

Invitation Brief

**Provision of Intermediary Services
to Design and Administer Innovative Programmes
for the Trustee of
the Social Innovation and Entrepreneurship Development Fund
(SIE Fund)**



Issued by : The Trustee of the SIE Fund

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INTRODUCTION AND OVERVIEW

1. Purpose

- 1.1. The Trustee of the SIE Fund (“Trustee”) invites interested parties to submit proposals to act as intermediaries to design and administer innovative programmes (“IP Intermediaries”) with the service scope as described in paragraph 3 below to help alleviate poverty and social exclusion and foster the well-being and cohesion of the society in Hong Kong.
- 1.2. Through this invitation, the Trustee seeks to engage multiple IP Intermediaries to design and administer innovative programmes for supporting social innovators/ventures of different forms and stages of development with innovation, diversity and impact. This Invitation Brief sets out the scope of services of IP Intermediaries, the eligibility and submission requirements, the assessment process and criteria to be used in selection of IP Intermediaries as well as the key engagement terms.
- 1.3. The Trustee has the full discretion to decide on the actual funding size and engagement period of each appointed IP Intermediary, the total number of IP Intermediaries to be appointed and the total amount of the SIE Fund to be disbursed for supporting the social innovators/ventures under the innovative programmes administered by the appointed IP Intermediaries, having regard to the proposals received from the proponents under this invitation (“Proponents”).

2. Background

- 2.1 Launched in 2013 with an allocation of \$500 million, the SIE Fund seeks to alleviate poverty and social exclusion as well as foster the well-being and cohesion of the society by promoting social innovation and nurturing social entrepreneurship. In April 2021, the Legislative Council approved an injection of \$500 million to the SIE Fund to further promote social innovation and entrepreneurship. As at end April 2022, over \$500 million has been committed to take forward the various initiatives under the three priority areas of the SIE Fund¹. More than 2 700 ideas for social innovation have been generated, over 9 600 social entrepreneurs nurtured and 400 projects funded, benefitting over 300 000 individuals in need. Details of the funded

¹ The SIE Fund has accorded priority to initiatives that support three areas contributing to the development of social innovation and entrepreneurship:

- (a) “Innovative Programmes” which provides funding, incubation and other support for social entrepreneurs/ventures and innovative projects of different stages of development (including idea generation as well as prototype, start-up and scale-up projects);
- (b) “Capacity Building” programmes which seeks to foster the development of the social innovation ecosystem, including nurturing of social entrepreneurs, enhancement of the capacity of the whole sector, facilitation of cross-sector collaboration, and raising of public awareness and understanding of social innovation as a means to addressing social needs; and
- (c) “Research” which seeks to identify areas of needs and explore solutions by encouraging and supporting social/applied/action researches as well as evidence-based pilots on social innovation.

projects are available at the SIE Fund's website at www.sie.gov.hk.

- 2.2 Established as a trust fund under the Secretary for Home Affairs Incorporated, the SIE Fund is overseen by the Commissioner for Efficiency who was appointed by the Trustee as the Secretary-General (SG) whereas the SIE Fund Task Force (TF) set up under the Commission on Poverty in December 2012 is tasked to advise the SG on all policies and procedures governing the operation of the SIE Fund and all matters relating to the administration of the SIE Fund.
- 2.3 The Trustee has engaged intermediaries as strategic partners to design and administer innovative programmes which best fit the needs of the social innovation space. The use of intermediaries as a vehicle to nurture and promote social innovation and entrepreneurship is a unique feature of the SIE Fund. It was considered more effective to leverage on the existing resources, expertise and networks of knowledgeable, experienced and credible practitioners in the social innovation field to help find and nurture budding social innovators/ventures and maximise the impact of the SIE Fund. Two batches of intermediaries were engaged in 2015 and 2020 to design and deliver innovative programmes. Services of the batch of intermediaries engaged by the Trustee in 2020 are due to expire and the Trustee is planning to engage a new batch of intermediaries in the latter half of 2022 to further take forward the work of the SIE Fund.

