

REPORT ON THE DISASTER RELIEF FUND 2009-10

INTRODUCTION

This is the eighth annual report on the Disaster Relief Fund (the Fund), giving an account of grants made for disaster relief outside Hong Kong in the Financial Years 2008-09 and 2009-10 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 (LegCo) 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 LegCo 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. In 2009, the Committee reviewed the guidelines for approval of grants from the Fund. With the aim of setting out more clearly our long established policy of not supporting retroactive funding of emergency relief programmes implemented by relief organisations, the Committee decided to include a statement in the guidelines accordingly. The full set of guidelines currently adopted by the Committee is 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.
Retroactive funding is not supported;
- (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 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/or an audited account to the Government of the Hong Kong Special Administrative Region (HKSARG) as appropriate 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 a 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.

8. For grants made to governments outside Hong Kong Special Administrative Region, only evaluation reports are required from the recipient authorities.

GRANTS APPROVED AND RELIEF PROGRAMMES SUPPORTED

Number of applications approved (Annex B-1)

9. Since the establishment of the Fund to date, i.e. from 1 December 1993 to 31 March 2010, the Committee has received a total of 310 applications for grants from the Fund. Of these, 251 were approved, representing a success rate of 81%. For the remaining 59 applications, 47 were declined and 12 withdrawn by the relief organisations.

10. In the year 2008-09, 24 applications were received; 18 of them were approved; three were declined and three withdrawn by the relief organisations. In the year 2009-10, 27 applications were received; 20 of them were approved; six were declined and one withdrawn by the relief organisations.

Amount of grants approved (Annex B-2)

11. The total amount of grants made from the Fund since its establishment in 1993 is \$1,082.37 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 \$340.80 million in 2008-09.

12. Excluding the applications withdrawn by the applicant or declined by the Committee, in the year 2008-09, the total amount applied for and approved was \$376.23 million and \$340.80 million^{Note} respectively; in the year 2009-10, the amount was \$100.87 million and \$98.91 million respectively.

Distribution of grants by recipients (Annex B-3)

13. A total of eleven relief agencies and six governments (including various Mainland governments and authorities which are treated as one entity) have received grants from the Fund since its establishment. The five non-government organisations which have received the largest amount of grants are Hong Kong Red Cross, Médecins Sans Frontières, Oxfam Hong Kong, The Salvation Army and World Vision Hong Kong. They have altogether received \$450.55 million from the Fund, representing some 42% of the total amount approved.

Distribution of grants by countries / geographical regions (Annex B-4)

14. Since the establishment of the Fund, some 74% of the total approved grants have been for carrying out relief programmes in the Mainland.

15. For the year 2008-09, 12 programmes were carried out in the Mainland (\$327.63 million in total), five programmes in the rest of Asia, including India and Myanmar (\$10.47 million in total) and one in Kenya of Africa (\$2.7 million). In the year 2009-10, six programmes were carried out in the Mainland (\$13.08 million in total), two programmes in Taiwan (\$55 million in total), ten programmes in the rest of Asia, including Bangladesh, India and the Philippines (\$20.83 million in total) and two programmes in Latin America, including Chile and Haiti (\$10 million in total).

^{Note} The figure excludes an approved grant of \$7.5 million to Hong Kong Red Cross for providing relief to earthquake victims in Sichuan and a grant of \$0.63 million to Médecins Sans Frontières for providing relief to cyclone victims in Myanmar. It is because both organisations withdrew their applications after grants had been approved by the Committee.

Nature of the relief programmes approved (Annex B-5)

16. Around 33.9% and 33.5% of all programmes approved by the Committee were for the relief of victims of floods and earthquakes/tsunamis respectively.

17. Among the 18 programmes approved in 2008-09, 11 were for relief of earthquake victims (\$326.34 million), three for flood victims (\$4.91 million), two for typhoon victims (\$5.56 million), one for snowstorm victims (\$1.29 million) and one for famine victims (\$2.7 million). Of the 20 programmes approved in 2009-10, 10 were for relief of typhoon victims (\$70.42 million), five for earthquake victims (\$17.5 million), three for flood victims (\$7.09 million), one for snowstorm victims (\$2.5 million) and one for drought victims (\$1.4 million).

Assistance for Taiwan

18. In August 2009, Taiwan was struck by Typhoon Morakot. The typhoon brought about exceptionally heavy rainfall which led to the worst flooding in 50 years in southern Taiwan. The HKSARG was in close contact with the Chung Hwa Travel Service (CHTS) to understand the situation and seek advice on how the HKSARG could help and contribute towards the disaster relief work. The CHTS advised that aid from the HKSARG should best be channeled towards the typhoon victims through the Taiwanese authorities. The Committee approved a donation of \$50 million to the Taiwanese authorities through CHTS to enable them to provide emergency relief and related rehabilitation work. In addition, the Committee also approved a grant of \$5 million for World Vision Hong Kong to carry out a relief programme for typhoon victims in Taiwan.

