

# **REPORT ON THE DISASTER RELIEF FUND 2006-07**

## **INTRODUCTION**

This is the fifth annual report on Disaster Relief Fund (the Fund), giving an account of grants made for disaster relief outside Hong Kong in the Financial Years 2005-06 and 2006-07 and also reporting 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 takes 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.

## **MONITORING THE USE OF GRANTS**

7. The grants should only be used for the approved purposes. In view of the volatile situation in the disaster-stricken areas, the following measures are put in place to monitor the use of grants –

- (a) the relief organisation should report to the Committee the critical project milestones, such as the commencement date and the completion date of a project, within one month from the respective scheduled date;
- (b) should there be signs of deviation from the approved targets, inclusive of the schedule, the relief area, the number of victims benefited etc., the relief organisation is required to obtain prior approval from the Committee;
- (c) the evaluation report submitted by the relief organisation should comprise an overall assessment of the programme in terms of the number of victims benefited and the total time used to provide emergency relief to them. Other information such as statement of need, project goal, relief items, timeliness of relief actions, coordination with other relief organisations, monitoring effort and project finance etc. should also be provided as far as practicable and applicable; and

- (d) the evaluation report and audited accounts are reviewed by the Secretariat of the Committee and the Audit Commission during the annual audit of the Fund to ensure that the grant conditions are complied with.

## **GRANTS APPROVED AND RELIEF PROGRAMMES SUPPORTED**

### **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 2007, the Committee received a total of 225 applications for grants from the Fund. Of these, 188 were approved, representing a success rate of 84%. For the remaining 37 applications, 31 were declined and six withdrawn by the relief organisations.

9. In the year 2005-06, ten applications were received, of which nine were approved and one was withdrawn by the relief organisation. In the year 2006-07, 14 applications were received, 12 of them were approved and two were declined.

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

10. The total amount of grants made from the Fund since its establishment in 1993 is \$370.32 million. Calls on the Fund vary from year to year. Depending on the number, scale and nature of the disasters, the annual total amount of grants approved ranged from \$8.15 million in 2001-02 to \$49.33 million in 1995-96.

11. In the year 2005-06, excluding the application withdrawn, the total amount applied for and approved was \$24.45 million and \$18.48 million respectively. In the year 2006-07, excluding the applications declined, the total amount applied for and approved was \$26.39 million and \$19.88 million respectively.

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

12. A total of ten relief agencies and five governments have received

grants from the Fund since its establishment. The five organisations which received the largest amounts of grants are World Vision Hong Kong, Hong Kong Red Cross, Oxfam Hong Kong, Médecins Sans Frontières and the Salvation Army. They have altogether received \$325.50 million from the Fund, representing 88% of the total amount approved.

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

13. Some 53% of the total approved grants were for carrying out relief programmes in the Mainland since the establishment of the Fund.

14. For the year 2005-06, four programmes were carried out in the Mainland (\$9 million in total), four in the rest of Asia, including India and Pakistan (\$7.48 million in total), and one in Ethiopia (\$2 million). In the year 2006-07, four programmes were carried out in the Mainland (\$6.5 million in total), eight in the rest of Asia, including Indonesia and the Philippines (\$13.38 million in total).

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

15. Around 37% and 35% of all programmes approved by the Committee were for the relief of victims of floods and earthquakes/tsunamis respectively.

16. Among the nine programmes approved in 2005-06, five were for the relief of earthquake victims (\$8.48 million in total), three for flood victims (\$8 million in total) and one for drought victims (\$2 million). Of the 12 programmes approved in 2006-07, six were for the relief of earthquake victims (\$10.88 million in total), three for flood victims (\$5 million in total), two for typhoon victims (\$2.5 million in total) and one for drought victims (\$1.5 million).

#### **Government-to-government assistance for the Indonesian earthquake**

17. On 2 June 2006, the Committee set up a special mechanism so as to enable the Hong Kong Government to respond quickly to direct appeals for aid in cash or in kind from the governments of countries affected by the

Indonesian earthquake which took place on 27 May 2006. In this regard, at the request of the Indonesian Government, the Hong Kong Government procured and air-freighted relief supplies, including blankets and tents, to help the needy victims of the disaster in the country. The Indonesian government is required to submit evaluation reports on the use of the grant within six months upon receipt of the grant.