SERVICE SCOPE

3. Service Scope of IP Intermediaries

- 3.1 The Trustee seeks to engage multiple IP Intermediaries for designing and implementing **three** innovative programmes, namely **Ideation Programme**, **Incubation Programme** and **“Tech for Good” Programme** in an open, fair and transparent manner until the end of the engagement period or completion of all funded projects, whichever is later.
- 3.2 For the Ideation Programme, its design should aim at supporting no experience/ less experienced individuals and organisations to learn and explore the social innovation space. Favorable consideration will be given to proposals without restriction on the participating cluster of social innovators/ventures. More specifically, the programme should comprise the following elements:
- (a) elementary training programme designed for no experience/ less experienced individual and organisation participants to learn about the theory and practice of social innovation, proposal drafting, budget preparation, pitching skills, etc.;
 - (b) at least two application in-takes per year, providing selected social innovators/ventures that have completed the training in (a) above with funding (up to \$100,000 per project) and incubation to develop innovative ideas, products or services; and
 - (c) grant disbursement and control mechanism to disburse grant and return the unspent balance of individual funded projects to the Trustee. The Trustee will provide and disburse grant to the appointed Intermediary(ies) by batch for distribution to individual funded projects.
- 3.3 For the Incubation Programme, its design should aim at supporting more experienced organisations to seek funding and incubating selected social innovators/ventures from either (i) the entire social innovation community or (ii) other specific cluster(s) (e.g. youth-specific, business/SME-initiated, elderly issues-oriented, etc.). More specifically, the programme should comprise the following elements:
- (a) advanced training programme designed with a focus on post-funding incubation support, for example, business consultation, mentorship scheme, etc.;
 - (b) at least one application in-take per year, providing selected social innovators/ventures with FULL innovation lifecycle (i.e. encompassing all the

four stages of innovation development)² or STAGE SPECIFIC funding and incubation, and bridging support for those innovators/ventures with potential to proceed to the next stage of innovation development upon completion of their funded projects (e.g. assist innovators/ventures of completed “prototype” projects in crossing the “valley of death” and proceeding to “start-up” stage and provision of corporate/ business support programme for funded innovators/ventures);

- (c) structured plan, network and mechanism for sourcing and securing matching funds if so required by the applicants.

3.4 For the Tech for Good Programme, the Intermediary should possess relevant expertise to design and administer the innovative programme with a specific focus on supporting social innovators/ ventures to develop technology-based projects for addressing social challenges. The programme elements set out in paragraph 3.3 above also apply to the Tech for Good Programme.

3.5 Apart from the programme-specific requirements mentioned in paragraphs 3.2 to 3.4 above, all three programmes should comprise the following elements:

- (a) a structured funding scheme with details on:
 - target applicants and ultimate beneficiaries;
 - eligibility and vetting criteria;
 - application invitation, processing and vetting mechanisms;
 - estimated number of applications received and projects funded;
 - estimated size of grant, in the form of a range and/or a cap, to be funded for each funded innovator/venture and in total;
- (b) provision of tailored advice and support to applicants for refining their applications in terms of, for example, business models, project implementation, social outcomes and impacts, etc. during the application stage;
- (c) structured incubation plan, programme and network to provide funded innovators/ventures with tailored and hands-on incubation, coaching and support in terms of, for example, project implementation, entrepreneurship, sustained business operation, scale-up, fund pitching, etc. during the project implementation stage;
- (d) a project monitoring mechanism to monitor the progress and completion of funded projects and oversee the compliance of funded innovators/ventures with

² The four stages of innovation development are:

- (a) **idea generation** during which innovation ideas are still in the embryonic stage and need further development;
- (b) **prototype** whereby ideas will be tested and further refined;
- (c) **start-up** which involves launching of a new business based on the idea incubated; and
- (d) **scale-up** which focuses on expansion of an existing business to create greater social impact.

the terms and conditions stipulated in the relevant project agreements; and

- (e) a performance management mechanism to evaluate the performance, finance, outcomes and impacts of the funded projects against the agreed key performance indicators (KPIs) and target outcomes/impacts as stipulated in the relevant project agreements.
- 3.6 All three programmes should be open for applications by any locally registered legal entity, whether these are profit-making and non-profit-making organisations, for carrying out projects that align with the objectives of the SIE Fund and target at benefiting the ultimate beneficiaries of the SIE Fund. For programmes involving social innovators/ventures under the stages of “idea generation” and/or “prototype”, applications from individuals should also be allowed.
- 3.7 An IP Intermediary is also required to:
- (a) formulate and implement strategy and plan to market and promote the innovative programme as well as source and solicit quality applications with innovation, diversity and impact for the funding scheme under its innovative programme through engagement with different sectors including social innovators/ventures, businesses, NGOs, academics, philanthropies, etc.;
 - (b) develop and apply a credible performance management mechanism with the Task Force Secretariat (“Secretariat”) and consultants assigned by Trustee to measure and evaluate the performance of the innovative programme against the agreed KPIs and target outcomes/impacts as stipulated in the legally binding agreement to be signed between the Trustee and IP Intermediary covering the intermediary engagement (“Engagement Agreement”);
 - (c) develop sustainability plan and action for funded ventures with good potential when approaching the end of funding period, with the necessary resources included in the proposed intermediary service fee;
 - (d) implement any referral and collaboration mechanisms with the Trustee, other intermediaries of the SIE Fund or any other parties as directed by the Trustee, including, without limitation –
 - (i) referral of funded social innovators/ventures to enroll in capacity building programmes or participate in capacity building events or activities organised by the Trustee, other intermediaries of the SIE Fund or other actors in the field;
 - (ii) participation and/or assistance to arrange sharing and networking for SIE Fund funded ventures with other intermediaries;
 - (iii) upon completion of a funded project, referral of the relevant social innovators/ventures to other intermediaries of the SIE Fund or other funding sources in the field for funding and/or incubation at the next stage of innovation development; and follow-up of such referral by other intermediaries or parties; and

- (iv) coordination with other IP Intermediaries to cross-check duplicated applications among different innovative programmes under the SIE Fund.

