

Social Innovation and Entrepreneurship Development Fund

Invitation to Expression of Interest for the Venture Building Initiative

Invitation Brief

This Expression of Interest exercise is to invite eligible legal entities/ organisations/ companies to express their interest in implementing programmes under the Venture Building Initiative of the Social Innovation and Entrepreneurship Development Fund (SIE Fund). This Expression of Interest exercise is neither a tender exercise nor a selection process. Please pay special attention to the disclaimer at **Annex I**.

Background

2. The SIE Fund acts as a catalyst for social innovation in Hong Kong, facilitating new forms of collaboration among businesses, non-government organisations (NGOs), academics, philanthropies and the community with an aim to addressing issues related to poverty and social exclusion through innovation and entrepreneurship.

3. Different sectors of the society can play a part in poverty alleviation. The SIE Fund has been actively engaging different stakeholders to foster cross-sector collaboration. Our efforts include supporting local research projects on social innovation and advocating the shared value concept in the business sector. Forums and workshops were organised in 2015 and 2017 to help interested corporations formulate relevant business plans. The SIE Fund has also commissioned a research project in 2019 to identify the push and pull factors for businesses to transform from profit maximisation to “business for good” through adopting Shared Value, as well as to create the community demand for “business for good” in Hong Kong.

4. Working with stakeholders from different sectors, resources of corporations, philanthropies, NGOs and tertiary institutions were pulled together to support meaningful and sustainable projects in addressing social issues. The SIE Fund has co-funded with partners a number of projects focusing on early childhood educare for disadvantaged families, to help families overcome barriers to learning and social integration.

5. Lasting changes and sustainable impact of programmes are always made possible through government joining hands with different sectors in the society. To this end, the SIE Fund is planning to launch a Venture Building Initiative in the latter half of 2023 and invite interested parties to implement pilot programmes for supporting social ventures for a better collective future of the social innovation ecosystem.

Venture Building Initiative

6. While expanding the social innovation field to achieve greater benefits has significant appeal, it has also become clear that many social ventures, even with a sound

business plan, may face a myriad of challenges in crossing the “valley of death” and scaling their businesses –

- (a) Weak supportive network – Very often social ventures are driven by a strong personal passion to start their ventures to address a social need. However, to reach scale, social ventures need the support of other players and stakeholders in the social innovation ecosystem, in particular the business sector, through their extensive networks and technical/ financial know-how.
- (b) Lack of proper business strategy – Social ventures often embark on the journey entirely out of goodwill without having any prior business background, and as a result most of them would not have the required managerial skill allowing them to plan, undertake strategic planning, financial forecasting, etc.
- (c) Problems in accessing capital – Social ventures reported difficulties in securing the capital for scaling. Over time some ventures flourish but a vast majority of them struggle to accumulate the required capital and mostly invest their own savings to continue the businesses.

7. The Venture Building Initiative, which is not a funding scheme per se, should help addressing the pain points of social ventures as illustrated in paragraph 6 above. It is not the SIE Fund’s intention to provide any direct funding support to the social ventures under this initiative.

8. More specifically, the proposed programmes under the Venture Building Initiative should aim at facilitating cross-sector collaboration with a view to assisting social ventures with good potential in crossing the “valley of death” and growing their businesses to deliver greater social impact. This may take the form of networking activities/ events for social ventures and different players/ stakeholders of the social innovation ecosystem; provision of professional, business and other related support services for social ventures to scale up or develop technology-focused projects; solicitation of funds from the business/ investor/ philanthropy sector, etc. These are not exhaustive, but rather illustrative of the kind and diversity of the Venture Building Initiative. You are also encouraged to make other suggestions that may further the overall objective of the Initiative. The proposed programmes are expected to last not more than 24 months.

Expression of Interest

9. The party interested in submitting an Expression of Interest could be (a) a charitable organisation exempted from tax under Section 88 of the Inland Revenue Ordinance; (b) a company (private or public) formed and registered under the Companies Ordinance (Cap. 622); or (c) a statutory body established under the legislation in Hong Kong.

10. If your organisation/ company is interested in submitting an Expression of Interest, please complete the reply template at **Annex II**. Apart from some general

information and background of your organisation/ company, the Expression of Interest should cover an initial proposal on the proposed programmes, including the implementation plan; target/ expected outcomes; and a ballpark estimate of service fee. All the proposed programmes shall comply with all laws (including but not limited to the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region), regulations and judicial requirements. You should complete the reply template in duplicate and place them in a sealed plain envelope marked **“Expression of Interest for implementing programmes under the Venture Building Initiative of the Social Innovation and Entrepreneurship Development Fund”**.

11. The Expression of Interest should be submitted by depositing in the collection box marked **“Invitation to Expression of Interest – Venture Building Initiative of the Social Innovation and Entrepreneurship Development Fund”** located at the Efficiency Office, 14/F, Treasury Building, 3 Tonkin Street West, Cheung Sha Wan, Kowloon **at or before 18:00hr on 6 February 2023** (Hong Kong Date and Time) or such other date as extended under paragraph 12 below (“Closing Date”).

12. If a black rainstorm warning or tropical cyclone warning signal No. 8 or above is hoisted between 9:00 hr and 18:00 hr on the Closing Date, the deadline for submission will be extended to 18:00 hr on the following working day.

13. Late submissions or organisations/ companies failing to meet the eligibility requirements will not be considered further.

14. Upon the Closing Date of submission, the SIE Fund will consider the Expression of Interest submitted by all entities and decide the necessary follow-up actions, if any. Please note that this invitation does not constitute an offer of appointment, nor does it constitute the basis of any contract which may be concluded in response to this invitation. The SIE Fund has all the rights and discretions to change the content of this invitation or terminate the process of Expression of Interest at any time, or decide on the follow-up action, if any, it deems fit and shall not be liable to any person/ organisation/ company in respect of any loss or damage resulting from such action/ decision. A detailed disclaimer is at **Annex I**.

Enquiries

15. For enquiries, please contact the following officers –

- Mr. Wilson CHAN, Chief Management Services Officer, Tel. 2165 7278;
and
- Ms. Toni LAW, Management Services Officer I, Tel. 2165 7322.

SIE Fund Secretariat
6 January 2023