

REPORT ON THE DISASTER RELIEF FUND 2008-09

INTRODUCTION

This is the seventh 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 2007-08 and 2008-09 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. 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/or an audited account to the Government of the Hong Kong Special Administrative Region 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.

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 2009, the Committee has received a total of 282 applications for grants from the Fund. Of these, 233 were approved, representing a success rate of 83%. For the remaining 49 applications, 40 were declined and nine withdrawn by the relief organisations.

9. In the year 2007-08, 34 applications were received, of which 25 were approved, seven were declined and two withdrawn by the relief organisations. In the year 2008-09, 24 applications were received, 20 of them were approved, three were declined and one withdrawn by the relief organisation.

Amount of grants approved (Annex B-2)

10. The total amount of grants made from the Fund since its establishment in 1993 is \$991.59 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 \$348.93 million in 2008-09.

11. Excluding the applications withdrawn by the applicant or declined by the Committee, in the year 2007-08, the total amount applied for and approved was \$275.36 million and \$272.34 million respectively; in the year 2008-09, the amount were \$389.73 million and \$348.93 million^{Note} respectively.

^{Note} The figure includes a grant of \$0.63 million to Médecins Sans Frontières (MSF) for providing relief to cyclone victims in Myanmar but MSF subsequently decided not to accept the grant of its own accord.

Distribution of grants by recipients (Annex B-3)

12. A total of eleven relief agencies and six governments (Mainland governments and authorities are treated as one government) have received grants from the Fund since its establishment. The five non-government organisations which 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 \$419.78 million from the Fund, representing some 42% of the total amount approved.

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

13. Since the establishment of the Fund, some 80% of the total approved grants have been for carrying out relief programmes in the Mainland.

14. In the year 2007-08, 18 programmes were carried out in the Mainland (\$260.05 million in total), six in the rest of Asia, including Bangladesh, India, Nepal and Pakistan (\$10.79 million in total) and one in Peru in Latin America (\$1.5 million). For the year 2008-09, 13 programmes were carried out in the Mainland (\$335.13 million in total), six programmes in the rest of Asia, including India and Myanmar (\$11.1 million in total) and one in Kenya of Africa (\$2.7 million).

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

15. Around 35.2% and 34.3% of all programmes approved by the Committee were for the relief of victims of floods and earthquakes/tsunamis respectively.

16. Of the 25 programmes approved in 2007-08, three were for the relief of earthquake victims (\$5.5 million in total), ten for flood victims (\$25.76 million in total), two for typhoon victims (\$3.65 million in total) and ten for snowstorm victims (\$237.43 million). Among the 20 programmes approved in 2008-09, 12 were for relief of earthquake victims

(\$333.84 million), three for flood victims (\$4.91 million), three for typhoon victims (\$6.19 million), one for snowstorm victims (\$1.29 million) and one for drought/famine victims (\$2.7 million).

Government-to-government assistance for Sichuan earthquake

17. On 12 May 2008, an earthquake measuring 7.8 on the Richter scale, the worst one since the Tangshan earthquake in 1976, jolted Wenchuan County, Sichuan Province in the Mainland and brought unprecedented casualties and damage. The Government of the HKSAR (HKSARG) was in close contact with the Central People's Government (CPG) to understand the situation and seek advice on how the HKSARG could help and contribute towards the disaster relief work. The advice of the CPG was that aid from the HKSARG would best be channeled towards the earthquake victims through the Disaster Relief Headquarters (DRH). The Committee approved a donation of \$300 million to the DRH to enable them to provide emergency relief and related rehabilitation work. Separately, the Committee also approved a number of donations in kind in response to the request of various Mainland authorities. These included a batch of items for environmental cleansing and disinfection worthy of \$0.8 million donated to the Disaster Relief Command of Yingxiu Town, Wenchuan County, and tents worthy of \$4.3 million donated to the Hong Kong and Macao Affairs Office, Sichuan Provincial People's Government. Apart from the assistance provided to the government authorities, the Committee also approved eight programmes with grants totaling \$28.74 million for six organisations to provide relief for earthquake victims in Sichuan, Shaanxi and Gansu Provinces in the Mainland.

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. Excluding those applications withdrawn, in 2007-08, the average processing time of the 32 applications processed was 2.3 working days and in 2008-09, the average processing time of the 23 applications

processed was 3.6 working days.