Referral and collaboration mechanisms will be drawn up by the Trustee in collaboration with the appointed intermediaries after appointment.

3.8 In addition to the above stated service requirements, proponents are free to propose innovative service as an optional item (see Section 3(h), Part II(b) of Annex 1) that may be applicable to further the overall objective of the proposed intermediary programme. The proponent should also indicate the proposed deliverables and extra service fee in relation to the innovative service.

3.9 In designing and administering the funding scheme under its innovative programme, the IP Intermediary should note that:

- (a) The Trustee will consider a grant with matching fund requirements under three tiers –

Funding sought from SIE Fund	SIE Fund : Matching fund	Matching fund required
Up to \$300,000	Matching fund not required	Not required
>\$300,000 to \$900,000	2:1	50% of SIE Fund's contribution
Over \$900,000	1:1	Same as SIE Fund's contribution

- (b) the matching fund can be in cash or in kind while the sources and exact form of matching fund for each funded project require prior approval by the Trustee. In this connection, the IP Intermediary has the responsibility to help those applicants source and secure the matching fund, preferably from commercial/non-charitable organisations, if so required by the applicants in accordance with the plan, network and mechanism established for the purpose (see paragraph 3.3(c) above);

- (c) funding applications will be considered under two tiers according to the funding amount requested and subject to the relevant vetting mechanism as set out below:

- (i) Tier 1 - Application for a grant up to \$2,000,000

Tier 1 applications have to be vetted and recommended by a Joint Intermediary and Task Force Vetting Committee (JVC) to be set up by the IP Intermediary with representatives of the TF and the IP Intermediary.

The IP Intermediary is required to submit the recommended applications to the TF and Trustee for endorsement. The TF and Trustee will review and consider whether to fund the recommended applications.

(ii) Tier 2 - Application for a grant exceeding \$2,000,000

Tier 2 applications have to be vetted by the JVC. The IP Intermediary is required to submit those applications supported by the JVC to the Proposal Assessment Committee (PAC) established under the TF for consideration, then to the TF and Trustee for endorsement.

- (d) the intermediary is required to conduct vetting on the submitted proposals and submit the recommended applications to the PAC and/or TF for consideration within 10 weeks after the submission deadline for application set by the intermediary;
- (e) each funded social innovator/venture has to sign a project agreement with the Trustee (for the Incubation and Tech for Good Programme) or appointed Intermediary (for the Ideation Programme). Actual disbursement of grants to the funded social innovators/ventures will be done by the Trustee or the appointed Intermediary after signing of the project agreement and subject to the social innovator/venture's fulfillment of the relevant terms and conditions for grant disbursement as stipulated in the agreement; and
- (f) individual social innovators/ventures may submit proposals to the appropriate IP Intermediaries taking into account the target applicants and eligibility of the relevant innovative programmes. To avoid granting duplicated funding for the same project proposed by the same social innovator/venture under different innovative programmes of the SIE Fund, a funding application with substantially the same content should only be processed by one IP Intermediary. To this end, appointed IP Intermediaries have to liaise and coordinate among one another to identify and handle any duplicated funding applications submitted under their respective innovative programmes. The Trustee shall have the absolute discretion to determine whether a particular funding application should or should not be processed by a particular IP Intermediary.

3.10 The IP Intermediary will be required to submit information and data of the funding applications and funded projects under its Innovative Programmes to the Trustee through the computer system developed by the Trustee and on request. The information and data to be submitted and their format of submission will be discussed between the Trustee and the IP Intermediary.

3.11 Unless supported by justifications and accepted by the Trustee, the expected duration of the engagement period for designing and implementing its proposed innovative programme is **three years**, except for the Tech for Good Programme (paragraph 3.4 above), of which a more flexible engagement period between one to three years is acceptable.