Processing time

19. 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. Excluding those applications withdrawn, in 2008-09, the average processing time of the 21 applications processed was 3.62 working days and in 2009-10, the average processing time of the 26 applications processed was 4.77 working days. With a view to improving service delivery, the target application processing time will be shortened from 14 working days to 12 working days, counting from the date of receipt of full information to the date of notification of result, with effect from 1 April 2010.

REVIEW OF PROJECTS APPROVED IN 2008-09

20. Relief organisations are required to submit audited accounts and evaluation reports within six months upon completion of the relief projects. For the 14 projects carried out by relief agencies and approved in the Financial Year 2008-09 (**Annex C**), the required documents of most programmes had not yet been due when the Report of the Fund was issued in May last year. The evaluation papers of all these programmes have now been submitted. The 14 projects by relief agencies, except for two, 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 programmes as approved and that prior approval from the Committee was obtained for any change in the use of grants. Not more than 5% of an individual grant was used to cover overheads or other administrative costs. Seven relief programmes recorded a total of unexpended balance of about \$2.95 million which was refunded to the Fund.
- (b) Number of beneficiaries – all relief programmes have achieved the original proposed target number of beneficiaries in proportion to the grant approved. The 14 programmes in aggregate provided immediate emergency relief to some 430 000 disaster victims.
- (c) Timeliness of project completion – all relief projects were delivered according to the approved schedules of one to three months' time.

21. The exceptional cases were two relief programmes which under-achieved the target number of beneficiaries by 74% and 37%

respectively. For the first case, the relief organisation cancelled part of the programme and refunded the relevant portion of grant because its local partner failed to comply with one of the grant conditions for not incurring expenditure until the grant had been approved. For the second case, the discrepancy was caused by the fact that the concerned relief organisation distributed the same number of tents to the victims but each tent was shared by fewer people as compared to the original proposal. According to the concerned organisation, this was inevitable as those victims under relief on the ground had already received certain supply of aid from different sources during implementation of the programme.

22. As regards the disbursement to Disaster Relief Headquarters of the Central People's Government, Relief Command of Yingxiu Town, Wenchuan County and Hong Kong and Macao Affairs Office, Sichuan Provincial People's Government for the emergency relief of victims of the Sichuan earthquake, the evaluation reports on the use of the grants have confirmed that timely assistance was rendered to help the victims. In total, these programmes recorded an unspent balance of about \$0.36 million which was refunded to the Fund.

23. In response to the request from members of the Finance Committee of the LegCo in approving supplementary provision for the Fund to provide emergency relief to the snowstorm and earthquake victims in the Mainland, reports were provided on the use of grants by the Mainland authorities and relief organisations. These reports are now posted on the website of LegCo. To facilitate access by the general public, hyperlinks to these reports have been included in the theme page of the Disaster Relief Fund under the Administration Wing's website.

REVIEW OF PROJECTS APPROVED IN 2009-10

24. Of the 19 projects carried out by relief agencies and approved in the Financial Year 2009-10 (**Annex D**), the evaluation reports and audited accounts of eight projects were accepted by the Secretariat. All of these programmes satisfactorily achieved the original proposed target number of beneficiaries in proportion to the grant approved. For the other 11 projects,

the reports are either being examined by the Secretariat or are due later in the year. The Secretariat will monitor their submission and examine the 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 2010-11.

Secretariat
Disaster Relief Fund Advisory Committee
11 June 2010

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

Annex A
附件 A

(with effect from 27 March 2009)
(由二零零九年三月二十七日起生效)