REVIEW OF PROJECTS APPROVED IN 2007-08

19. Relief organisations are required to submit audited accounts and evaluation reports within six months upon completion of the relief projects. For the 22 projects carried out by relief agencies and approved in the Financial Year 2007-08 (**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 22 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 \$1.77 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 22 programmes in aggregate provided immediate emergency relief to some 1.75 million disaster victims.
- (c) Timeliness of project completion – All relief projects were delivered according to the approved schedules of one to three months' time.

20. The exceptional cases were two relief programmes which under-achieved the target number of beneficiaries by 7% and 11% respectively. The discrepancies mainly resulted from several external factors beyond the control of the organisations, including inflation in the price of rice and other commodities in the Mainland, the unexpectedly high transportation cost in delivering the relief materials to mountainous areas, the depreciation of the Hong Kong dollar against the Renminbi, damage of relief materials

during the transportation process and the increased quantity of relief materials distributed to each beneficiary to meet their immediate needs.

21. As regards the disbursement to Guizhou and Hunan Provincial Governments and Shaoguan Municipal Government for the emergency relief of snowstorm victims, the evaluation reports on the use of the grants have confirmed that timely assistance was rendered to help the victims tide over the calamities that had fallen upon them.

REVIEW OF PROJECTS APPROVED IN 2008-09

22. Of the 15 projects carried out by relief agencies and approved in the Financial Year 2008-09 (**Annex D**), the evaluation reports and audited accounts of six projects were accepted by the Secretariat. All but one of these programmes satisfactorily achieved the original proposed target number of beneficiaries in proportion to the grant approved. The exceptional programme under-achieved the target number of beneficiaries by 37%. 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. This was inevitable as the organisation found that the earthquake-affected areas had already received certain supply of aid from different sources during implementation of the programme. For the other 9 projects, the reports are either being examined by the Secretariat or 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 2009-10 which will be issued in April 2010.