### **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 the past two financial years, all applications were processed within the target time. In 2005-06, the average processing time of the eight applications from relief agencies was 6.6 working days and in 2006-07, the average processing time of the 11 applications was 4.5 working days.

### **REVIEW OF PROJECTS APPROVED IN 2005-06**

19. Relief organisations are required to submit audited accounts and evaluation reports within six months upon completion of the relief projects. For the eight projects carried out by relief agencies and approved in the Financial Year 2005-06 (**Annex C**), the required documents of most programmes had not yet been due when the Report of the Fund was issued in April last year. All relief organisations have now submitted the evaluation papers. The eight projects by relief agencies 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 \$0.26 million (or 1.4 % 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 some 389 500 disaster victims.

- (c) Timeliness of project completion – All relief projects were delivered according to the approved schedules within one to seven months' time except a slippage of two months in two projects due to unexpected complications in the field.

20. As regards the disbursement to Pakistani government for emergency relief of earthquake victims, evaluation report on the use of the grant has confirmed that timely assistance was rendered to help the victims over the calamities that had fallen upon them.

### **REVIEW OF PROJECTS APPROVED IN 2006-07**

21. Of the 11 projects carried out by relief agencies and approved in the Financial Year 2006-07 (**Annex D**), the evaluation reports and audited accounts of four projects have been received by the Secretariat. These programmes have satisfactorily achieved the original proposed target number of beneficiaries in proportion to the grant approved. For the remaining seven projects, the reports are either being examined by the Secretariat or they are 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 2007-08 which will be issued in April 2008.