Chairman

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

Members

Prof the Hon Anthony CHEUNG Bing-leung, GBS, JP
張炳良議員，GBS，JP

The Hon V Nee YEH, JP
葉維義議員，JP

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

The Hon WONG Sing-chi
黃成智議員

Mr Victor LO Chung-wing, GBS, JP
羅仲榮先生，GBS，JP

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

Mrs Alice CHONG YUK Tak-fun, JP
張郁德芬女士，JP

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

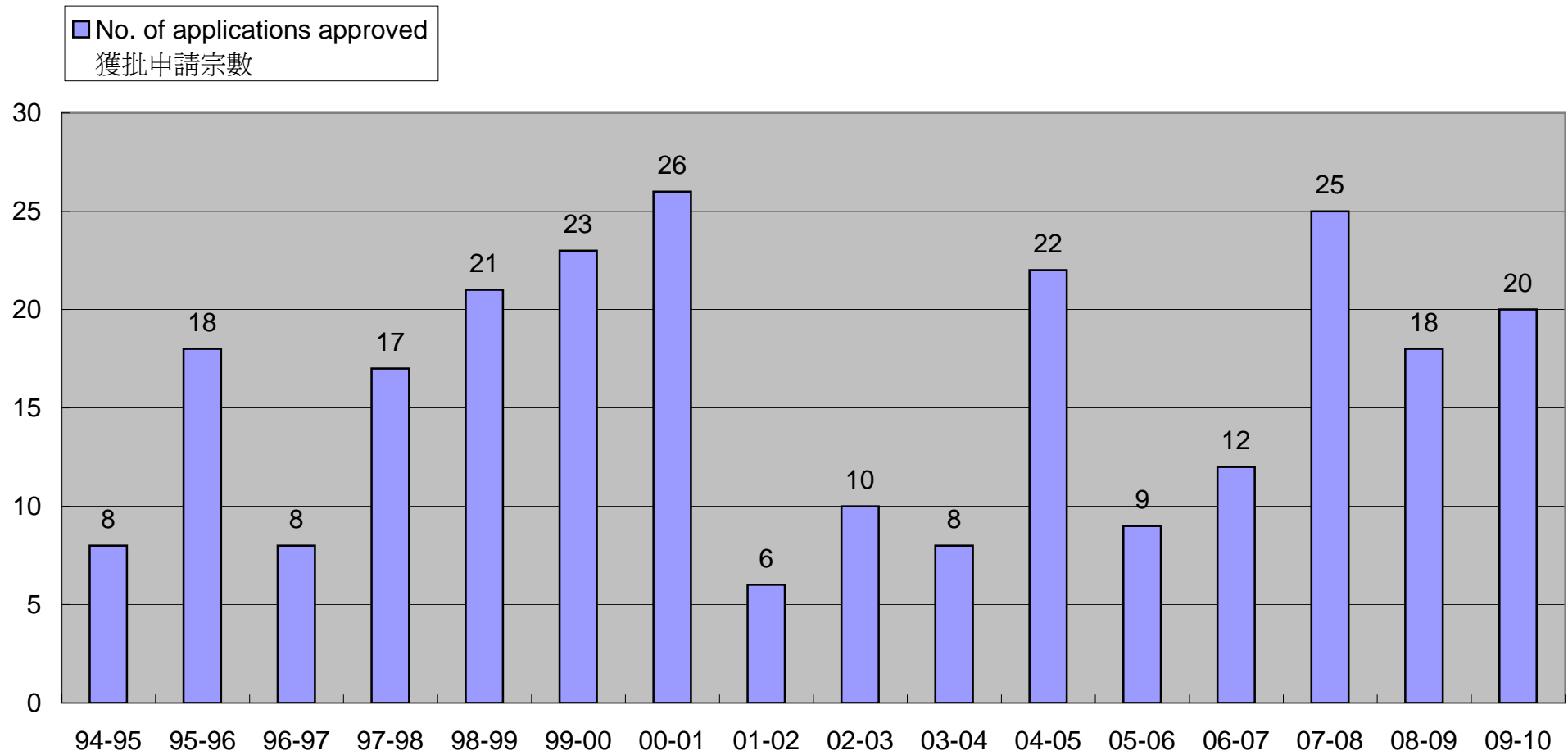
Secretary for Labour and Welfare) *ex-officio*
勞工及福利局局長) 當然委任

Secretary

Principal Executive Officer (Administration)
首席行政主任(行政)

