

For Information on
9 January 2012

Legislative Council Panel on Welfare Services

Development of Social Enterprises

Purpose

This paper briefs members on the Administration's efforts in promoting the development of social enterprises (SEs).

The Government's objectives

2. The Government's objectives in promoting the development of SEs are to enable the socially disadvantaged to be self-reliant through employment, and to meet the needs of different community groups with entrepreneurial thinking and innovative approaches, with a view to cultivating a caring culture as well as promoting social cohesion and mutual help.

New Initiatives for Promoting the Sustainable Growth of SEs

3. In the 2010-11 Policy Address, the Chief Executive announced four new initiatives, viz the SE Award Scheme (the Award Scheme), "Be a Friend to SE" Campaign (the Campaign), SE Bazaar (formerly known as "SE Fair") and SE Training Programme for promoting the sustainable growth and development of SEs. The Home Affairs Bureau (HAB) and the Social Enterprise Advisory Committee (SEAC) jointly rolled out the abovementioned new measures in the second half of 2011 and the work progress is set out in the ensuing paragraphs.

The SE Award Scheme

4. The Award Scheme was launched in August 2011 to give recognition to outstanding SEs which operate and create social impact in Hong Kong. Under the Award Scheme, the selection panel comprising representatives from non-governmental organisations (NGOs), business and academic sectors as well as Government departments paid site visits to and conducted interviews with shortlisted SEs. Assessment was made based on the social impact, business performance, financial situation, innovation, presentation at the interviews as well as the physical environment of the SEs. In early November 2011, the eight SEs set out in **Annex A** were selected as the "Outstanding SEs 2011". A series of publicity was launched from November to December 2011 on the success

stories of the awardees in order to enable the public to better understand and support SE development. The Award Scheme has also provided a platform for SEs to share their best practices.

“Be a Friend to SE” Campaign

5. The Campaign was launched in August 2011 to give recognition to organisations or individuals which/who have provided support to SEs in order to enhance public awareness of SEs and to solicit more public support to the SE sector. Under the Campaign, shortlisted candidates were interviewed by the selection panel comprising representatives experienced in the field of corporate social responsibility and human resources management, as well as a representative of the Government. Assessment was made based on the nature and innovation of the support provided to SEs, the demonstration effect of the partnership as well as benefits to the SE partners, etc. The three candidates at **Annex B** were awarded the “Outstanding Friends of SEs 2011” and the results were announced in early November 2011. To promote collaboration among different sectors of the community, heightened publicity was launched from November to December 2011 on the partnership between the Outstanding Friends of SE and the SEs concerned.

SE Bazaar

6. The SE Bazaar was held from 25 to 27 November 2011 at the Hong Kong Convention and Exhibition Centre to enhance public awareness of SEs and promote caring consumption. We also hope that through the SE Bazaar, SE practitioners could gain insight from the mission and experience of the other exhibiting SEs, and establish trade network with the business sector. The SE Bazaar opening cum award presentation ceremony for the Award Scheme and Campaign was held on 25 November 2011.

7. The SE Bazaar provided a platform for over 60 SEs of different trades to promote their products and services. The scope of the exhibits included fashion, crafts, food and beverages, daily commodities and support services, etc. There were also stage performances and interactive workshops by NGOs during the three-day Bazaar. Guided tours were arranged for students at the requests of three schools with a view to promoting the concept of SEs and caring consumption among youngsters. Other programmes targeted at the youth, including a writing competition and a video production competition on SEs were also organised in collaboration with the Hong Kong General Chamber of Social Enterprises to further enhance the publicity effect.

8. An average daily visitor flow of over 1 200 was achieved during the SE Bazaar. According to feedback collected from exhibitors, over 50% of them considered that the SE Bazaar could effectively promote the concept of SEs and the social value of SEs to the general public, and around 60% of them were of the

view that the SE Bazaar could help promote their products or services and enhance exchange of experience among the SE sector.

SE Training Programme

9. We have commissioned professional bodies to launch a series of structured training programme to nurture more social entrepreneurs. Two levels of courses, namely the management and practical levels, have been rolled out in December and October 2011 respectively. 75 trainees would be trained under the two levels of courses.

10. The training course at the management level is targeted at entrepreneurs with relevant experiences in SE businesses or individuals who plan to start SE businesses. It aims to better equip existing or potential social entrepreneurs. Course content covers important concepts on SEs and business skills at the managerial level, such as appreciation of social mission and values, what social impact is and how to achieve it, identification of social business opportunities, effective use of social capital and strategic partnership etc.

11. The training course at the practical level aims to better equip SE practitioners who are in charge of the daily operation of an SE. It covers basic concepts on SEs and practical skills on business operation, including appreciation of social missions and values, cashflow management, procurement and staff management etc.

Ongoing Efforts to Promote the Development of SEs

Social Enterprise Advisory Committee

12. The SEAC was set up in January 2010 to advise the Government on the formulation of policies and strategies for supporting the sustainable development of SEs and on programmes or activities that promote the development of SEs in Hong Kong. Members of the SEAC include SE practitioners and members from the business and academic sectors, as well as representatives of relevant Government bureaux, representing a well mix of stakeholders who are keen in developing SEs in Hong Kong. It has offered valuable advice to the Government on various aspects on SE development, including the implementation details of the four new initiatives set out in paragraph 3 to 11 above, as well as the major challenges for promoting the sustainable development of SE.