Secretariat
Disaster Relief Fund Advisory Committee
6 May 2009

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) 當然委員

Members

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

The Hon V Nee YEH
葉維義議員

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) 當然委員

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

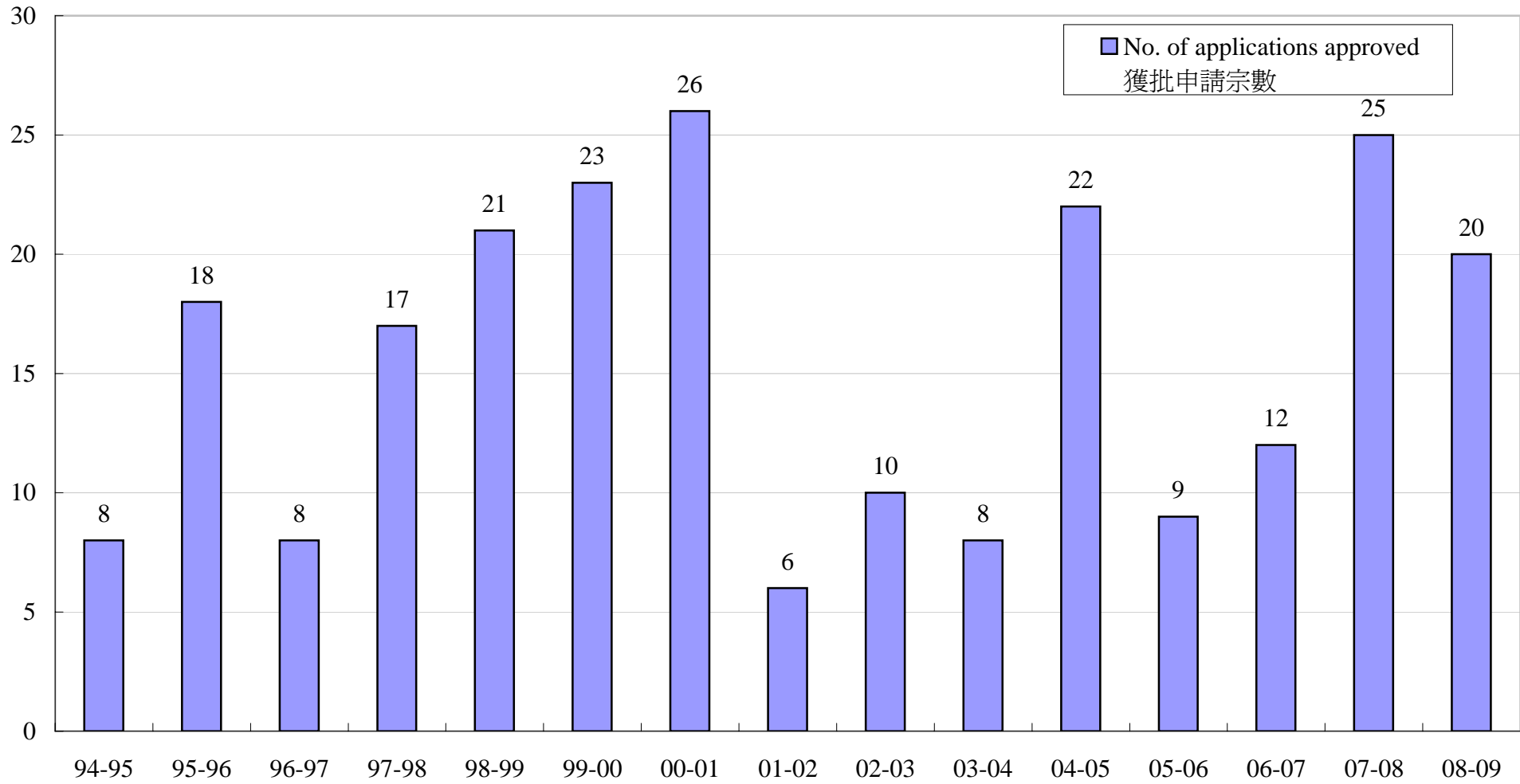
Secretary

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

DISASTER RELIEF FUND
賑災基金

Annex B-1
附件 B-1

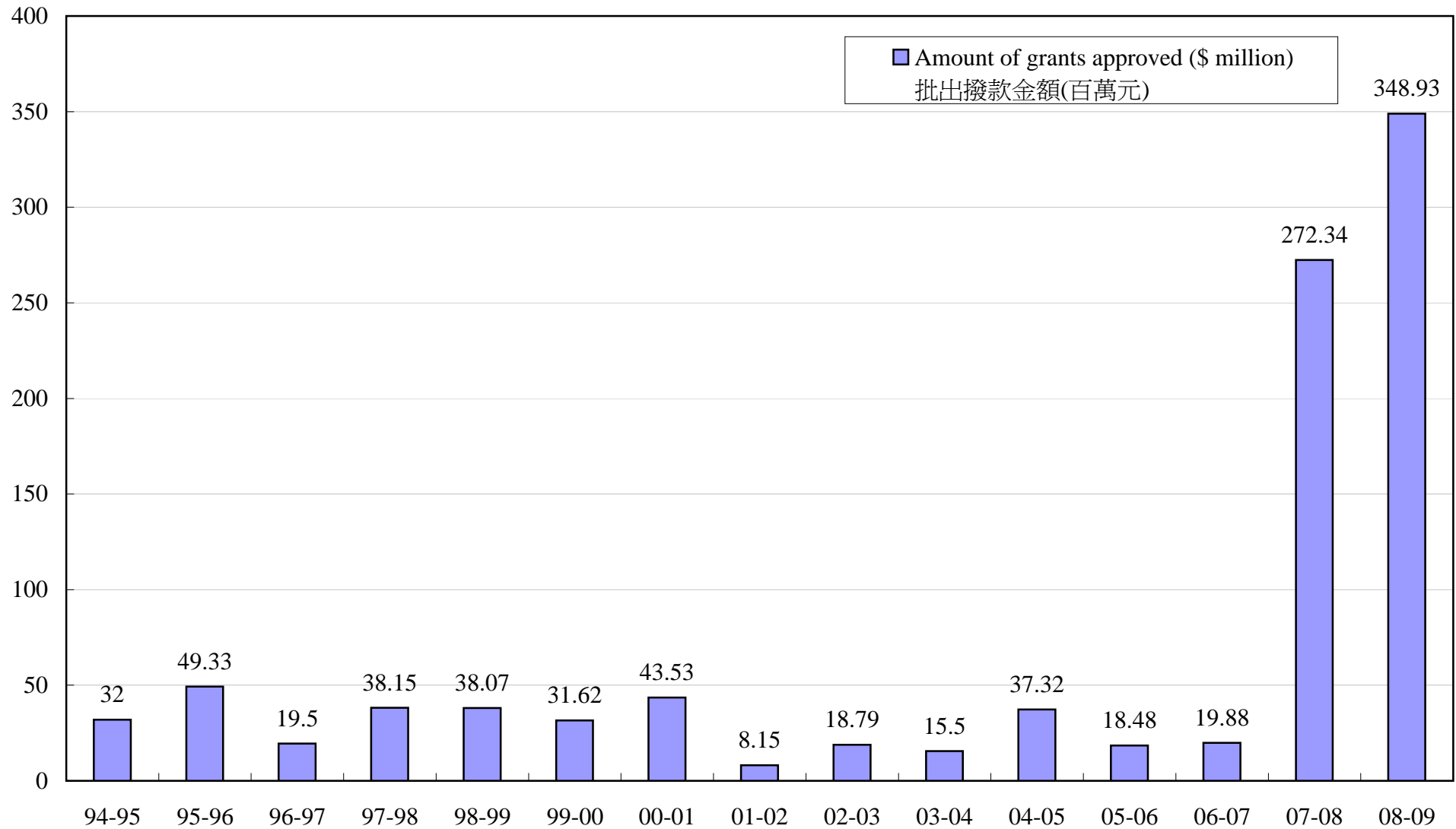
NUMBER OF APPLICATIONS APPROVED FOR THE YEARS ENDED 31 MARCH 2009
截至2009年3月31日獲批申請宗數