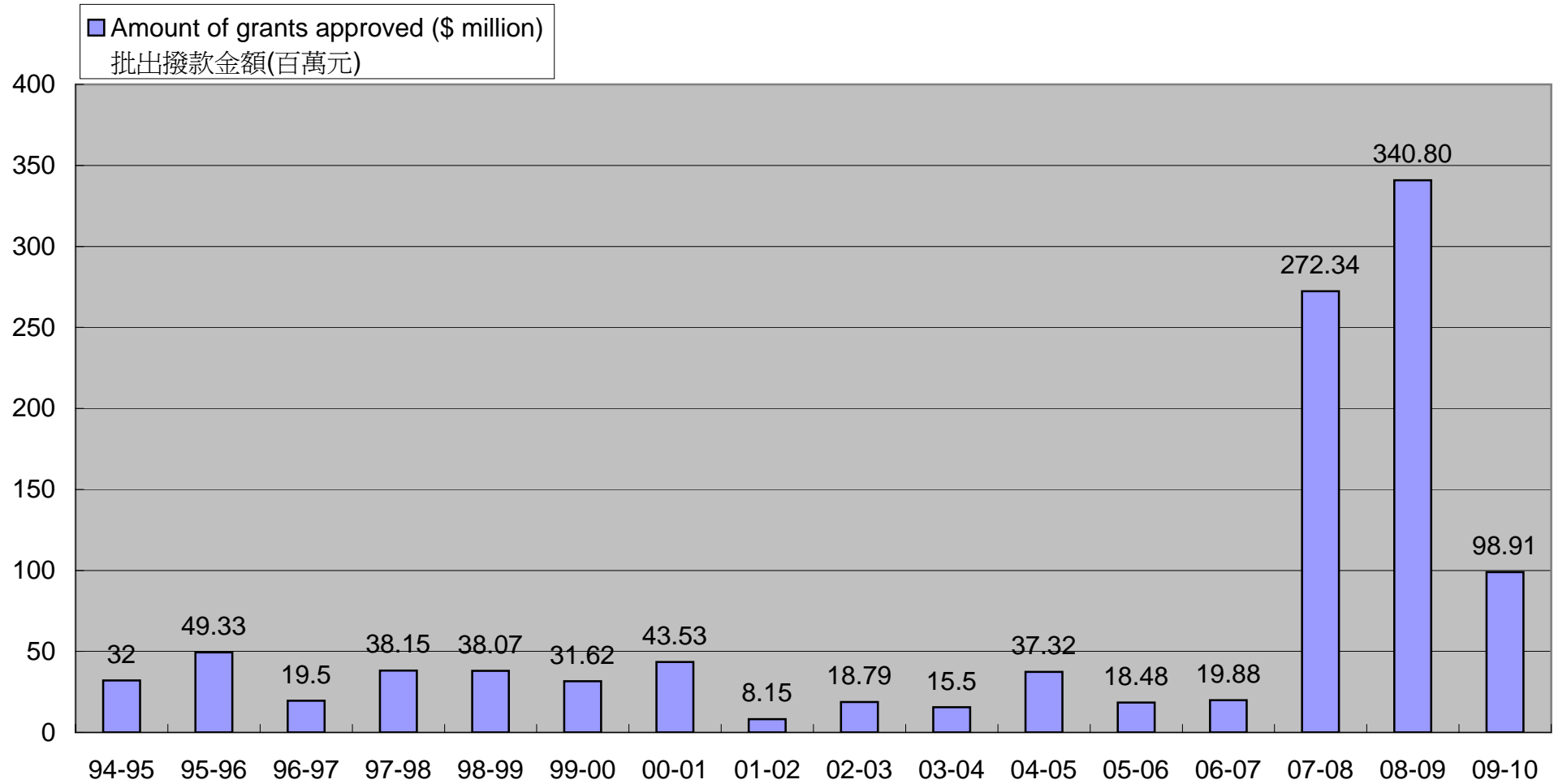
DISASTER RELIEF FUND
賑災基金
NUMBER OF APPLICATIONS APPROVED FOR THE YEARS ENDED 31 MARCH 2010
截至2010年3月31日獲批申請宗數

Annex B-1
附件 B-1



DISASTER RELIEF FUND
賑災基金
GRANTS APPROVED FOR THE YEARS ENDED 31 MARCH 2010
截至2010年3月31日批出的撥款金額