ELIGIBILITY REQUIREMENTS

4. Eligibility Requirements

- 4.1 Subject to paragraph 4.2 below, without limitation, an IP Intermediary can be (i) a charitable institution of a public character exempted from tax under section 88 of the Inland Revenue Ordinance (Cap 112); (ii) a company (private or public) formed and registered under the Companies Ordinance (Cap 622); or (iii) a statutory body established under the legislation in Hong Kong. For a legal entity not specified above, its eligibility will be considered on a case-by-case basis.
- 4.2 An IP Intermediary must have been duly formed, registered, established or constituted in Hong Kong under the relevant legislation on the date that it enters into an Engagement Agreement with the Trustee. It must be an entity capable of entering into an Engagement Agreement with the Trustee and must **not** be a natural person only or sole proprietor only.
- 4.3 The Proponent of the IP Intermediary services covered under this invitation may take the form of an alliance/consortium comprising two or more parties. In this case, one of the parties should be assigned as the principal proponent (“Principal Proponent”) and authorised by all other parties to take up the overall coordination role and, on behalf of the alliance/consortium, liaise with the Trustee on all matters relating to this invitation exercise. If the Principal Proponent is eventually selected as an IP Intermediary by the Trustee, it will have to enter into an Engagement Agreement with the Trustee and be held responsible for the due and faithful performance of the IP Intermediary as a whole, including every party in the alliance/consortium, as prescribed in the Engagement Agreement. The eligibility requirements set out in paragraphs 4.1 and 4.2 above will apply only to the Principal Proponent but not the other parties of the alliance/consortium.
- 4.4 The Proponent of the IP Intermediary must not receive or have received financial support from the Government for the same proposed service. The Proponent shall be required to make a declaration in this regard when submitting proposal (see Part II(a)(H) of the template at Annex 1).
- 4.5 **Proposals received from Proponents that do not meet the eligibility requirements set out in paragraphs 4.1 to 4.4 above will not be considered further.**

SUBMISSION OF PROPOSALS

5. Submission of Proposals

- 5.1 Interested parties are invited to submit proposals to act as IP Intermediaries to design and administer innovative programmes for the Trustee. Each Proponent / Principal Proponent **may submit proposal for all streams of intermediary service, limiting to no more than one proposal for each stream of service. Proposals received from Proponents that fail to comply with this requirement will not be considered further.** All proposals, including those submitted by the same proponent, will be considered independently. The Trustee reserves the right, in its sole and absolute discretion, not to accept any proposal, or to appoint any Proponents who have submitted proposals in response to this invitation for all streams of intermediary service.
- 5.2 A valid proposal must consist of a **Business Plan Proposal** and a **Fee Proposal**. Proposal submitted shall be valid for a minimum of twelve months from the Proposal Closing Date (see paragraph 5.4 below). Proponents are required to indicate the validity period of their proposal in the Business Plan Proposal. The Trustee may request an extension of the validity period of the proposal.
- 5.3 The Proponent shall submit, for each of the Business Plan Proposal and the Fee Proposal, one (1) set of hardcopy and one (1) set of softcopy stored in separate USB thumb-drives and placed in a sealed plain envelope marked **“Proposal for Provision of IP Intermediary Services for the SIE Fund”**.
- 5.4 The proposals must be submitted by depositing in the collection box marked as **“Provision of IP Intermediary Services for the SIE Fund”** located at the Efficiency Office, 41/F, Revenue Tower, 5 Gloucester Road, Wanchai, Hong Kong, not later than **18:00 hr on 4 August 2022** (Hong Kong Date and Time) or such other date as extended under paragraph 5.5 below (“Proposal Closing Date”).
- 5.5 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 Proposal Closing Date, the deadline for submission will be extended to 18:00 hr on the following working day.
- 5.6 In case there are any discrepancies between any hardcopy and the softcopy of the submission under paragraph 5.2 above, the hardcopy will prevail.
- 5.7 **Late submissions or proposals not complying with paragraphs 5.1 to 5.4 above will not be considered further.**
- 5.8 The Business Plan Proposal is expected to contain the information as specified in the template at **Annex 1**. To facilitate a comprehensive and accurate assessment of the proposal, the Proponent is strongly recommended to adopt the framework of the template in preparing the proposal and provide all the information required.

- 5.9 When submitting the Business Plan Proposal, each Proponent is required to provide its Corporate Governance Plan (see Part II(b)(4b) of the template at **Annex 1**) in accordance with the guidelines stipulated at **Annex 2**.
- 5.10 Each Proponent shall disclose in the Business Plan Proposal any circumstances which may reasonably be considered to give rise to a situation where the interests of the Proponent or each of the relevant persons conflict or compete with the IP Intermediary's duties to the Trustee in the performance of the intermediary services (see Part II(a)(G) of the template at **Annex 1**).
- 5.11 Information to be included in the Fee Proposal is set out in the template at **Annex 3**. In the proposal, each Proponent must submit a fixed, all-inclusive lump sum service fee in Hong Kong Dollars for providing the proposed intermediary services covering the proposed engagement period. The service fee quoted, with high level cost breakdown, should cover, without limitation, the costs for engaging implementation partners and hiring sub-contractors, if any, and those for compliance with the terms and conditions of the engagement³. Save for the incentive payment(s) provided in paragraph 5.12 and 5.13 below (i.e. additional service fees for delivering/achieving a maximum of two better levels of performance above the baseline and extra service fee for optional innovative services), no other expenses, costs, charges or disbursements will be payable by the Trustee for the intermediary services proposed by the Proponent on top of the fixed, all-inclusive lump sum service fee.
- 5.12 A tiered and incentive-based payment structure, with the fixed, all-inclusive lump sum service fee mentioned in paragraph 5.11 above as the "baseline service fee" (Tier 0), will be considered by the Trustee in appointing the IP Intermediaries. Apart from the fixed, all-inclusive lump sum service fee required for delivering/achieving the baseline performance, Proponents are invited to include in the Fee Proposal additional service fees for delivering/achieving a maximum of two better levels of performance (Tiers 1 and 2) above the baseline (see illustration at **Annex 3**). Correspondingly, Proponents should specify in the Business Plan Proposal the types and levels of KPIs linked to the payment of the different tiers of service fee (see Part II(a)(E) of the template at **Annex 1**).
- 5.13 The extra service fee for optional innovative service, if any, should be quoted separately at Part D of **Annex 3**. The proposed service will not be taken into consideration in the overall assessment and the Trustee has the full discretion to accept or not to accept, subject to negotiation, part of the optional service. The proposed extra service fee should not exceed 10% of the all-inclusive lump sum service fee quoted in Part A of **Annex 3**.
- 5.14 To facilitate a comprehensive and accurate assessment of the proposal, the Proponent is strongly recommended to adopt the framework of the template at **Annex 3** in

