

For discussion on  
25 July 2014

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## **Legislative Council Panel on Welfare Services**

### **Proposed Injection of Further Funding into the Partnership Fund for the Disadvantaged**

#### **Purpose**

The progress of implementation of the Partnership Fund for the Disadvantaged (PFD) was last reported to Members in April 2013. This paper reports the updated progress and seeks Members' advice on the proposed injection of \$400 million to PFD, of which \$200 million is dedicated to providing more after school learning and support programmes for primary and secondary school students from grassroots families.

#### **Background**

2. PFD was set up in 2005 under the Social Welfare Department (SWD), with a new commitment of \$200 million approved by the Legislative Council Finance Committee (FC) in December 2004 to promote tripartite partnership among the welfare sector, the business community and the Government through providing grants to match the value of donations made by the business partners to support welfare non-governmental organisations (NGOs) running welfare projects for the disadvantaged. With the approval of FC in May 2010, an additional \$200 million was provided to the PFD to encourage further cross-sector collaboration to help the disadvantaged.

3. Upon the commencement of PFD, the Advisory Committee of the Partnership Fund for the Disadvantaged (ACPF), comprising non-official members from the welfare, business and academic sectors, was formed in 2005 to advise on the approval for individual applications and on all matters relating to the operation of PFD.

## **Updated Progress**

4. By March 2014, eight rounds of application have been completed and a total of 694 welfare projects proposed by 156 welfare NGOs were approved under PFD, involving matching grants totalling \$310.31 million<sup>1</sup>. These projects attracted donations totalling \$319.59 million from 1 120 business partners, benefiting over 1 000 000 disadvantaged persons. A summary of the applications approved is at **Annex**.

5. When comparing the applications in the Fifth Round to the Eight Round with those in the first four rounds, there has been an increasing trend in terms of the following areas –

- (a) the average number of applications received per round has increased by 168% from 57 to 153;
- (b) the average number of applicant NGOs per round has increased by 118% from 33 to 72;
- (c) the average number of business partners involved per round has tripled, from 98 to 295; and
- (d) the average amount of donations from business partners has risen significantly by 244% from about \$18 million to \$62 million.

6. For the Ninth Round of application now being conducted, 71 applications have been received from 45 welfare NGOs so far, and that more applications may be submitted before this round of application is closed on 29 August 2014.

## **Effectiveness of PFD**

7. The Hong Kong Polytechnic University conducted two evaluative studies on PFD in January 2008 and September 2010. The studies concluded that welfare NGOs, business partners and project participants found the outcome of PFD projects satisfactory and encouraging and that PFD projects demonstrated positive impact on their

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<sup>1</sup> Upon establishment of the PFD in 2005, \$10 million from the Fund was set aside for spending on various support measures, such as publicity and evaluation, with a view to promoting tripartite partnerships. So far, about \$2.1 million has been used for these purposes.

recipients in terms of quality of life, empowerment, employment and social inclusion. Welfare NGOs and business partners also responded positively to the possibility of continued collaboration after the completion of the projects. PFD has served the mission to help the welfare sector expand their network to seek and secure corporate participation and encourage them to be more innovative. PFD has also provided a platform for the business sector to actualise their corporate social responsibility to help the disadvantaged.

### **Monitoring of PFD projects**

8. SWD has introduced a series of measures to monitor and assure the quality of the approved projects. Welfare NGOs are required to submit evaluation reports and audited financial reports upon the completion of their projects. Site visits are conducted by SWD staff to examine the implementation and progress of the projects. SWD will continue to monitor the implementation of projects approved under PFD.

### **Proposed Injection of Funding**

9. The \$400 million allocated to PFD since its inception is expected to be substantially committed in 2014-15. In support of the Government's policy objective of promoting tripartite partnership among the business community, the welfare sector and the Government to help the disadvantaged, and in view of the positive response from the business sector and welfare NGOs to PFD, we plan to seek approval from FC for an injection of \$200 million into PFD to sustain its operation.

10. As announced in the 2014 Policy Address, the Government propose to provide PFD another \$200 million, on top of the original funding of \$200 million, to further encourage the business sector and organisations to work with schools to facilitate the whole-person development of students mainly from grassroots families. The additional funding will be provided on a matching fund basis through the PFD, and will be dedicated to launching more after-school learning and support programmes for primary and secondary students from grassroots families.

11. Insofar as the additional funding of \$200 million dedicated for the after-school training and support programmes<sup>2</sup> is concerned, we propose to allow more flexibility in the operation of the dedicated fund in the initial stage. We propose to relax the criteria for application as follows –

- (a) primary and secondary schools<sup>3</sup> may also apply in addition to charitable welfare NGOs having tax exemption status under section 88 of the Inland Revenue Ordinance (Cap. 112);
- (b) the ceiling of the matching grant for each approved project is raised to a maximum of \$3 million<sup>4</sup> (via-a-vis \$2 million for other normal applications under the PFD) with a view to facilitating welfare NGOs and schools to launch projects of a larger scale and for a longer term; and
- (c) applications with the same substance as other previously approved projects may be considered having regard to the benefits of the programmes demonstrated for their target students<sup>5</sup>.