**Secretariat**  
**Disaster Relief Fund Advisory Committee**  
**20 April 2007**

**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  
政務司司長

) *ex-officio*  
) 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

Dr the Honourable KWOK Ka-ki  
郭家麒議員

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

Mr Irving KOO Yee-yin, SBS, JP  
顧爾言先生，SBS，JP

Secretary for Financial Services and the Treasury  
財經事務及庫務局局長

) *ex-officio*  
) 當然委任

Secretary for Health, Welfare and Food  
衛生福利及食物局局長

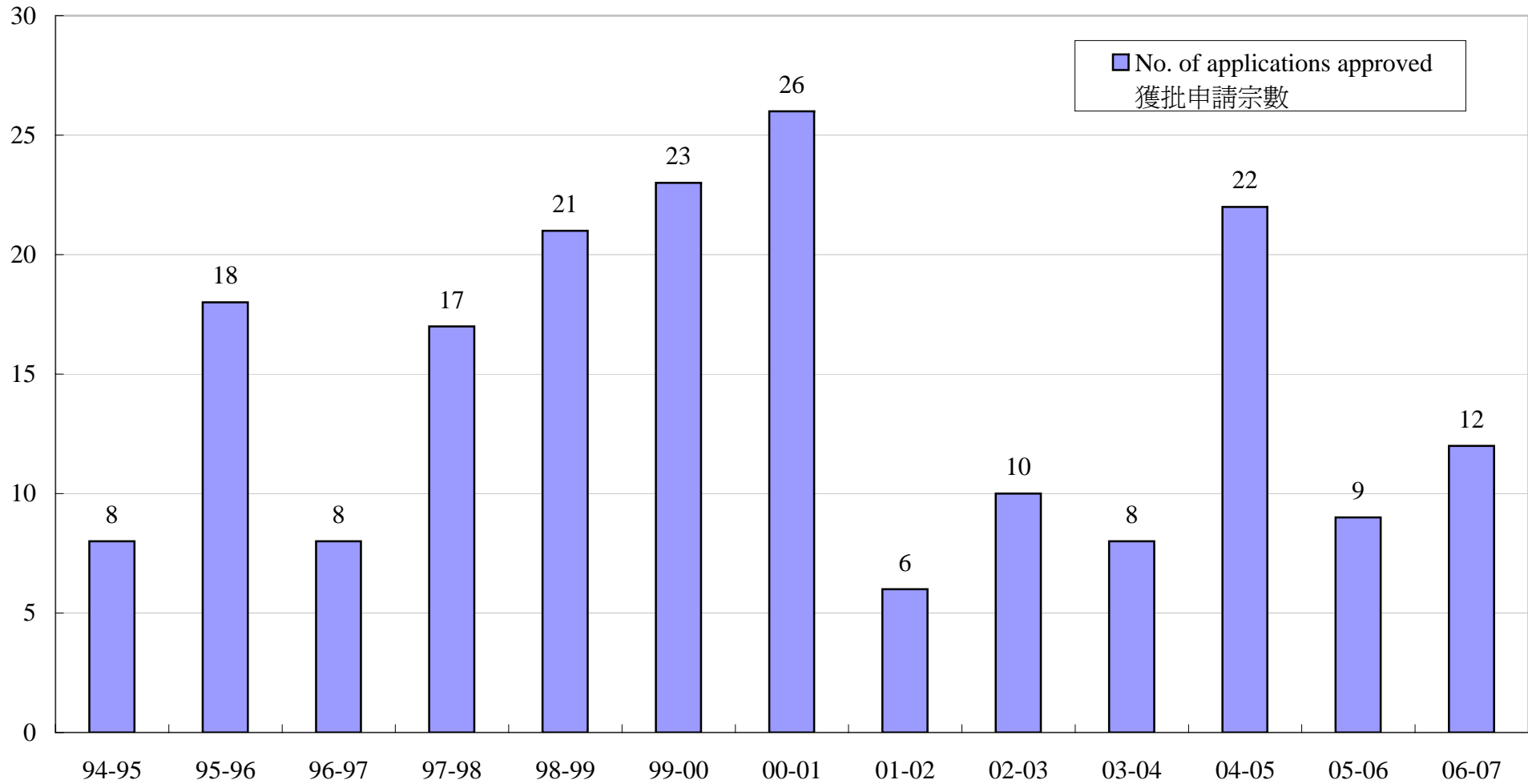
) *ex-officio*  
) 當然委任



**DISASTER RELIEF FUND**  
賑災基金

**Annex B-1**  
附件 B-1

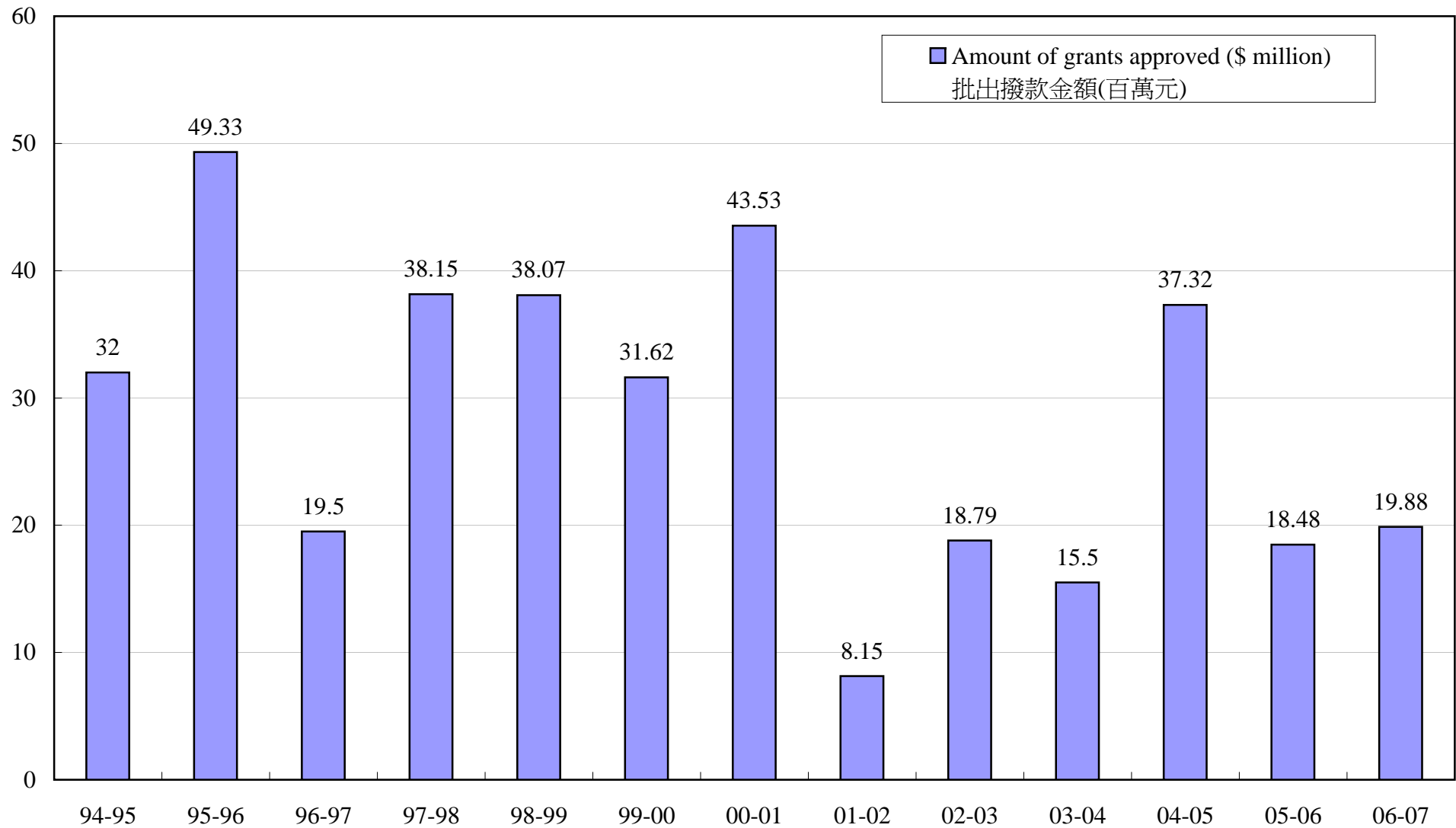
**NUMBER OF APPLICATIONS APPROVED FOR THE YEARS ENDED 31 MARCH 2007**  
截至2007年3月31日獲批申請宗數



