

Commission on Poverty (CoP)

Additional Funding for Districts on Sustainable Poverty Alleviation Initiatives

PURPOSE

This paper seeks Members' views on the principle, criteria, and funding and vetting mechanism for the additional funding to take forward the district-based approach to sustainable poverty alleviation.

BACKGROUND

2. At the Commission meeting of 25 November 2005, Members agreed that as a start, up to HK\$30 million of the net proceeds from Personalized Vehicle Registration Marks (PVRM) Scheme would be allocated to Home Affairs Bureau (HAB)/Home Affairs Department (HAD) to reinforce the district-based approach and to encourage sustainable district initiatives, in particular in relation to local employment creation.

3. It was also agreed that the newly established Task Force on District-based Approach would follow up on the funding guidelines, as well as on the vetting mechanism and other relevant arrangements.

FUNDING PRINCIPLE AND CRITERIA

4. In CoP Paper 25/2005, the basic funding criteria were generally endorsed by Members and are recapitulated as follows -

Guiding Principle

5. With reference to the Commission's Terms of Reference, funding must be used to promote *sustainable* poverty prevention and alleviation efforts at the district level that help enhance *self-reliance*. It would be desirable (and in fact quite natural) that project delivery will, in the process, help empower districts

by developing networks that enhance engagement and ownership by people from various walks of life in the districts.

Key Funding Criteria

6. Since CoP has identified inter-generational poverty, elderly poverty and employment as priority issues, district initiatives which promote sustainably the self-reliance of children and youth from disadvantaged background, the integration of the elderly poor into the society, and employment should be entertained. Nevertheless, given CoP sees employment as the key to promoting self-reliance and good role modelling for the younger generation, projects with a ***clear employment focus*** would be given priority. Such projects should facilitate the creation of sustainable local employment opportunities for the unemployed and other socially disadvantaged groups. Since district empowerment would provide a congenial environment for sustainable poverty prevention and alleviation, projects whose implementation can help promote at the same time sustainable ***community building*** and social inclusion would also be given additional credit.

7. Projects with employment focus can comprise those which create local employment opportunities and which seeks to enhance employability/the capacity of the unemployed to re-integrate into the job market. In respect of the latter, with a view to avoiding duplication with existing employment/retraining programmes, such projects should still have a significant component of promoting sustainable self-reliance through employment. In particular, the projects should avoid creating a sense of entitlement among the participants and where appropriate, should include a mechanism to graduate participants from the programme.

Additional Funding Criteria

8. To reduce unnecessary duplication and to help secure optimal synergy, considerations would be given to the interface with other existing services and alternative funding sources. Projects which aim primarily at building social capital and cross-sectoral partnerships will normally not be entertained, as there are other existing funding sources for the purpose¹. Nevertheless, projects which promote social capital or encourage cross-sector partnerships alongside or

¹ For instance, the Community Investment and Inclusion Fund and Partnership Fund.

in the process of promoting sustainable employment would be given priority. Cross-sector partnerships may be manifested through co-funding by other community-based organisations and businesses, as well as their in-kind support (as co-organisers, providing business advice/mentorship etc.) and actual participation.

9. As long as the proposed projects are in line with the principle and criteria outlined in paragraphs 5-8 above, an overly prescriptive approach in vetting proposals should be avoided so as to stimulate district creativity and ownership. In addition, cross-district initiatives consistent with the guidelines above should also be encouraged.

FUNDING AND VETTING MECHANISM

10. At the Commission meeting of 25 November 2005, Members discussed a number of options on the proposed funding and vetting mechanism, including central pooling arrangement and direct district allotment.

Central pooling arrangement

11. A majority of CoP members favoured disbursing funds through a central multi-disciplinary vetting committee to be established under HAB/HAD. The merits of a central funding arrangement include: -

- (i) greater flexibilities in funding worthwhile projects based on merits of submitted proposals (instead of pre-determining the amount of funding to be used by individual districts);
- (ii) encouragement of cross-district initiatives and hence synergy;
- (iii) greater assurance that the projects funded be in line with the guiding principle and criteria, especially at the initial stage of implementation;
- (iv) reduction of possible conflicts of interest through independent membership distant from district personalities (e.g. academics);
- (v) a multi-disciplinary vetting committee involving representatives from the business sector and professionals that can give more focussed advice on business viability of local employment related projects.

Direct district allotment

12. Some Members proposed to allocate funding directly to districts such as the District Councils (DCs) in order to provide a catalyst to district initiatives. While noting the move would be in line with the general policy direction to strengthen the role of DCs, some Members noted that changes to the existing funding guidelines of DCs and additional advice and support would be necessary so that DCs could take up the role effectively. They consider that a better time to revisit the district allotment approach would be the completion of the pursue. This would be the completion of the review of the role and functions of DCs.

13. Some Members suggested that as a compromise, a small amount of funding could be set aside for the priority districts alongside the central pooling arrangement. Nevertheless, some Members have reservation about providing an additional sum to certain districts but not the others.

WAY FORWARD

14. Members are invited to comment on the funding principle and criteria in paragraphs 5 to 9. Subject to Members' comments, the Commission Secretariat would work with HAB/HAD to further develop them into detailed funding guidelines. Briefings for districts would be arranged to explain the funding guidelines before funding was made available in April 2006.

15. Concerning the funding and vetting mechanism, it is proposed that at the initial stage of implementation, a central pooling arrangement be adopted and a multi-disciplinary vetting committee be established under HAB/HAD. Applicants from all 18 districts, individually or collaboratively cross-district, are welcome.