DISASTER RELIEF FUND
賑災基金

Annex B-2
附件 B-2

GRANTS APPROVED FOR THE YEARS ENDED 31 MARCH 2009
截至2009年3月31日批出的撥款金額



DISASTER RELIEF FUND

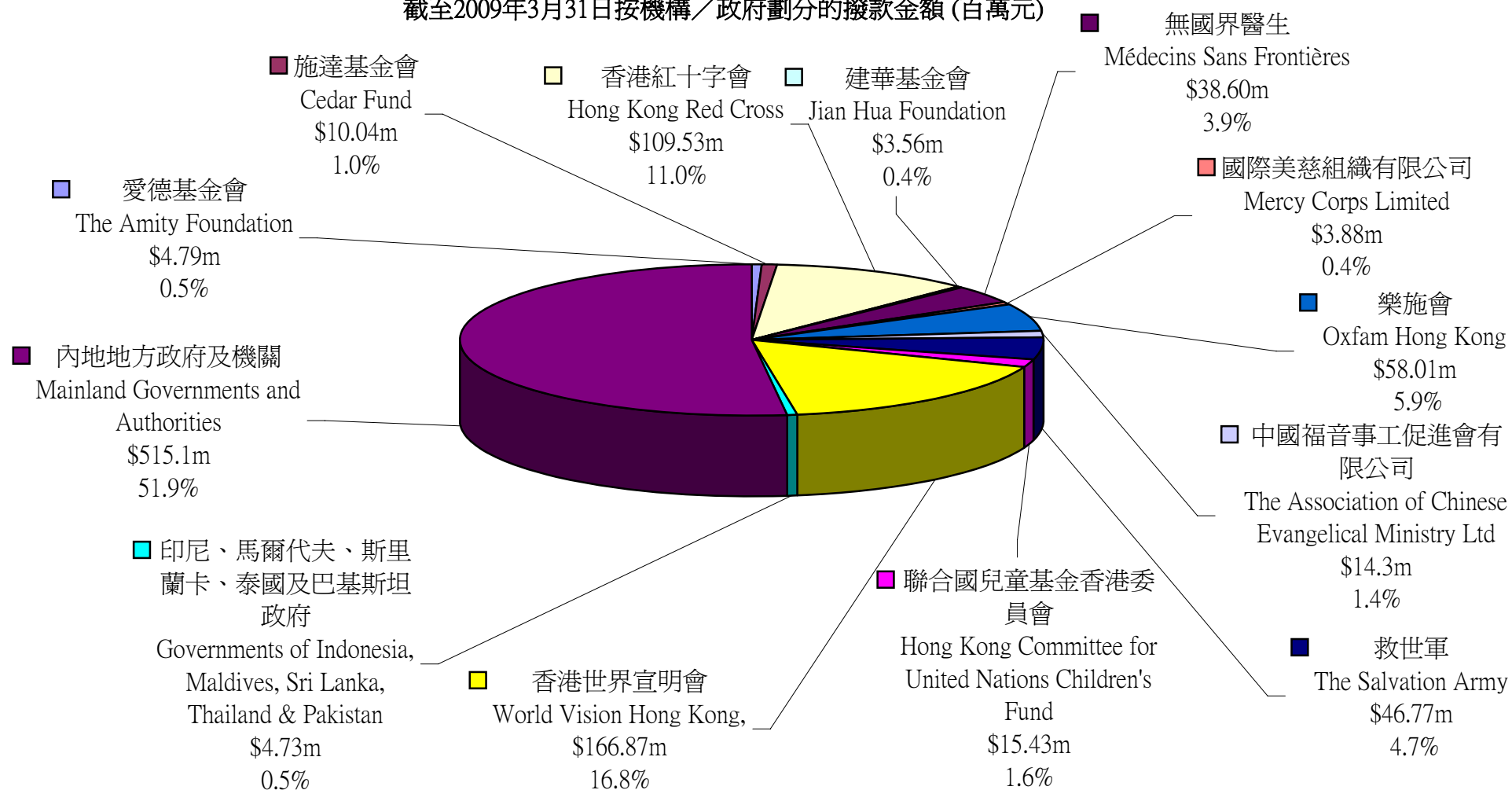