**DISASTER RELIEF FUND**  
賑災基金

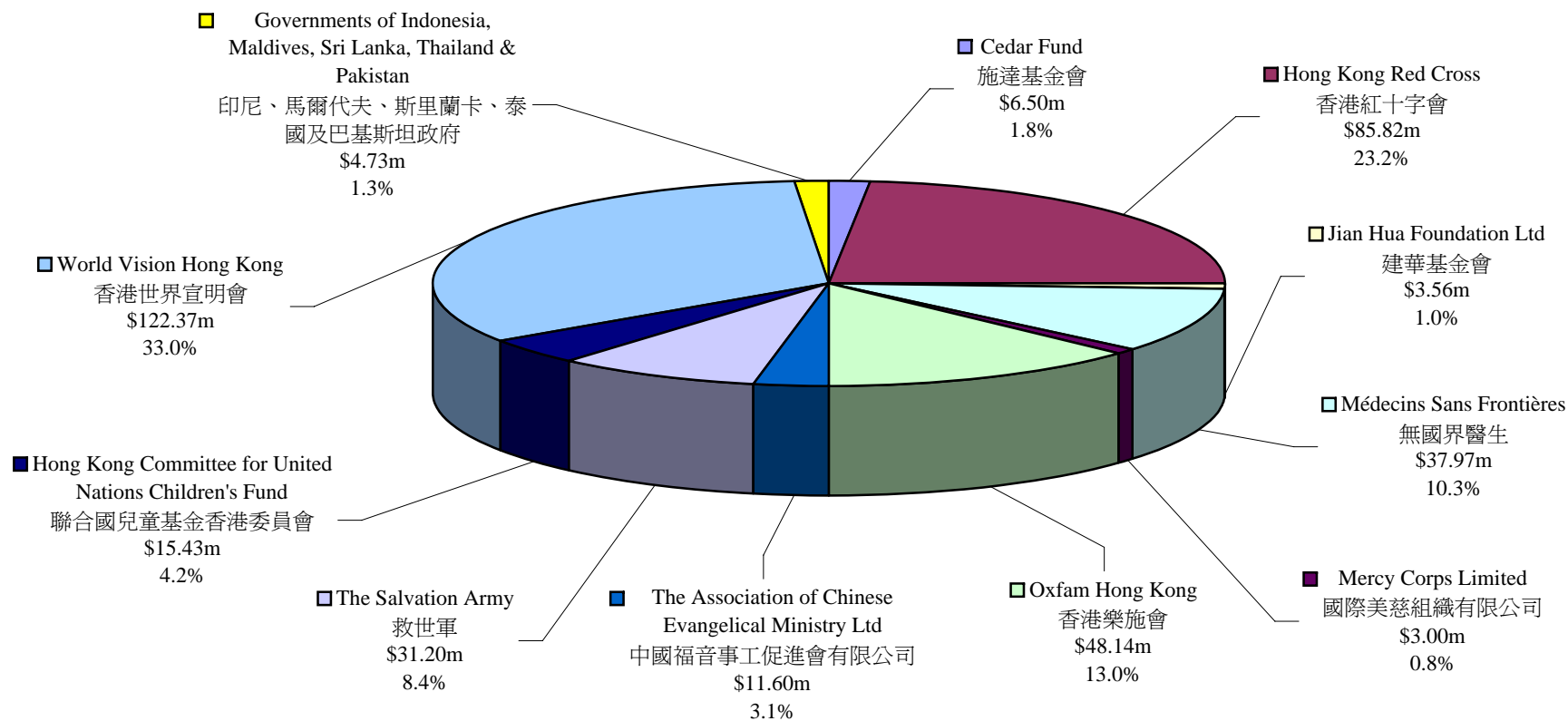
**Annex B-2**  
附件 B-2

**GRANTS APPROVED FOR THE YEARS ENDED 31 MARCH 2007**  
截至2007年3月31日批出的撥款金額



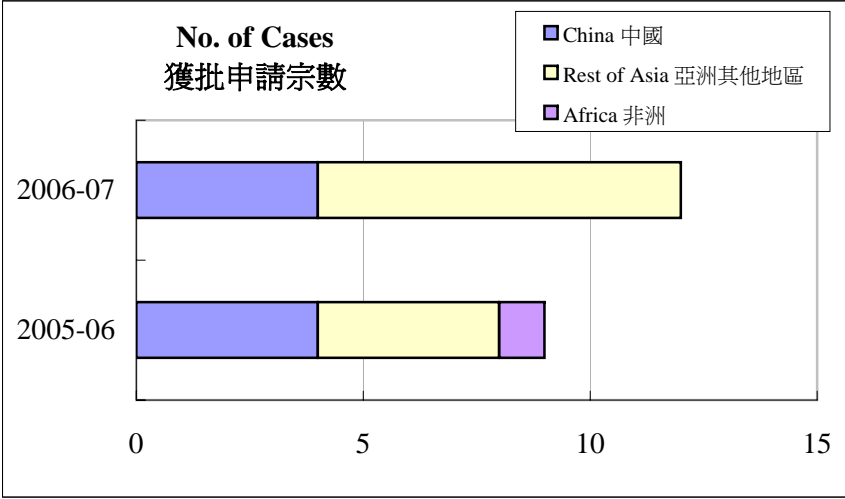
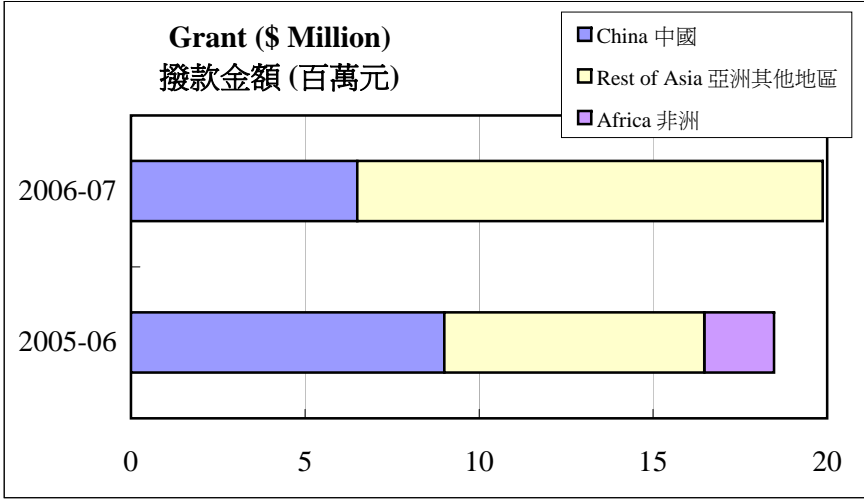
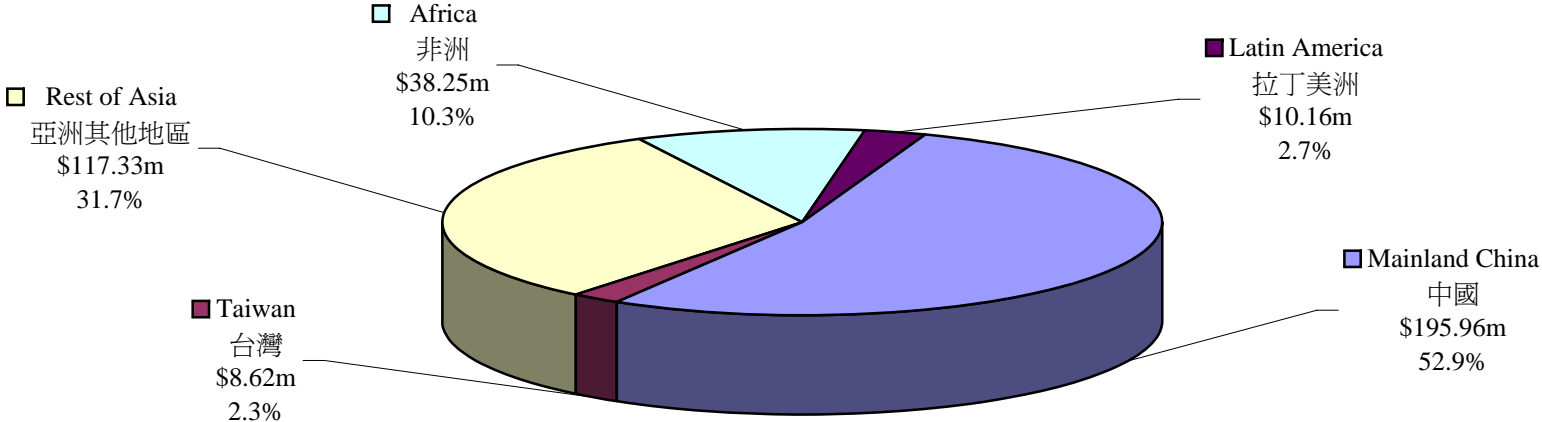
DISASTER RELIEF FUND  
賑災基金

GRANTS APPROVED BY RECIPIENTS (\$ million)  
FOR THE YEARS ENDED 31 MARCH 2007  
截至2007年3月31日按機構／政府劃分的撥款金額 (百萬元)



**DISASTER RELIEF FUND**  
賑災基金

**GRANTS APPROVED BY GEOGRAPHICAL REGIONS (\$ million)**  
**FOR THE YEARS ENDED 31 MARCH 2007**  
截至2007年3月31日按國家／地區劃分的撥款金額(百萬元)