Like other funding schemes available for schools in relation to after-school learning and support programmes, each applicant school may submit one consolidated<sup>6</sup> proposal in each round of PFD serving its students and, as the case may be, students from other schools. As individual welfare NGOs may be serving different districts, they may submit a maximum of three applications in each round of PFD provided that each application serves the target group in a different district and that the welfare NGOs concerned demonstrate the ability to deliver all the projects within the specified period of time.

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<sup>2</sup> The project proposals should include training programmes on whole-person development; and may also include tutorial classes or programmes that are developing the disadvantaged students' learning capability and study skills.

<sup>3</sup> Reference has been made to the After-School Learning and Support Programmes under the Education Bureau to the effect that primary and secondary schools include government schools, aided schools, caput schools and schools under the Direct Subsidy Scheme. These schools will seek and secure donation from business sector for applying PFD. For private schools, they are welcome to partner with welfare NGOs which may submit applications for the dedicated fund.

<sup>4</sup> While the ceiling of the matching grant for each project is set at \$3 million, flexibility will be exercised for projects with special merits to meet the service needs.

<sup>5</sup> For normal applications, repeated application with similar proposal or programme contents previously approved may not be considered unless a new service component has been added. Having considered the nature of designated fund, the criteria will be relaxed so as to encourage more applications on after-school learning and support programmes.

<sup>6</sup> Within one proposal, the applicant may propose a series of programmes and activities serving its students and/or students from other schools.

## **Financial Implication**

12. We propose to increase the approved commitment of PFD by \$400 million, from \$400 million to \$800 million, so as to allow PFD to support more worthwhile projects in future rounds of applications. The actual cashflow of PFD is subject to the number of applications received, the amount involved and the number of applications subsequently approved. We will include the estimated provision in the draft Estimates of the relevant financial years. The costs for administering PFD will be met by the existing resources of SWD.

## **Consultation**

13. On the criteria for application for the additional funding dedicated to encouraging more after-school learning and support programmes, we have consulted the Education, Employment and Training Task Force under the Commission on Poverty and ACPFD and have taken on board their comments in drawing up the application criteria.

## **Way Forward**

14. Subject to Members' support for the proposed injection into PFD, we will seek FC's approval to increase the commitment for PFD by \$400 million. After obtaining approval from FC for the increase in the commitment for PFD, we will proceed to invite applications for the dedicated funding for launching more after-school learning and support programmes. We will publicise the dedicated fund to applicant schools and welfare NGOs through briefing sessions, press release and district social welfare offices.

## **Advice Sought**

15. Members are invited to comment on the injection proposal.

Social Welfare Department  
July 2014

**Partnership Fund for the Disadvantaged (PFD)  
Summary of Applications Approved**

	<b>1<sup>st</sup> Round</b>	<b>2<sup>nd</sup> Round</b>	<b>3<sup>rd</sup> Round</b>	<b>4<sup>th</sup> Round</b>	<b>5<sup>th</sup> Round</b>	<b>6<sup>th</sup> Round</b>	<b>7<sup>th</sup> Round</b>	<b>8<sup>th</sup> Round</b>	<b>Total</b>
<b>Application period</b>	Mar 05 - May 05	Oct 05 - Dec 05	Jul 06 - Jul 07	Jan 08 - Jun 08	Feb 09 - Jul 09	Jun 10 - Sep 10	Sep 11 - Dec 11	Oct 12 - Feb 13	-
<b>No. of applications</b>	43	28	65	93	161	152	148	152	<b>842</b>
<b>No. of projects approved</b>	29	14	54	80	142	123	131	121	<b>694</b>
<b>No. of applicant NGOs</b> <sup>Note 1</sup>	29	14	41	47	72	62	91	63	-
<b>No. of new applicants</b>	29	14	26	12	29	16	15	15	<b>156</b> <sup>Note 2</sup>
<b>No. of business partners</b> <sup>Note 1</sup>	80	29	108	174	272	317	260	329	-
<b>No. of new business partners</b>	80	29	93	145	221	222	127	203	<b>1 120</b> <sup>Note 3</sup>
<b>Amount of grant allocated under PFD (\$ million)</b>	8.9	4.5	16	37.86	59.99	57.19	62.63	63.24	<b>310.31</b>
<b>Amount of donations from business partners (including donations in cash or in kind) (\$ million)</b>	11.04	5.13	17.41	38.13	61.56	59.02	63.52	63.78	<b>319.59</b>

Note 1: The figures indicate the total number of welfare NGOs/business partners involved in a particular round of application. Since some of these welfare NGOs/business partners may be involved in projects approved in other rounds of application, we do not provide cumulative figures here to avoid double-counting.

Note 2: Of these 156 NGOs, 94 received grants from the PFD to launch more than one project.

Note 3: Of these 1 120 business partners, 255 sponsored more than one PFD project through donations in cash or in kind.