³ Including, for example, the fees for appointing external bodies to prepare financial reports (including audited annual/financial reports) (see paragraph 12.1).

preparing the Fee Proposal and provide all the information required.

- 5.15 For the purpose of financial vetting mentioned in paragraph 6.8 below, after submission of the proposal, a Proponent shall, upon written request by the Trustee, provide the Trustee with financial-related information and documents on or before a specified date stipulated in the written request. If the Proponent fails to provide the information and documents on or before the specified date, the proposal will not be considered further.
- 5.16 By submitting a proposal, the Proponent represents and warrants that it shall not communicate or fix with any person not related to its proposal on the amount of fee, make any arrangement with any such person as to whether to submit a proposal, or otherwise collude with any person in relation to this engagement. Breach of any of the aforementioned representations and/or warranties may result in rejection of the proposal, withdrawal of the acceptance of the proposal or termination of the Engagement Agreement (as the case may be), in addition to other rights and remedies against the IP Intermediary and possible disqualification of the Proponent's future standing as an IP Intermediary for the Trustee.
- 5.17 By submitting a proposal, the Proponent shall be deemed to agree that the Trustee may make necessary copies of the proposals and provide the same to any relevant Government officers or other relevant individuals for the assessment of the proposals.
- 5.18 All proposals are submitted on the understanding that the Trustee will not be liable to pay any cost and expenses arising out of the preparation and submission or in explaining or clarifying their proposals, or otherwise in response to this invitation.
- 5.19 After submission of the proposals, the Proponents shall not attempt to initiate any further contact, whether direct or indirect, with the Trustee on its proposals or this invitation to submit proposals. Any further contact shall only be initiated by the Trustee. Except as requested by the Trustee, any further information relating to the proposals submitted to the Trustee after the Proposal Closing Date will not be considered.

ASSESSMENT OF PROPOSALS

6. Assessment of Proposals

- 6.1 Proposals received from Proponents will be assessed by the Intermediary Assessment Committee (“IAC”) established under the TF. Membership of the IAC comprises some serving members of the TF and a government official from the Efficiency Office.
- 6.2 The IAC will assess the proposals according to a set of pre-determined assessment criteria as follows:

Assessment Criteria	Maximum Score		
	Ideation	Incubation	Tech for Good
1. Vision and Objectives	5	5	5
2. Capability	15	15	15
3. Service Design	40	45	45
4. Implementation/Execution	20	15	15
5. Cost effectiveness	20	20	20
Total score	100	100	100

Details of the assessment criteria are provided at **Annex 5**.

- 6.3 Proposals received from Proponents will be subject to a three-stage assessment process as follows:

Stage 1 – Paper assessment by the IAC

Stage 2 – Interview by the IAC

Stage 3 – Endorsement by the TF

- 6.4 In Stage 1, with the assistance of the Secretariat, the IAC will conduct paper assessment as follows –
- assess each Proponent against the eligibility requirements set out in paragraphs 4.1 to 4.4 above and its compliance with the requirements for submission of proposals set out in paragraphs 5.1 to 5.4 above. Proposals received from Proponents that do not meet the aforesaid requirements will not be considered further;
 - assess each eligible proposal against the critical assessment criteria set out in paragraph 6.2. Proposals that fail to exceed the passing scores will not be

considered further;

- (c) Those proposals reaching the following scores will be further considered in Stage 2 of the assessment process –
 - (i) a total score of 60 or above; and
 - (ii) with all five assessment criteria exceeding 50% of the maximum score of the respective criterion.

6.5 In Stage 2, Proponents passing Stage 1 will be invited to attend an interview conducted by the IAC. The IAC may seek clarification from and enter into discussion with the Proponents in relation to any aspect of their proposals. Any discussion or any assessment carried out through this process do not constitute any engagement or funding commitment by the Trustee.