Annex B-2
附件 B-2



DISASTER RELIEF FUND

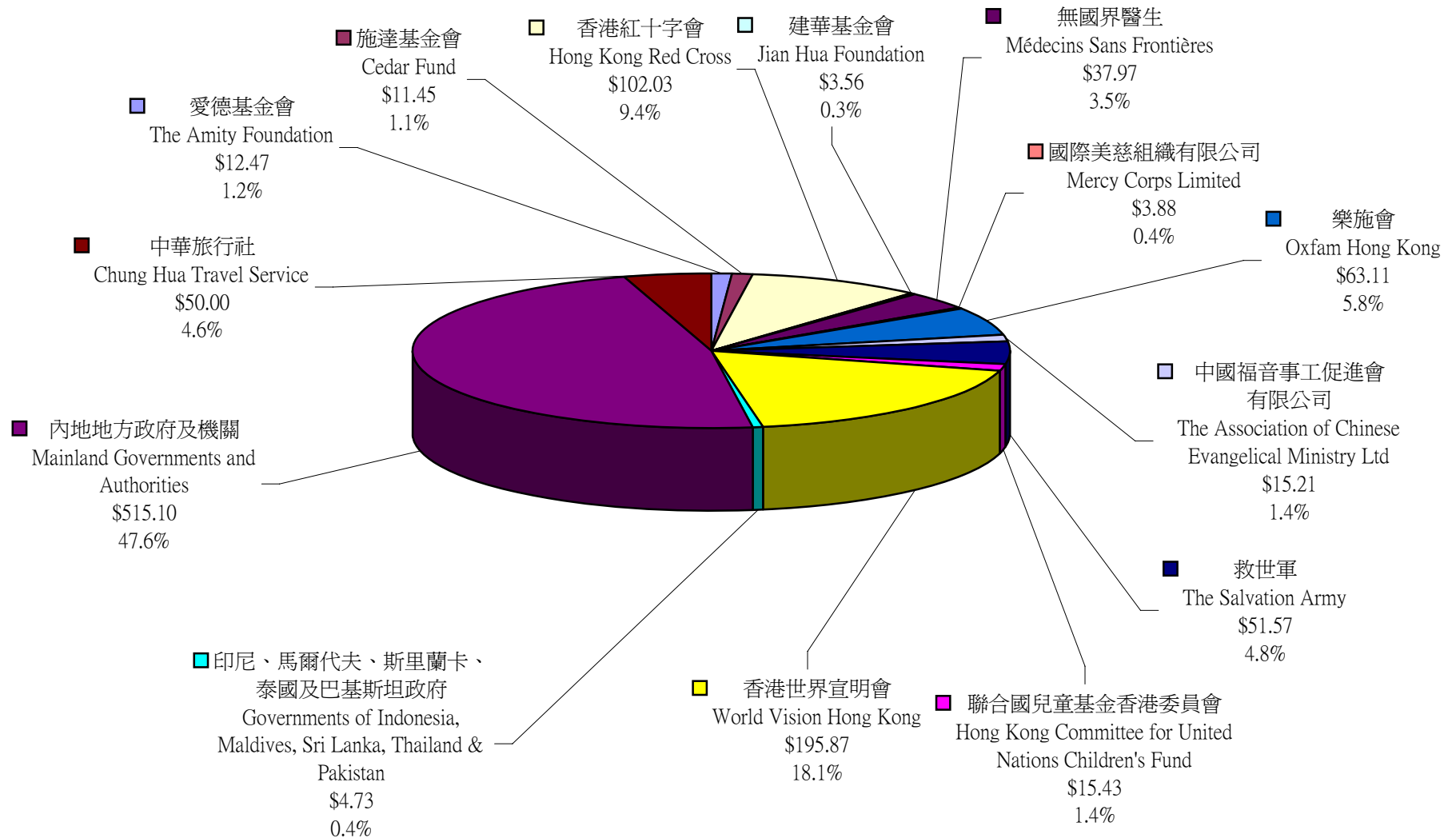
賑災基金

Annex B-3

附件 B-3

DISTRIBUTION OF GRANTS BY RECIPIENTS (\$ million) FOR THE YEARS ENDED 31 MARCH 2010

截至2010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

