



The Chen Yet-Sen Family Foundation Limited

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Concept Note

BRIDGE THE GAP – helping our Grantees survive Covid-19

1. The Situation

Following a challenging 2019 with widespread civil unrest disrupting program activities and fundraising events in Hong Kong, 2020 has brought the debilitating Covid-19 pandemic that has further weakened our social sector.

Recent data from a survey of more than 100 Hong Kong Non-Government Organisations (NGOs) showed that the reduction in funding due to macro disruptions resulted in an average 63% drop in revenue. More than 48% of the survey respondents confirmed that they have reduced their services by up to 70%.

The most vulnerable and at-risk beneficiaries currently tally around 2+ million, of which 1.5 million fall below the poverty line. Many of these beneficiaries rely on NGOs to provide a lifeline of support, allowing them to survive.

Due to a drop in funding, some NGOs can no longer afford to provide services to those marginalised individuals/communities that they serve. Some of these NGOs are our grantees.

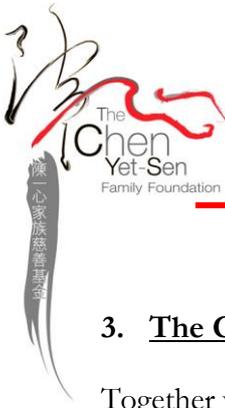
In April, the HKSAR government announced a second coronavirus financial relief package that will allow short-term salary respite for some NGO staff. Unfortunately, the financial burden of fixed NGO running costs remain a major cause of concern.

2. The Opportunity

We as grant makers – whether from corporate, bank, family or industry foundations have the insight and responsibility to support the social sector the best we can in this unprecedented and uniquely difficult time. We ask that you review the status of your own grantees to help them ensure their survival. Together, we can all fight the disruptive double hit from the anti-government protests compounded by the current Covid-19 pandemic.

The Chen Yet-Sen Family Foundation seeks to implement a matching scheme for 2020 donations made to our grantees. For every dollar donated by the public in 2020, we will match it. **These funds will be unrestricted.** We will then seek our match to be further matched by another entity; for instance the Hong Kong Jockey Club Charities Trust or The Community Chest.

We hope that when the HK\$10,000 government payout is released to Hong Kong Permanent Residents in 3Q2020, all grant makers will have established this matching scheme with their grantees. Our grantees can then make their case to seek donations from those who are in a position to donate all or part of their HK\$10,000 payout, our matching grant will then leverage and maximise the impact of the public's donation.



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3. The Goals & Objectives

Together with grant makers, we propose a simple way to support the 200+ NGOs in Hong Kong who have had their cash flow adversely disrupted due to factors outside of their control.

Each NGO must be bona fides with robust internal governance – we recommending that our grantees be the eligible NGOs for this matching scheme. A funding relationship and a high level of confidence has already been established with our grantees, therefore minimal due diligence will be required so we can move quickly.

Please note a further NGO cross reference check:

- HKCSS (370 members)
- HKJC (294 charities/projects)
- HKSAR funding entities e.g. SIE Fund (250+ projects)
- Community Chest (140 members)

The need and demand for the critical services provided by NGOs to the vulnerable members of society in Hong Kong have increased dramatically in this crisis. This is the worst time to cut service capacity as NGOs face extreme financial and staffing challenges.

We are seeking to “Bridge the Gap” so that our grantees can maintain service delivery. To define this gap, we propose this approach:

2020 EXPENSES

- Rent
- Utilities
- Salaries – project specific
- Salaries – non-project specific

2020 REVENUE

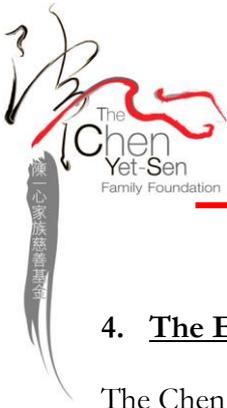
- Project specific (Grants)
- Non-project specific (Donations)
- Government salary relief

GAP = Expenses less Revenue

Our matching gift would seek to fill the gap identified so that NGOs could use these funds to continue operations.

We will insist that our grantees be fully transparent and to restructure wherever possible so that after our unrestricted short-term funding gift scheme concludes, they have a smoother transition to a more efficient new level of operation.

This approach motivates the NGO to organize their fundraising appeals going forward (if they have not already) so that their donors will be doubly motivated to support.



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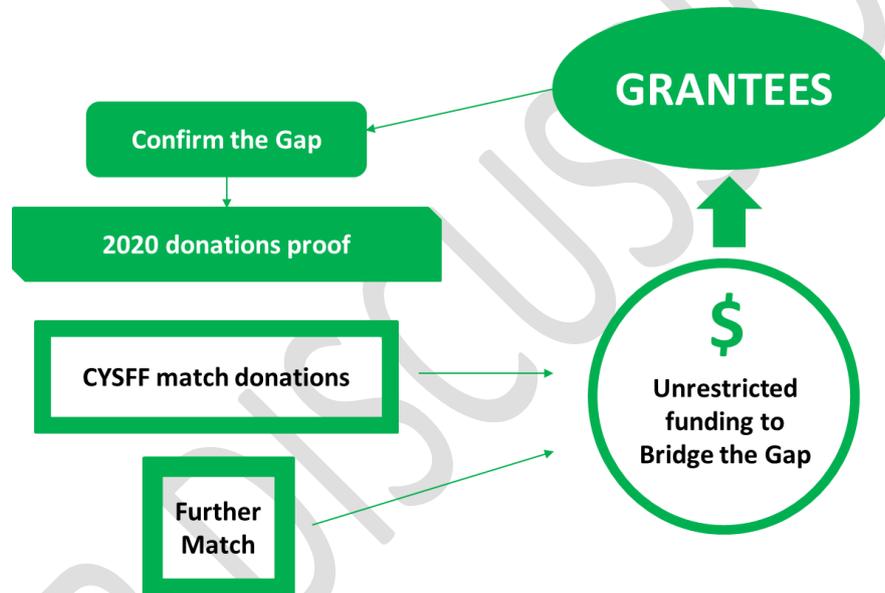
4. The Expected Results & Timing

The Chen Yet-Sen Family Foundation currently supports Hong Kong NGOs via grants focusing on children aged 0 to 12 with interventions concentrating on education enhancement, play and ethnic minorities. After a basic review and vetting of our grantees' "gap", we intend to match any donations made to these NGOs during 2020. Where relevant, we may set a limit.

If our matching gift could be further matched by another entity, this will really make a difference.

By working with our existing grantees, the opportunity can be fast-tracked as we would have already entrusted grant funding to these NGOs.

Please refer to a diagram outlining the process below:



5. Bridging the Gap - Together

It is our hope that Hong Kong's grant making foundations will join in this matching scheme to provide much needed unrestricted funding to our struggling NGOs. We believe this to be a simple, innovative way to provide short-term support to those that need it, quickly.

By leading on this, we as Hong Kong grant makers can work together as a driving force to establish this as an act of solidarity, paving the way for other members of our society to join us in taking action to ensure NGOs deliver to those truly in need.

For more information, please contact:

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