6.6 The IAC will finalise its assessment on the Proponents in Stage 2 against the assessment criteria set out at **Annex 5** having regard to the merits of their proposals as well as clarification sought and discussion with the Proponents after proposal submission, if any, and taking into account a number of strategic considerations for the whole engagement exercise of IP Intermediaries, including, without limitation:

- (a) complementary nature of the proposals in terms of, for example, coverage of stages of innovation cycle, nature of incubation programmes, network and resources available, etc.;
- (b) uniqueness, diversity and mix of the Proponents in terms of, for example, funding models, servicing areas, types of organisations, expected impacts, target social innovators/ventures, ultimate beneficiaries, etc.;
- (c) alignment with prevailing government policy or complementarity with existing and prospective government measures; and
- (d) the optimal number of IP Intermediaries to be engaged.

Recommendations of the IAC will be based on a full deliberation of these strategic considerations apart from the scores of each proposal.

6.7 In Stage 3, the TF will review the recommendations of the IAC and endorse the appointment of IP Intermediaries. Appointment of the IP Intermediaries will be made by the Trustee on the advice of the TF.

- 6.8 For the purpose of ascertaining the Proponent's financial capability in designing and administering the proposed innovative programme, if the estimated total contract value exceeds \$15 million in Hong Kong Dollars, the Trustee may, in the course of assessing the IP Intermediary proposal of the Proponent, conduct financial vetting of the Proponent based on the information and documents provided by the Proponent pursuant to paragraph 5.15 above. Those passing the financial vetting need to submit a contract deposit at a flat rate of 2% of the contract value. A contract deposit of up to 6% of the contact value will be imposed for all cases that fail the financial vetting.
- 6.9 Financial vetting is **not** required for contracts with a value not exceeding \$15 million in Hong Kong Dollars. A contract deposit will be imposed at a flat rate of 2% of the contract value.
- 6.10 The Trustee may, as a condition for appointment, serve a written notice to and the selected IP Intermediary is thereby required to provide the Trustee on or before a specified date a contract deposit in cash, in the form of a banker's guarantee or in the manner to be specified by the Trustee an amount equivalent to 2% to 6% of the fixed, all-inclusive lump sum service fee agreed between the Trustee and selected IP Intermediary. If the selected IP Intermediary fails to do so on or before the specified date, the offer of appointment by the Trustee may deem to lapse and become invalid.
- 6.11 The Trustee reserves the right, in its sole and absolute discretion, not to accept any proposal, or to appoint any of Proponents who have submitted proposals in response to this invitation for the whole or any part of the engagement. The Trustee is also under no obligation to review or discuss the assessment or assessment result of any proposal with any person.

KEY ENGAGEMENT TERMS

7. The following sets out the essence of the key contractual terms and conditions that may be incorporated in Engagement Agreement to be made between the Trustee and the IP Intermediary. Before entering into the Engagement Agreement, the Trustee reserves the right to modify any of its terms and conditions but is not obliged to do so.

8. Engagement Period

8.1 The Trustee has the full discretion to decide on the engagement period of each appointed IP Intermediary and apply contract break clause(s) before expiry of the full engagement period.

9. Payment Arrangement

9.1 The service fee payable by the Trustee for the intermediary services provided by the IP Intermediary shall be payable in periodic instalments, subject to the IP Intermediary's satisfactory performance and compliance with relevant terms and conditions in the formal Engagement Agreement to be made between the Trustee and the IP Intermediary. Interval of the periodic instalments will be discussed between the Trustee and individual IP Intermediaries.

10. Performance Monitoring of the IP Intermediary

10.1 The appointed IP Intermediary shall produce a detailed implementation plan including, without limitation, (a) proposed activities to be undertaken and the work plan; (b) the budget required; and (c) performance indicators to gauge the level of performance by the IP Intermediary and/or social innovators/ventures, throughout the engagement period.

10.2 Each IP Intermediary is required to submit periodic operation reports and develop an evaluation and reporting mechanism to measure KPIs committed in the Engagement Agreement with Secretariat or consultants assigned by the Trustee periodically. Interval of the periodic operation and evaluation reports shall tie in with the interval of the periodic instalments in paragraph 9.1 above.