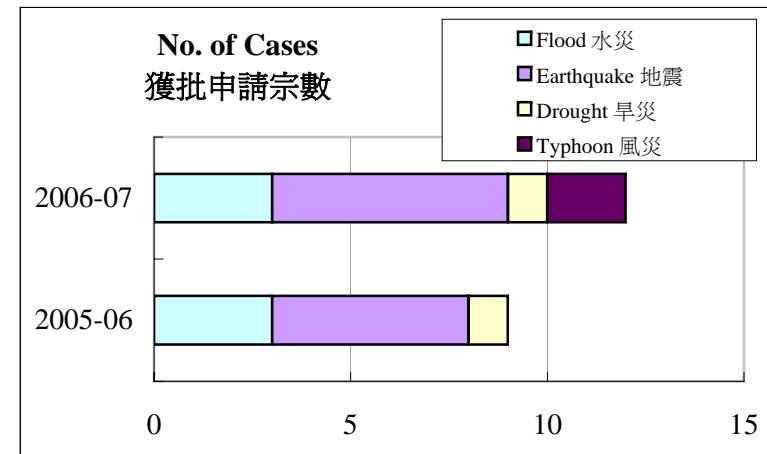
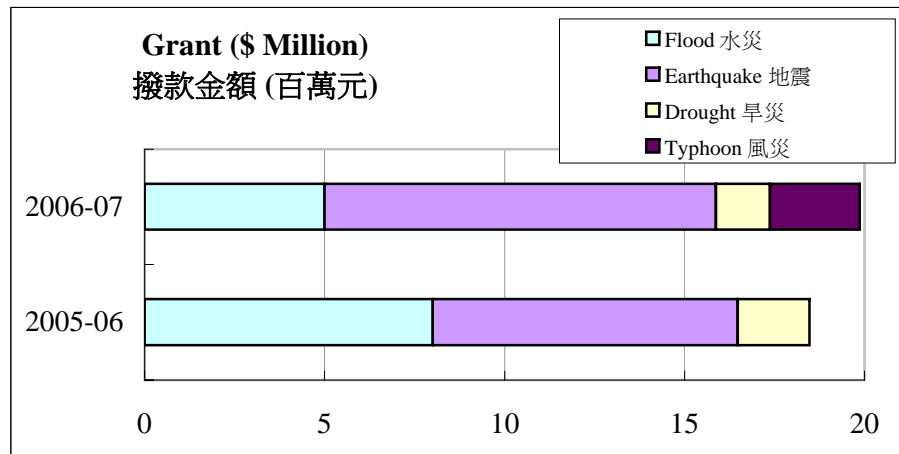
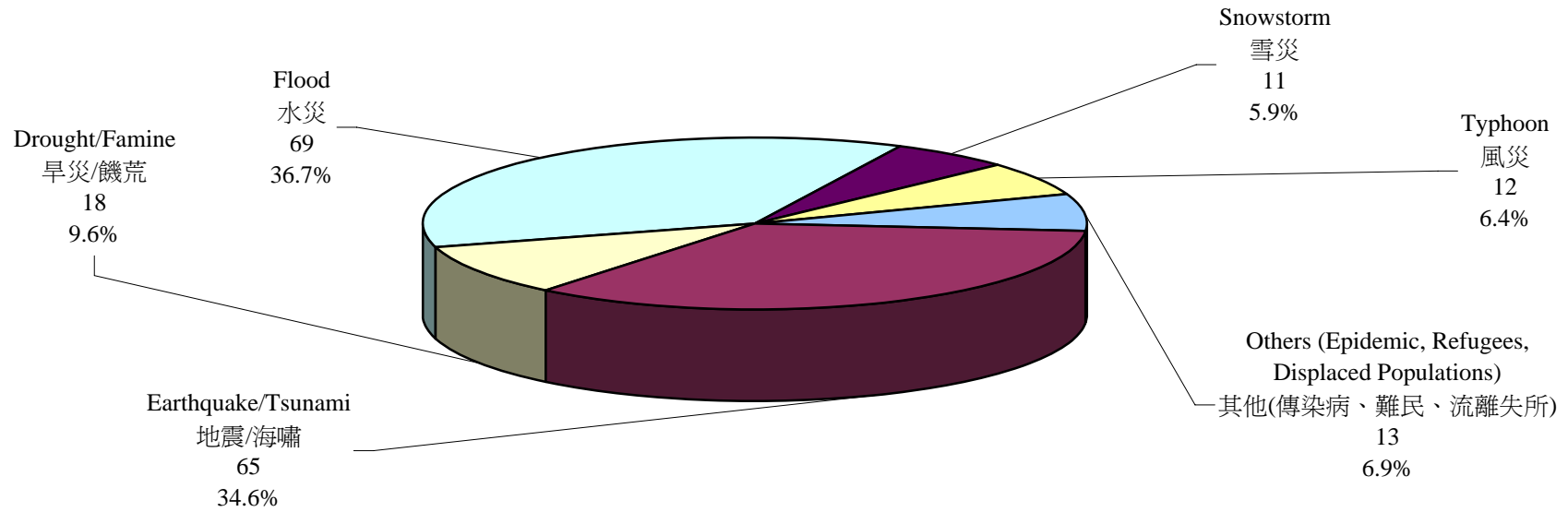