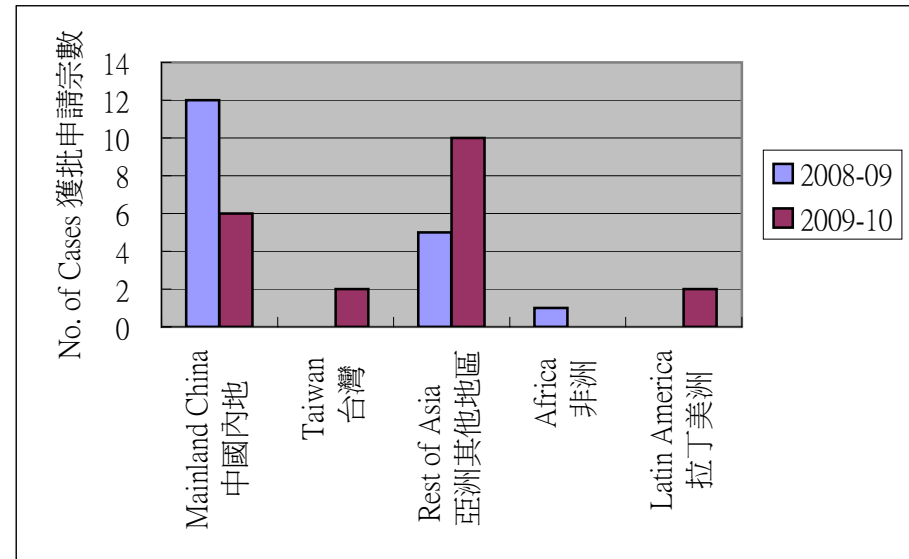
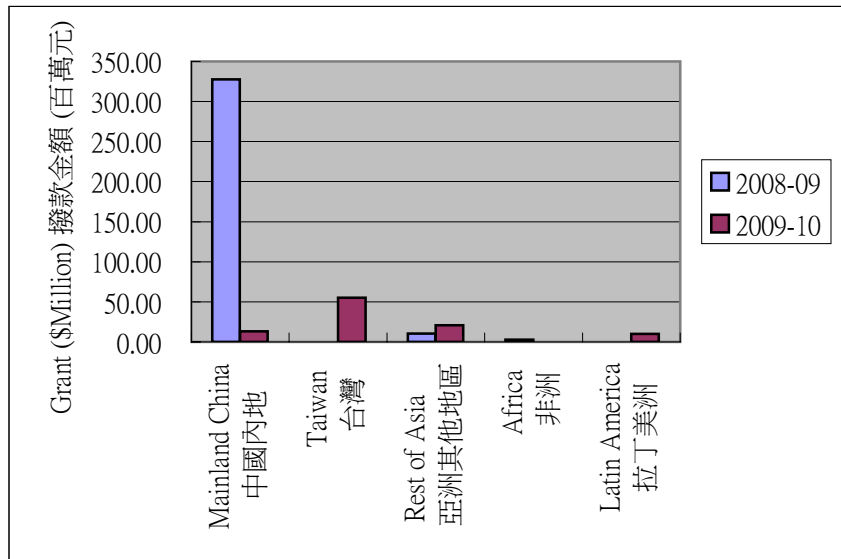
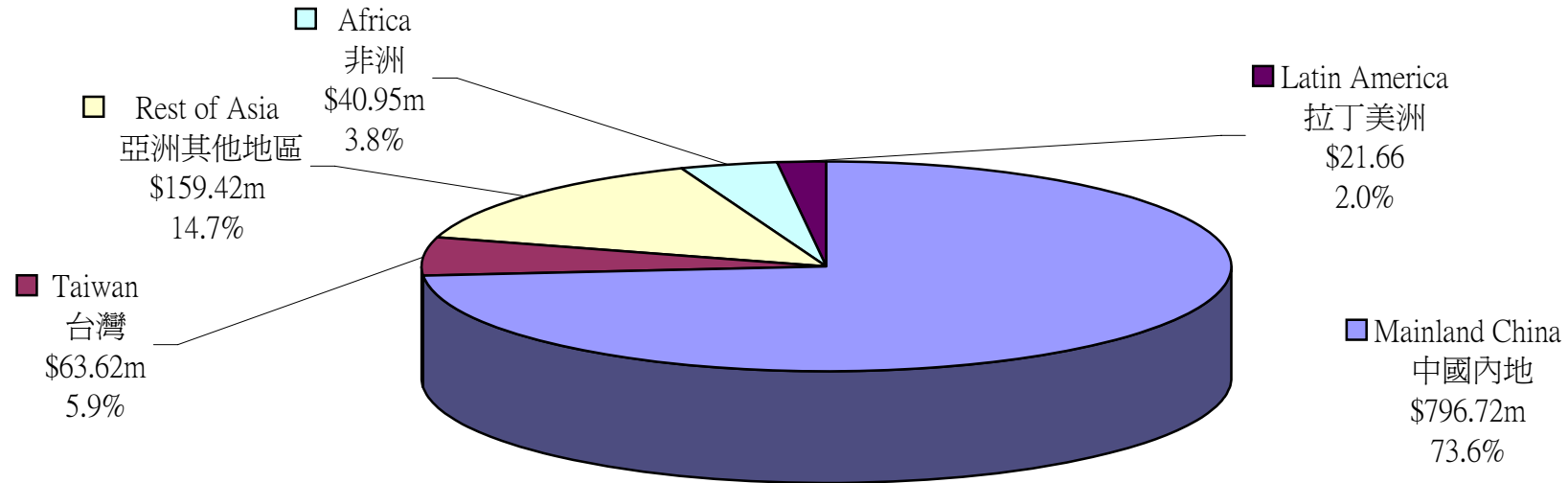
DISTRIBUTION OF GRANTS BY GEOGRAPHICAL REGIONS (\$million)

FOR THE YEARS ENDED 31 MARCH 2010

截至2010年3月31日按國家／地區劃分的撥款金額(百萬元)