10.3 Payment up to 40% of the contract value will be subject to KPIs committed and other performance in the servicing period including, without limitation, the following items where applicable:

(a) No. of funding applications received and processed

(b) No. of funding applications supported by the SIE Fund

- (c) No. of participants completed programme/training
- (d) On time/satisfactory submission of funding proposals, operation and financial reports of intermediary service and individual funded projects
- (e) Programme participants' overall satisfaction on the innovative programme
- (f) Cumulative percentage of matching fund secured
- (g) Overall performance of the intermediary (to be assessed by independent evaluator appointed by the Trustee)

11. Corporate Governance

- 11.1 The IP Intermediary undertakes to comply with and observe in all respects all applicable laws (including, without limitation, the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region) and regulations of Hong Kong.
- 11.2 The IP Intermediary will also be required to vet and make recommendations on the Corporate Governance Plans of the applicants for the funding scheme under its innovative programme and oversee compliance of their agreed plans subsequently.
- 11.3 A separate set of control measures will be imposed on the IP Intermediary by the Trustee to ensure proper use and handling of funds (including, without limitation, sponsorship and donation (if any) generated from its innovative programme), including, without limitation :
 - (a) Clear annual budget
 - (b) Separate bank account
 - (c) Separate set of books and records
 - (d) Regular submission of audited accounts
 - (e) Open, fair and competitive procurement procedures (e.g. open tender should be adopted for purchase of significant value)
 - (f) Keep proper record of equipment procured for the project
 - (g) Regular reporting of projects progress

12. Financial Reporting and Controls

- 12.1 The IP Intermediary shall maintain full and proper books of accounts and records in respect of the use of the SIE Fund and submit financial reports (including audited annual/financial reports) to the Trustee in accordance with the requirements set out in the Engagement Agreement.
- 12.2 The IP Intermediary shall keep a separate designated bank account solely for the receipt and/or disbursement of funds under the intermediary programme.
- 12.3 The IP Intermediary may accept third party sponsors or donations for itself to deliver the intermediary services provided that (i) the terms and conditions imposed by the funders, sponsors, donors, etc. if any, are consistent with the objectives and the terms and conditions of the Engagement Agreement; and (ii) prior written approval of the Trustee for acceptance of sponsorship or donations has been obtained. Other than the above, no other revenue from third party may be obtained save as otherwise agreed by the Trustee.

13. Financial Monitoring of Funded Social Innovators/Ventures

- 13.1 The IP Intermediary is required to scrutinise the financial reports and, where applicable, the related supporting documents, submitted by the social innovators/ventures funded under the funding scheme of its innovative programme. More specifically, the IP Intermediary should review and ensure that the financial reports are prepared properly and in accordance with the relevant financial guidelines issued by the Trustee or the appointed Intermediary (for Ideation Programme); and take appropriate actions to ensure timely submission of the financial reports and auditor's report, where applicable, within the due date as set forth in the project agreement. The IP Intermediary should also be prepared to provide advice and support to social innovators/ ventures in preparation of the financial reports.
- 13.2 Under the Ideation Programme, the IP intermediary is also required to monitor the financial positions of funded social innovators/ventures and to disburse grants to the funded social innovators/ventures in accordance with the project agreement.

14. Variation in the Scope of the IP Intermediary Services

- 14.1 The Trustee may during the engagement period make variations to the scope of the services provided by the IP Intermediary, subject to good faith discussion with the IP Intermediary regarding the impact upon timelines, costs, etc.

15. Insurance

- 15.1 The IP Intermediary shall ensure that there will be in place during the continuance of the Engagement Agreement a valid and subsisting public liability policy of insurance sufficient to protect the Intermediary and the Trustee from claims for

personal injury, bodily injury (including, without limitation, death) and property damage that may arise from or in connection with the performance of the intermediary services.

16. Conflict of Interest

16.1 The IP Intermediary shall during the term of the Engagement Agreement made between the Trustee and the Intermediary and for six (6) months thereafter ensure that it, including its directors, employees, sub-contractors, etc. shall not engage in any act which conflicts or competes, or which may be seen to conflict or compete, with the Intermediary's duties to the Trustee under the Engagement Agreement. Where required by the Trustee, the IP Intermediary shall procure any of the relevant persons to execute a legally binding written undertaking in a form prescribed by the Trustee agreeing to the avoidance of the conflict provision.

17. Probity and Anti-Corruption

17.1 The IP Intermediary is expected to observe the Prevention of Bribery Ordinance (Cap 201) (the "Ordinance"). If offences are committed under the Ordinance by relevant persons, the Trustee shall be entitled to forthwith terminate the Engagement Agreement.

18. Confidentiality

18.1 The Proponent and the IP Intermediary shall keep all data and information relating to the assessment confidential and for internal use only. All information relating to the engagement shall also be subject to obligations of confidentiality during and after the engagement.

19. Intellectual Property Rights

19.1 All intellectual property rights subsisting in the materials prepared, produced or created by the IP Intermediary in relation to the intermediary services ("Deliverables") shall be property of the IP Intermediary, subject that a perpetual, worldwide and irrevocable right, free of any fee or charge, shall be provided to the Trustee to use such Deliverables for any purpose as the Trustee deems fit.

20. Termination of the Engagement Agreement

20.1 The Trustee may terminate the Engagement Agreement forthwith upon giving written notice to the IP Intermediary, if, in the opinion of the Trustee, there is any breach or default by the IP Intermediary. The Trustee further reserves the right to terminate the Engagement without cause and/or to suspend the Engagement Agreement.