**DISASTER RELIEF FUND**  
賑災基金

Annex B-5  
附件 B-5

**NUMBER OF PROGRAMMES APPROVED BY NATURE OF DISASTER  
FOR THE YEARS ENDED 31 MARCH 2007**

截至2007年3月31日按災禍類別劃分的獲撥款賑災計劃



**DISASTER RELIEF FUND**

**PROJECTS CARRIED OUT BY RELIEF ORGANISATIONS**

**AND APPROVED IN THE YEAR 2005-06**

<b>RELIEF ORGANISATION</b>	<b>DATE OF APPLICATION</b>	<b>BENEFICIARIES (Target Number in the Proposal)</b>	<b>COUNTRY/PROVINCE</b>	<b>GRANT APPROVED</b>
The Association of Chinese Evangelical Ministry Ltd	28 Jun 2005	56 000 flood victims	China - Guizhou and Hunan	\$1 m
World Vision Hong Kong	20 Jul 2005	35 033 flood victims	China - Sichuan	\$2 m
Hong Kong Red Cross	8 Aug 2005	125 470 flood victims	China - Chongqing, Guangxi, Guizhou and Xinjiang	\$5 m
World Vision Hong Kong	18 Oct 2005	57 900 earthquake victims	Pakistan - Mansehra District	\$3.5 m
Mercy Corps Ltd	20 Oct 2005	20 000 earthquake victims	Pakistan - Mansehra District	\$1.5 m
World Vision Hong Kong	3 Nov 2005	13 500 earthquake victims	India - Kashmir (Baramulla and Kupwara Districts)	\$1.5 m
The Association of Chinese Evangelical Ministry Ltd	22 Dec 2005	49 200 earthquake victims	China - Jiangxi Province	\$1 m
World Vision Hong Kong	10 Mar 2006	26 300 drought victims	Ethiopia - Oromiya region (East Shewa and Borena zones)	\$2 m
<b>Total:</b>				<b>\$17.5 m</b>

**DISASTER RELIEF FUND**

**PROJECTS CARRIED OUT BY RELIEF ORGANISATIONS**

**AND APPROVED IN THE YEAR 2006-07**

<b>RELIEF ORGANISATION</b>	<b>DATE OF APPLICATION</b>	<b>BENEFICIARIES (Target Number in the Proposal)</b>	<b>COUNTRY/PROVINCE</b>	<b>GRANT APPROVED</b>
The Salvation Army	3 Jun 2006	17 000 earthquake victims	Indonesia - Bantul and Klaten	\$3.3 m
World Vision Hong Kong	5 Jun 2006	47 600 earthquake victims	Indonesia - Bantul and Klaten	\$2.2 m
Oxfam Hong Kong	5 Jun 2006	50 000 earthquake victims	Indonesia - Gunung Kidul	\$2.4 m
Mercy Corps Ltd	5 Jun 2006	20 000 earthquake victims	Indonesia - Bantul	\$1.5 m
The Association of Chinese Evangelical Ministry Ltd	8 Jun 2006	60 000 earthquake victims	Indonesia - Bantul and Klaten	\$0.5 m
World Vision Hong Kong	3 Jul 2006	47 220 flood victims	China - Guizhou and Jiangxi	\$2 m
The Association of Chinese Evangelical Ministry Ltd	5 Jul 2006	84 000 flood victims	China - Fujian and Hunan	\$1 m
Hong Kong Red Cross	24 Jul 2006	47 544 flood victims	China - Guangxi, Hunan and Jiangxi	\$2 m
World Vision Hong Kong	12 Sep 2006	31 900 drought victims	China - Sichuan	\$1.5 m
World Vision Hong Kong	11 Dec 2006	20 070 typhoon victims	The Philippines - Albay	\$1.5 m
The Association of Chinese Evangelical Ministry Ltd	12 Dec 2006	26 000 typhoon victims	The Philippines - Camarines Sur	\$1 m
<b>Total:</b>				<b>\$18.9 m</b>