

立法會
Legislative Council

LC Paper No. CB(2)554/06-07(04)

Ref : CB2/PL/WS

**Meeting of Panel on Welfare Services
on 11 December 2006**

Background brief prepared by the Legislative Council Secretariat

Partnership Fund for the Disadvantaged

Purpose

This paper provides information on Members' deliberations on the establishment of the Partnership Fund for the Disadvantaged.

Background

2. In the 2004-2005 Budget, the Financial Secretary had earmarked \$200 million on a one-off basis for promoting the development of tripartite social partnership comprising the Government, the business community and the welfare sector in helping the disadvantaged.

3. Following consultation with the stakeholders, the Administration decided that the Fund would be disbursed in the form of a Matching Grant to incentivise the welfare sector to seek and secure corporate participation in organising projects for the direct benefit of the disadvantaged. The Fund would be used for two main purposes –

- (a) *Matching Grant Portion* (about \$190 million) : funding applications would be invited from non-governmental organisations (NGOs) in the welfare sector for projects to help the disadvantaged. Grants to NGOs would be calculated in accordance with the contributions from business corporations, in cash or in kind or both, on a dollar-to-dollar matching basis; and
- (b) *Support Measures Portion* (up to a maximum of \$10 million) : various support measures would be carried out to facilitate the formation and sustainability of tripartite partnership.

Deliberations on the establishment of the Fund

Proposed arrangement for the allocation of the Matching Grant

4. At the meeting of the Panel on Welfare Services on 8 November 2004, the Administration briefed members on the following arrangements for the allocation of the Matching Grant –

- (a) all bona-fide charitable welfare NGOs having tax-exempted status under section 88 of the Inland Revenue Ordinance (Cap. 112) could apply for the Grant;
- (b) the applications should involve welfare-oriented initiatives. Contribution in cash or in kind from business corporations registered and operating their business in Hong Kong would be accepted for matching purpose;
- (c) eligible proposals should be an initiative within the welfare ambit but not receiving funding support from the Government in any form. The initiative would be delivered in Hong Kong and benefit the underprivileged groups directly; and
- (d) priority would be accorded to proposals which met the Government's welfare policy objectives in building individual capacity, strengthening families and enhancing community mutual support. Donations from corporations running business in connection with smoking would not be matched by the Grant.

5. According to the Administration, the initial plan was to have two rounds of funding allocations. An amount of about \$80 million would be earmarked for the first round and around \$110 million for the second round. Any unallocated funding of the first round would be transferred to the second round. Each applicant NGO would be allowed to submit one application in the first round. Allocation for each application would be capped at the ceiling of \$500,000. In addition, NGO would be allowed to use not more than 15% of the allocation from the Grant as staffing and administrative expenses.

6. While Panel members raised no objection to the proposal, they expressed reservation about setting a ceiling of 15% of the Grant for staffing and administrative expenses. After taking into account members' views, the Administration agreed not to mandate a ceiling for staffing or administrative expenses but when considering applications, priority would be given to proposals which used funding in a way that would bring maximum benefits to the disadvantaged groups.

7. A suggestion to increase the portion of the Fund reserved for support measures from \$10 million to \$20 million was also made at the Panel meeting. The Administration pointed out that the primary objective of the Fund was to encourage the formation of partnership for the direct benefit of disadvantaged

groups, and the forming of partnership was itself a learning process for NGOs. The amount of \$10 million to be spent on promoting tripartite social partnership was considered adequate at the initial stage, and would be reviewed in the light of experience.

8. The funding proposal for the establishment of the Fund was approved by the Finance Committee on 17 December 2004. While members were supportive of the establishment of the Fund, some members expressed concern that smaller welfare organisations which did not have well established connections with the business sector would not be able to secure contributions and benefit from the Matching Grant. They considered that assistance should be provided to these organisations.

9. The Administration explained that the purpose of capping the allocation for each successful application at a maximum of \$500,000 was aimed at facilitating smaller welfare organisations to secure funding. Apart from launching extensive publicity on the establishment of the Fund, the Administration would also provide necessary assistance to facilitate matching between welfare organisations and the business sector.

Launching of the Fund

10. At the Panel meeting on 13 October 2006 in which the Secretary for Health, Welfare and Food gave a briefing on the Chief Executive's Policy Address 2006-2007 relating to welfare services, members were informed that 43 applications had so far been approved with grants totalled at \$13.5 million to match the \$16.1 million donations in cash or in kind from 109 business partners, for implementing a variety of welfare initiatives for about 120 000 disadvantaged persons. To encourage more applications for the Partnership Fund for the Disadvantaged, the Administration advised that the maximum allocation for each project had been increased from \$500,000 to \$1,000,000. In addition, each NGO could submit a total of three applications at any one time.

11. The Administration will brief the Panel on the progress of the Partnership Fund for the Disadvantaged at its meeting on 11 December 2006.

Relevant papers

12. Members may wish to refer to the Administration's papers for the meetings of the Panel on Welfare Services on 8 November 2004 and 13 October 2006, the Finance Committee on 17 December 2004 and the relevant minutes of meetings for details.