賑災基金

Annex B-3

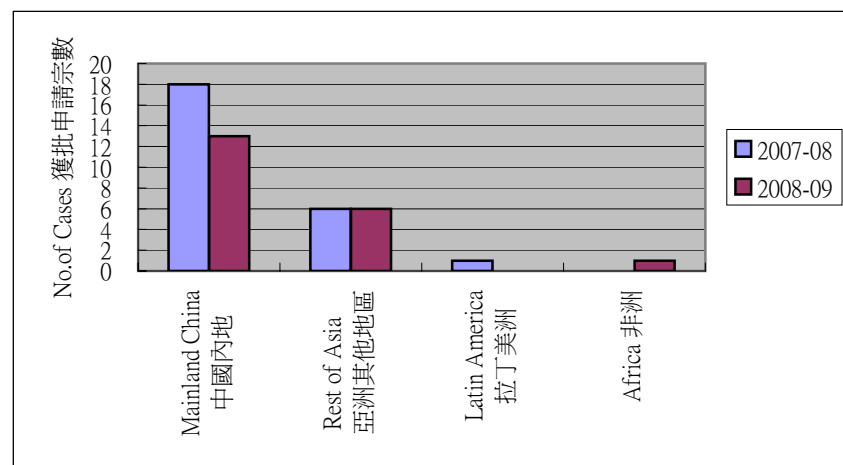
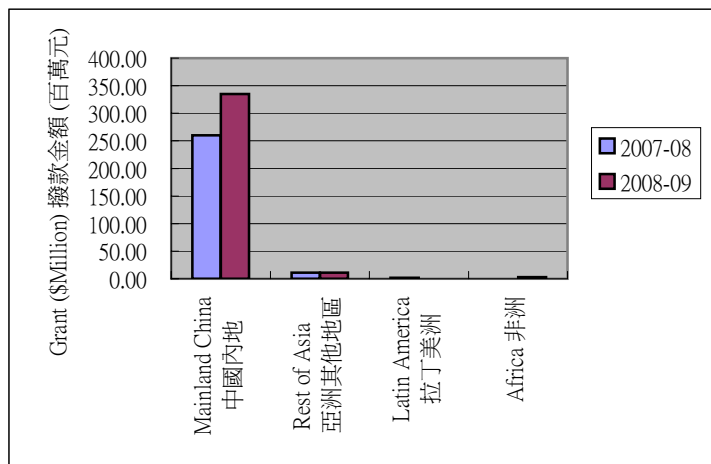
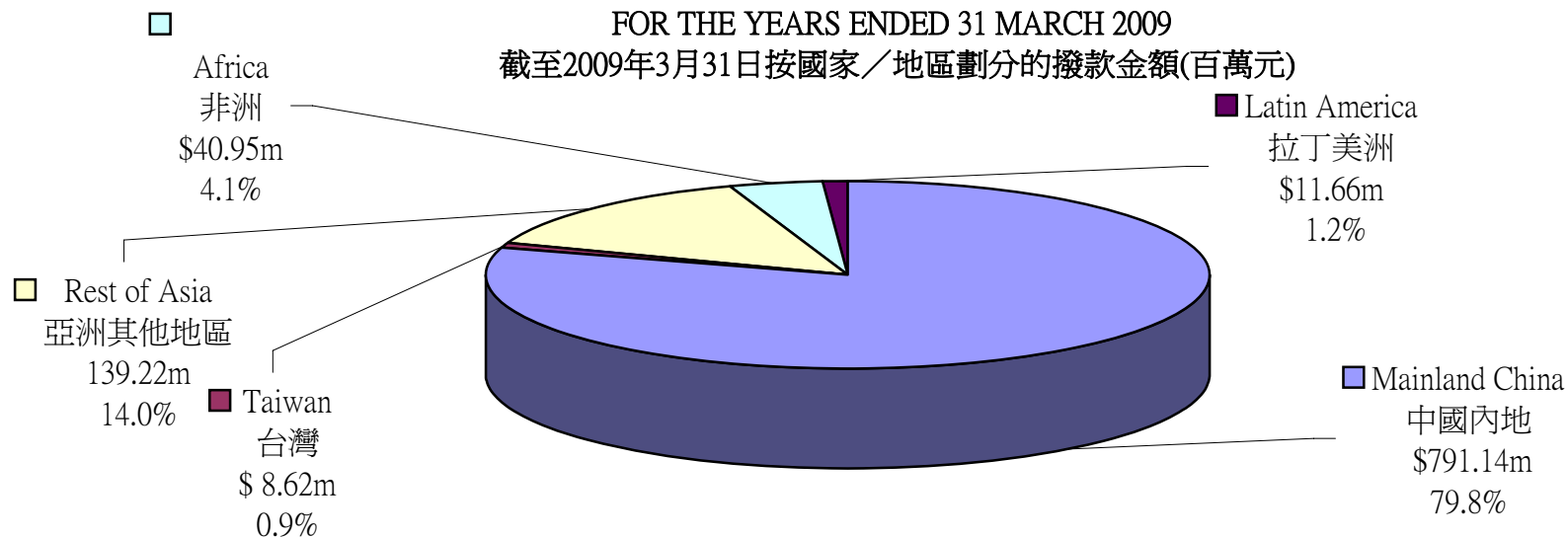
附件 B-3