21. Liabilities and Indemnity

21.1 The IP Intermediary shall indemnify and keep indemnified the Trustee against any and all claims which arise directly or indirectly in connection with or out of, or which relate in any way to its breach of the Engagement Agreement or other default as will be more particularly set out in the Engagement Agreement. The Trustee may require the IP Intermediary to take out or maintain (as the case may be) a valid policy of professional indemnity insurance to cover its liabilities under the Engagement Agreement.

22. Non-Assignment, Restrictions on Sub-Contracting and the Use of Sub-contractors

22.1 Assignment, transfer of sub-contracting of interests, rights, benefits or obligations under the Engagement Agreement are not permitted without the prior written consent of the Trustee.

23. Disclosure of Fees Payable to the Appointed IP Intermediary

23.1 The Trustee shall have the right to disclose to any person whenever it considers appropriate the fees and expenses (including detailed breakdown) for engaging the IP Intermediary and the Fee Proposal (or part thereof) submitted by the appointed IP Intermediary. Each Proponent shall complete, execute and deliver to the Trustee a Consent to Disclosure in the form attached at **Annex 6** together with its **Business Plan Proposal** in respect of the Engagement.

24. Nature of Agreement

24.1 The IP Intermediary will be engaged by the Trustee as an independent contractor on a principal-to-principal basis and not as a partner, employee or agent of the Trustee or as a trustee for others.

25. Governing Law

25.1 The governing laws of this Invitation Brief and the Engagement Agreement shall be the laws of Hong Kong.

26. Trustee Not Liable for Information

26.1 The IP Intermediary should note that all information provided by the Trustee in connection with the engagement are for reference only. The Trustee gives no warranty or representation, expressed or implied, and accepts no liability as to the accuracy, availability, completeness, usefulness. Therefore, the IP Intermediary shall conduct its own independent assessment of the information.

27. Settlement of Disputes

- 27.1 Any dispute or difference between the parties arising out of or in connection with the Engagement Agreement shall first be mediated, and if still not settled, be referred to arbitration.

Template for Business Plan Proposal

Points to Note:

1. Business Plan Proposal is expected to contain the information as specified below. To facilitate a comprehensive and accurate assessment of the proposal, the Proponent is strongly recommended to adopt the framework of the template below in preparing the proposal and provide all the information required. Failing to provide as specified may obtain low or no marks in the assessment.
2. In case the proposal is submitted by an alliance/consortium comprising two or more parties, each should complete Part I in separate sheets. Please also indicate which one of the parties is authorised to take up the overall coordination role and, on behalf of the alliance/consortium, liaise with the Trustee of the SIE Fund on all matters relating to this invitation exercise.
3. In submitting the Business Plan Proposal, please ensure that the following information has been included in the proposal:
 - a. Part I – Particulars of the Proponent
(one form for each party in case of an alliance/consortium)
 - b. Part II(a) – Details of Proposal (Form)
 - c. Part II(b) – Details of Proposal (Free Format)

Part I - Particulars of the Proponent

Registered Name of Entity:	(Chi)	
	(Eng)	
<i>If the Proponent is an alliance/consortium, please indicate if the above entity is authorised to take up the overall coordination role and, on behalf of the alliance/consortium, liaise with the Trustee on all matters relating to this invitation exercise</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Correspondence Address		
Website (if any)		
Business Registration No. (if applicable)		
Name of the Contact Person	(Chi)	
	(Eng)	
Post title of the Contact Person		
Telephone No.		
Fax No.		
Email Address		
Mode of Entity:		
<input type="checkbox"/> Charitable institution of a public character exempted from tax under section 88 of the Inland Revenue Ordinance (Cap 112)		
<input type="checkbox"/> Company (private or public) formed and registered under the Companies Ordinance (Cap 622)		
<input type="checkbox"/> Statutory body established under the legislation in Hong Kong (please specify the ordinance below)		
<hr/>		
<input type="checkbox"/> Others (please specify)		
<hr/>		

Please sign and stamp your chop below

(Name of Authorised Signatory)

(Date)

Part II(a) – Details of the Proposal (Form)

Please fill in the form below.

A. Proposed Stream of Intermediary Service

(See paragraph 3.1 of the Invitation Brief)

Select ONE stream of intermediary service below. Proponent (if desired to be engaged in more than one stream) is required to submit separate proposals for applying each stream of intermediary service.

- (i) Ideation Programme
- (ii) Incubation Programme
- (iii) Tech for Good Programme

For (i) and (ii), please specify the theme of the innovative programme (e.g. health care) or “No specific theme” for accepting all themes of social innovation projects.

B. Proposed Duration of Engagement Period

(See paragraph 3.11 and 8.1 of the Invitation Brief)

_____ Years

C. Proposed Stage of Innovation Development and Type of Target Applicants

- (i) Ideation Programme - