.2003	99,200 flood victims	China - Anhui and Jiangxi	\$3 m
Hong Kong Red Cross	25.7.2003	159,728 flood victims	China - Anhui, Guangxi, Hunan and Guizhou	\$5 m
Hong Kong Red Cross	3.1.2004	7,600 earthquake victims	Iran - Bam	\$2 m
World Vision Hong Kong	5.1.2004	40,000 earthquake victims	Iran - Bam	\$2 m
The Association of Chinese Evangelical Ministry Ltd	9.3.2004	48,000 earthquake victims	Iran - Bam	\$0.5 m
<b>Total:</b>				\$15.50 m

**DISASTER RELIEF FUND**  
**RELIEF PROJECTS APPROVED IN THE YEAR 2004-05**

RELIEF ORGANISATION	DATE OF APPLICATION	BENEFICIARIES (Target Number in the Proposal)	COUNTRY/PROVINCE	GRANT APPROVED
World Vision Hong Kong	22.7.2004	100,000 flood victims	India - Assam and Bihar	\$1.00 m
World Vision Hong Kong	30.7.2004	105,700 flood victims	China - Henan	\$2.00 m
Oxfam Hong Kong	2.8.2004	5,500 flood victims	China - Yunnan and Hunan	\$0.79 m
Medecins Sans Frontieres	2.8.2004	160,000 displaced population	Sudan - North Darfur Region	\$1.00 m
Hong Kong Red Cross	5.8.2004	75,435 flood victims	China - Henan, Yunnan, Hunan and Guangxi	\$3.00 m
Oxfam Hong Kong	11.8.2004	30,000 flood victims	Bangladesh	\$0.96 m
The Association of Chinese Evangelical Ministry Ltd	18.8.2004	30,000 flood victims	China - Anhui	\$0.80 m
World Vision Hong Kong	20.8.2004	12,814 drought/famine victims	Kenya	\$1.00 m
Hong Kong Red Cross	24.12.2004	95,000 typhoon victims	The Philippines - Aurora, Nueva Vizcaya, Quezon, Quirino and Rizal	\$0.50 m
Oxfam Hong Kong	28.12.2004	50,000 earthquake/tsunami victims	Indonesia - Aceh and North Sumatra	\$3.50 m
Oxfam Hong Kong	29.12.2004	20,000 earthquake/tsunami victims	India - Tamil Nadu	\$3.50 m
World Vision Hong Kong	30.12.2004	54,300 earthquake/tsunami victims	India - Tamil Nadu	\$3.50 m
World Vision Hong Kong	30.12.2004	142,500 earthquake/tsunami victims	Sri Lanka - Ampara, Batticaloa, Mullaitivu, Galle, Matara, Jaffna and Trincomalee	\$3.50 m
Hong Kong Red Cross	30.12.2004	90,000 earthquake/tsunami victims	Indonesia - Aceh and North Sumatra	\$3.50 m
World Vision Hong Kong	5.1.2005	100,000 earthquake/tsunami victims	Indonesia - Aceh	\$3.50 m
The Salvation Army	11.1.2005	20,000 typhoon victims	The Philippines - Aurora, Nueva Ecija and Quezon	\$1.50 m
Cedar Fund	24.1.2005	40,000 earthquake/tsunami victims	India - Tamil Nadu	\$0.50 m
The Association of Chinese Evangelical Ministry Ltd	26.1.2005	32,500 earthquake/tsunami victims	Indonesia - Aceh	\$0.50 m
<b>Total:</b>				<b>\$34.55 m</b>