Enhance public understanding

13. In early November 2011, the Home Affairs Department (HAD) has launched a new Announcement in the Public Interest on TV and radio to promote

caring consumption at SEs. HAD has also recently produced a video to promote the Enhancing Self-Reliance Through District Partnership Programme (ESR Programme) and to encourage wider patronage of goods and services provided by SEs. HAD has also put up new posters at Government premises, including venues under HAD and the Leisure and Cultural Services Department such as community halls and public libraries to publicize caring consumption.

14. HAD also arranges for SEs to showcase their products and services on different occasions, including the Tsim Sha Tsui Waterfront Carnival SE Market Fair, East Asia Game Fireworks Display, North District SE Market Fair, the Hong Kong Trade Development Council Food Expo Hong Kong, Food Carnival and Hong Kong Brands and Products Expo etc. HAD continues to arrange press interviews with SEs to publicize their businesses and promote their products and services.

15. The Government convened for the first time an SE Summit in 2007, inviting all relevant stakeholders to participate. Drawing from the successful experience in 2007, a community organisation continued to organise the SE Summit annually since 2008. HAD has been strongly supporting and sponsoring the SE Summit which mainly consists of symposium, workshops and visits etc., and the SE Summit has become one of the major platforms bringing together inspiration and ideas for social entrepreneurship. HAD has become the co-organiser and sponsor of the SE Summit since 2010, and the SE Summit was held concurrently with the SE Bazaar in November 2011 to achieve synergy and maximize the publicity effect. The number of participants of the symposium has increased from around 300 in 2008 to around 1 200 in 2011, among which approximately 10% of them are from overseas.

Promote cross-sector collaboration

16. HAD has launched the Social Enterprises Partnership Programme in 2008, which provides a platform to enhance and facilitate partnership among SE and different sectors of the community through a matching forum and the Social Enterprises Mentorship Scheme. Thus far, about 30 new SE projects involving cross-sector collaboration have been launched through the matching forum. Around 30 mentor/mentee partnerships among SE operators and business/professional volunteers have been formed through the Social Enterprises Mentorship Scheme.

Strengthen support for SEs

17. The ESR Programme launched by HAD in 2006 aims at providing seed grants to eligible non-profit-making organisations to establish SEs. Since its implementation, the ESR Programme has approved a total grant of \$125 million to some 120 new SE projects, creating more than 2 000 job opportunities. Starting from 2011, the ESR Programme accepts, on a trial basis, applications

from non-profit-making organisations not registered under section 88 of the Inland Revenue Ordinance (Cap. 112). So far, two applications from these organisations have been approved and five applications are being processed.

18. Like any other commercial enterprises, the SEs under the ESR Programme need to be sustainable and self-financing ventures through revenue generated mainly from the provision of services or products. As SEs have to compete in the market, they have to adapt to market changes and a difficult operating environment. They may succeed or be driven out of the market. According to the latest progress reports submitted by the SEs under the ESR Programme, around 75% of the approved projects have been able to achieve or even exceed their targets in respect of business turnover or profit and loss. As at early December 2011, the funding period in respect of 85 SEs under the ESR Programme had expired.

19. To enhance the sustainability of the SEs under the ESR Programme, HAD conducts from time to time workshops for SE operators and business professionals to share experience on the operation of enterprises. Apart from monitoring the performance of SEs under the ESR Programme through regular progress reports and site visits, the ESR Advisory Committee also meets with the operators of underperformed SEs and gives appropriate advice for their improvement. Where necessary, HAD will match them with voluntary entrepreneurs and professional mentors so that they can receive professional and business advisory services.

20. Since 2008, we have introduced a pilot scheme to give eligible SEs priority in bidding for Government service contracts (the scheme). The second and third phases of the scheme were rolled out in 2009 and 2011 respectively. Since the launching of the scheme, a total of 132 Government service contracts were made available for priority bidding by SEs. As at December 2011, SEs have been awarded with 64 cleansing and 11 gardening contracts under the three phases of the scheme. The two categories of contracts have respectively provided 550 and 25 job opportunities for the participating SEs.

Nurture social entrepreneurs

21. Since 2007, we have sponsored a business plan writing competition annually. Through a series of seminars and workshops, the competition aims to encourage tertiary students to develop an interest in and knowledge about SEs, as well as nurture in them social entrepreneurship. Over 3 000 students have participated in the competition. Among the contestants, six participating teams have put their business proposals into practice and run their own businesses as social entrepreneurs.

Advice Sought

22. Members are invited to note the Administration's efforts in promoting the development of SEs.

**Home Affairs Bureau
Home Affairs Department**

January 2012

2011 Outstanding Social Enterprises (in alphabetical order)

CookEasy

Dialogue in the Dark HK Limited

Easy Home Services

Fullness Christian Social Enterprise Limited

Gingko House

iBakery

Personal Emergency Link

Tai Kok Tsui Mrs. Mc

2011 Outstanding Friends of Social Enterprise (in alphabetical order)

CSL Limited

iBakery Angels

The Hongkong and China Gas Co. Ltd.