DISTRIBUTION OF GRANTS BY RECIPIENTS (\$ million) FOR THE YEARS ENDED 31 MARCH 2009

截至2009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 2009
截至2009年3月31日按國家／地區劃分的撥款金額(百萬元)

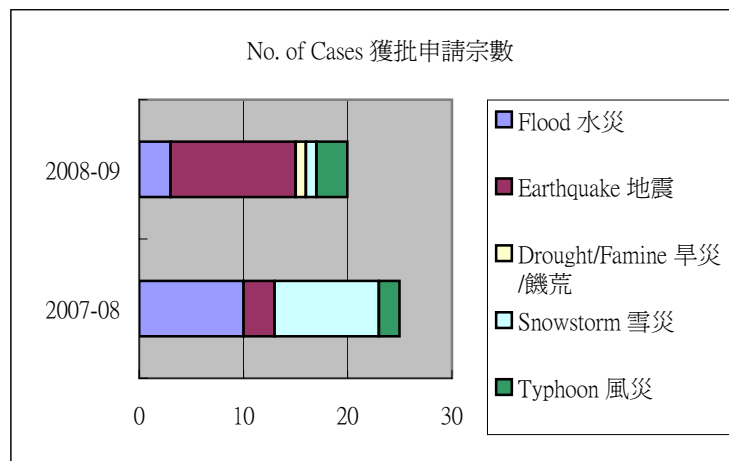
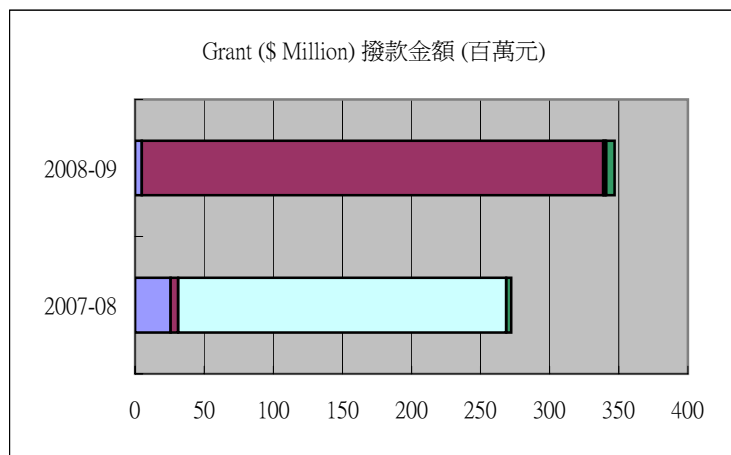
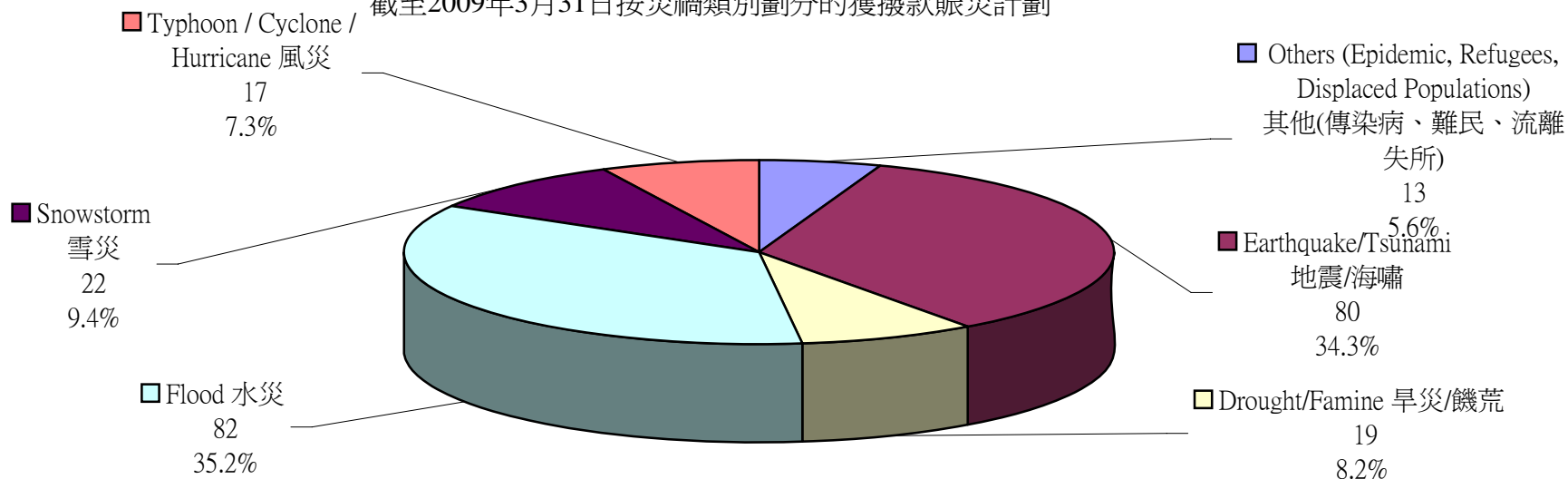


DISASTER RELIEF FUND
賑災基金

Annex B-5
附件 B-5

NUMBER OF PROGRAMMES APPROVED BY NATURE OF DISASTER FOR THE YEARS ENDED 31 MARCH 2009

截至2009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 2007-08

RELIEF ORGANISATION	DATE OF APPROVAL	TARGET NUMBER OF BENEFICIARIES	COUNTRY/PROVINCE	GRANT APPROVED
The Salvation Army	14 Jun 2007	34 918 earthquake victims	China - Yunnan	\$ 2 m
World Vision Hong Kong	14 Jun 2007	30 920 earthquake victims	China - Yunnan	\$ 2 m
Hong Kong Red Cross	27 Jun 2007	86 789 flood victims	China - Guangxi, Guizhou, Hunan and Jianxi	\$ 3.7 m
The Salvation Army	27 Jun 2007	62 386 flood victims	China - Hunan	\$ 3.3 m
World Vision Hong Kong	27 Jun 2007	50 460 flood victims	China - Guangxi, Guizhou and Hunan	\$ 2.5 m
Mercy Corps Ltd	24 Jul 2007	36 750 flood victims	Pakistan	\$ 0.88 m
Hong Kong Red Cross	2 Aug 2007	72 506 flood victims	China - Anhui, Chongqing and Sichuan	\$ 3.31 m
The Salvation Army	2 Aug 2007	53 000 flood victims	China - Anhui	\$ 2.51 m
World Vision Hong Kong	2 Aug 2007	68 300 flood victims	China - Anhui	\$ 3.3 m
Oxfam Hong Kong	22 Aug 2007	22 000 flood victims	Bangladesh, India and Nepal	\$ 3.56 m
World Vision Hong Kong	22 Aug 2007	100 500 flood victims	India	\$ 1.5 m
World Vision Hong Kong	3 Sep 2007	7 000 earthquake victims	Peru	\$ 1.5 m
Hong Kong Red Cross	11 Sep 2007	15 545 flood victims	Nepal	\$ 1.2 m
World Vision Hong Kong	5 Dec 2007	11 418 cyclone victims	Bangladesh	\$ 3 m
Cedar Fund	24 Dec 2007	9 625 cyclone victims	Bangladesh	\$ 0.648 m

RELIEF ORGANISATION	DATE OF APPROVAL	TARGET NUMBER OF BENEFICIARIES	COUNTRY/PROVINCE	GRANT APPROVED
Hong Kong Red Cross	1 Feb 2008	100 000 snowstorm victims	China - Anhui, Guangxi, Guizhou, Hubei, Hunan and Jiangxi	\$ 8 m
Oxfam Hong Kong	5 Feb 2008	3 217 snowstorm victims	China - Gansu	\$ 0.67 m
The Salvation Army	5 Feb 2008	103 800 snowstorm victims	China- Anhui and Hunan	\$ 7.76 m
World Vision Hong Kong	5 Feb 2008	80 060 snowstorm victims	China - Anhui, Guangxi, Hunan and Jiangxi	\$ 5 m
World Vision Hong Kong	18 Feb 2008	75 780 snowstorm victims	China - Anhui and Jiangxi	\$ 4 m
The Association of Chinese Evangelical Ministry Ltd	29 Feb 2008	48 000 snowstorm victims	China - Guangxi	\$ 1.2 m
Cedar Fund	29 Feb 2008	16 800 snowstorm victims	China - Hubei	\$ 0.8 m
Total:				\$ 62.34 m

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
The Amity Foundation	1 Apr 2008	18 000 snowstorm victims	China - Guangxi and Yunnan	\$ 1.29 m
The Amity Foundation	15 May 2008	60 000 earthquake victims	China - Sichuan	\$ 3.5 m
Hong Kong Red Cross	15 May 2008	122 408 earthquake victims	China - Sichuan	\$ 7.5 m
World Vision Hong Kong	20 May 2008	59 942 earthquake victims	China - Sichuan	\$ 5 m
World Vision Hong Kong	27 May 2008	62 102 earthquake victims	China - Gansu, Shaanxi and Sichuan	\$ 7 m
Médecins Sans Frontières (Note)	30 May 2008	1 000 cyclone victims	Myanmar	\$ 0.63 m
World Vision Hong Kong	30 May 2008	30 000 cyclone victims	Myanmar	\$ 5 m
Cedar Fund	11 Jun 2008	8 000 earthquake victims	China - Gansu	\$ 0.74 m
Oxfam Hong Kong	11 Jun 2008	20 000 earthquake victims	China - Gansu, Shaanxi and Sichuan	\$ 3.51 m
Cedar Fund	11 Jun 2008	5 000 cyclone victims	Myanmar	\$ 0.56 m
The Association of Chinese Evangelical Ministry Ltd	3 Jul 2008	22 000 earthquake victims	China - Sichuan	\$ 0.7 m
The Association of Chinese Evangelical Ministry Ltd	13 Aug 2008	32 000 earthquake victims	China - Sichuan	\$ 0.79 m
World Vision Hong Kong	12 Sep 2008	25 000 flood victims	India	\$ 2 m
Cedar Fund	30 Sep 2008	12 500 flood victims	India	\$ 0.787 m
Oxfam Hong Kong	30 Sep 2008	47 500 flood victims	India	\$ 2.126 m

RELIEF ORGANISATION	DATE OF APPROVAL	TARGET NUMBER OF BENEFICIARIES	COUNTRY/PROVINCE	GRANT APPROVED
World Vision Hong Kong	18 Mar 2009	7 854 victims of food	Kenya	\$ 2.7 m
<i>Total:</i>				\$ 43.83 m

Note: Although the grant was approved, Médecins Sans Frontières subsequently decided not to accept it of its own accord.