Annex B-4

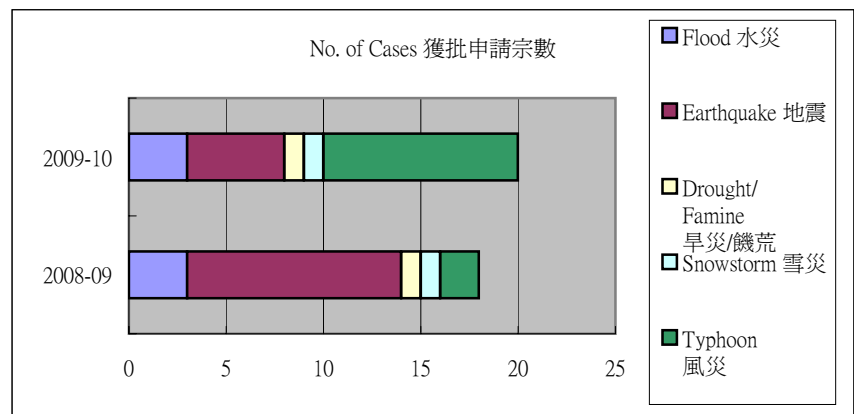
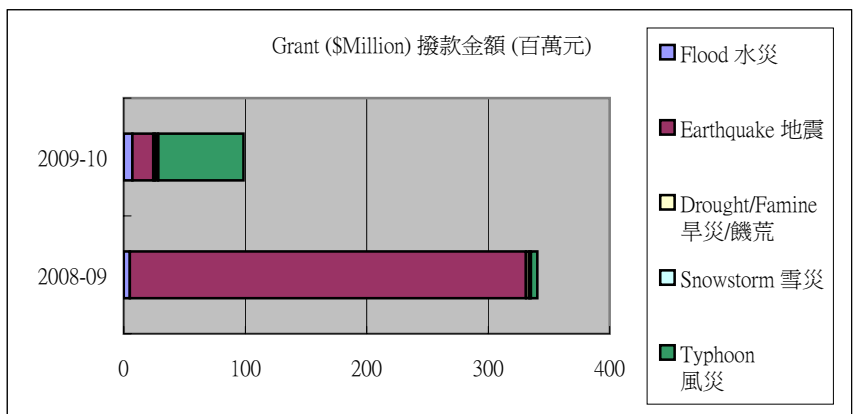
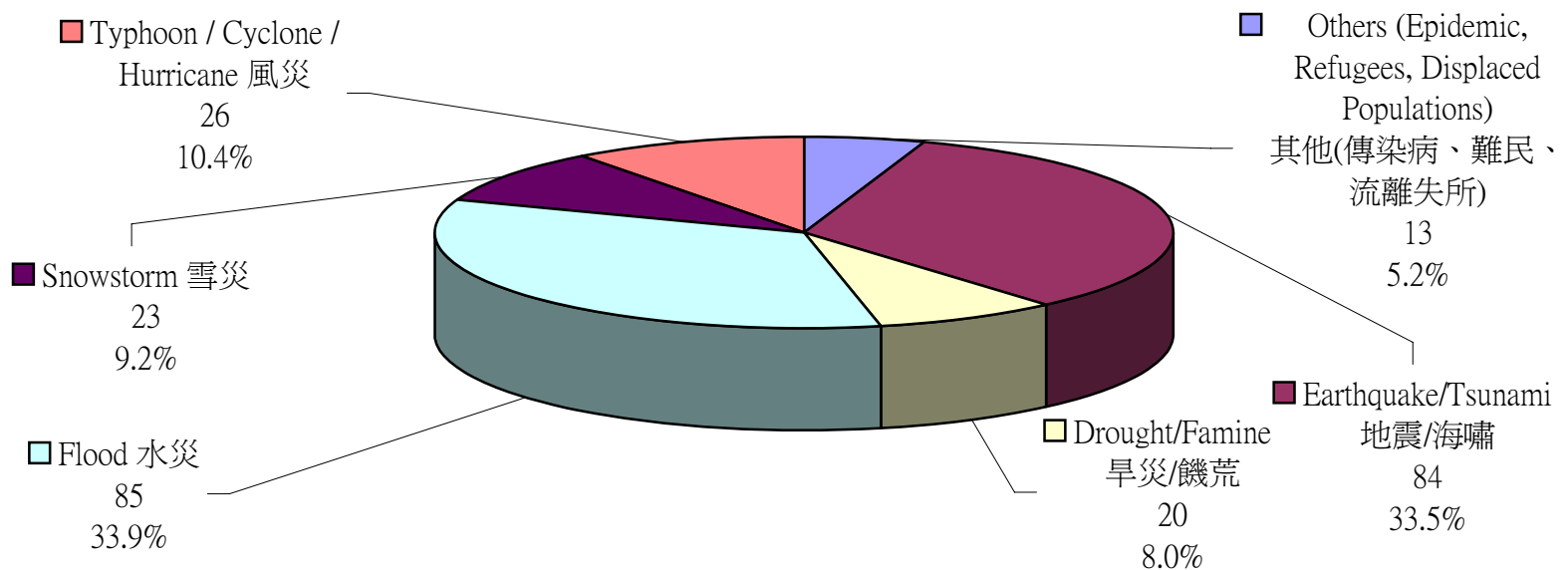
附件 B-4



