

Measures for Social Enterprise Development

1. The proposed directions for promoting social enterprise (SE) development laid down in CoP Paper 7/2007 are supported in general. This paper aims to recommend several concrete measures so as to foster tri-partite collaboration amongst the government, businesses and the community and provide necessary support to SEs at this incubation stage:

Promoting Business Support to SEs

2. The Government may provide matching fund as an incentive to promote the setting up of venture philanthropy by NGO and business sectors. With an increasing awareness of corporate social responsibility, and in response to the appeal of the Government, leading local business enterprises are willing to pool both their financial resources and business expertise to establish a Venture Philanthropy Fund in Hong Kong. While the Fund will provide grants to support the set up of innovative and potential SE projects, experts of participating businesses could help to build intellectual and social capital of awarded SEs. The Government may encourage such initiatives through providing matching grant to the financial donations of participating businesses.

Providing operation support and enhancement

3. Set up Social Enterprise Incubation Centre to provide one-stop training and support services to social enterprises and social entrepreneurs. Different models of incubators have been tried out by NGOs, foundations, universities and / or government departments in other countries¹, which may include the following initiatives:
 - ❖ Offers one-stop consultancy and support services in the setting up of SEs, with pooled professional volunteers or discounted fee for service to assist SEs in business planning and development, financial management, tender submissions and legal compliance, etc.

¹ Examples include the Futurebuilders England, the Partnership on Nonprofit Ventures programme of Yale School of Management in conjunction with the Goldman Sachs Foundation, the AvanteChange programme of Harvard Business School, the Social Venture Capital Foundation, etc.

- ❖ Performs joint marketing, product and service branding and promotion.
 - ❖ Provides joint office support, shares back-room services like warehousing, delivery etc.
 - ❖ Organizes training and mentorship programmes to enhance SE operators' skills and knowledge.
 - ❖ Promotes business – third sector (NGOs+SEs) partnership circles at district and/or industry levels and to assist SEs to develop business opportunities and create social impact.
4. The proposed SE Incubation Centre can be housed in a building designated for SE joint office, warehouse, product and service outlet. The Jockey Club or other donors could be approached to provide capital cost for transforming an old industrial building or school to house such a Centre.

Building a facilitating environment

5. An Institutional Structure within the Government should be set up to oversee the progress of social enterprise development, propose new strategies for creating an enabling environment, and review related legal framework. Such an institutional structure could be set up in a department which is responsible for promoting employment of vulnerable groups or the development of small or medium enterprises.
6. A Government advisory / leadership group on SE should also be established, so as to develop a group of champions for SE development in the business and NGO sectors, to provide the impetus to build business and SE co-operations, who are ready to invest in innovation and mobilize community and business support.

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