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 2010
截至2010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 2008-09**

RELIEF ORGANISATION	DATE OF APPROVAL	TARGET NUMBER OF BENEFICIARIES	COUNTRY/PROVINCE	GRANT APPROVED (\$m)
The Amity Foundation	1 Apr 2008	18 000 snowstorm victims	China - Guangxi and Yunnan	1.29
The Amity Foundation	15 May 2008	60 000 earthquake victims	China - Sichuan	3.5
World Vision Hong Kong	20 May 2008	59 942 earthquake victims	China - Sichuan	5
World Vision Hong Kong	27 May 2008	62 102 earthquake victims	China - Gansu, Shaanxi and Sichuan	7
World Vision Hong Kong	30 May 2008	30 000 cyclone victims	Myanmar	5
Cedar Fund	11 Jun 2008	8 000 earthquake victims	China - Gansu	0.74
Oxfam Hong Kong	11 Jun 2008	20 000 earthquake victims	China - Gansu, Shaanxi and Sichuan	3.51
Cedar Fund	11 Jun 2008	5 000 cyclone victims	Myanmar	0.56
The Association of Chinese Evangelical Ministry Limited	3 Jul 2008	22 000 earthquake victims	China - Sichuan	0.7
The Association of Chinese Evangelical Ministry Limited	13 Aug 2008	32 000 earthquake victims	China - Sichuan	0.79
World Vision Hong Kong	12 Sep 2008	25 000 flood victims	India	2
Cedar Fund	30 Sep 2008	12 500 flood victims	India	0.787
Oxfam Hong Kong	30 Sep 2008	47 500 flood victims	India	2.126
World Vision Hong Kong	18 Mar 2009	7 854 victims of food crisis	Kenya	2.7
Total:				35.70

DISASTER RELIEF FUND
PROJECTS CARRIED OUT BY RELIEF ORGANISATIONS
AND APPROVED IN THE YEAR 2009-10

RELIEF ORGANISATION	DATE OF APPROVAL	TARGET NUMBER OF BENEFICIARIES	COUNTRY/PROVINCE	GRANT APPROVED (\$m)
Oxfam Hong Kong	24 Jun 2009	20 000 typhoon victims	Bangladesh	1
Oxfam Hong Kong	24 Jun 2009	40 000 typhoon victims	India	1.3
World Vision Hong Kong	24 Jun 2009	42 000 typhoon victims	Bangladesh	1.5
World Vision Hong Kong	24 Jun 2009	14 600 typhoon victims	India	1.5
The Association of Chinese Evangelical Ministry Limited	21 Jul 2009	34 000 flood victims	China - Hunan	0.92
The Amity Foundation	21 Jul 2009	28 000 flood victims	China - Guangxi, Guizhou and Hunan	3.67
The Amity Foundation	21 Jul 2009	16 000 earthquake victims	China - Yunnan	2.09
World Vision Hong Kong	21 Jul 2009	40 753 flood victims	China - Guangxi and Jiangxi	2.5
World Vision Hong Kong	28 Aug 2009	4 185 typhoon victims	Taiwan	5
The Salvation Army	6 Oct 2009	28 200 typhoon victims	The Philippines	4.8
World Vision Hong Kong	6 Oct 2009	16 800 typhoon victims	The Philippines	2
World Vision Hong Kong	12 Oct 2009	90 000 earthquake victims	Indonesia	4
The Amity Foundation	30 Oct 2009	11 000 typhoon victims	The Philippines	0.52
Oxfam Hong Kong	30 Oct 2009	58 122 typhoon victims	The Philippines	2.8
Cedar Fund	4 Nov 2009	21 410 earthquake victims	Indonesia	1.41
World Vision Hong Kong	29 Jan 2010	50 000 earthquake victims	Haiti	8
World Vision Hong Kong	9 Feb 2010	23 007 snowstorm victims	China - Xinjiang	2.5
World Vision Hong Kong	19 Mar 2010	10 800 earthquake victims	Chile	2
The Amity Foundation	25 Mar 2010	17 026 drought victims	China - Guangxi and Yunnan	1.4
<i>Total :</i>				48.91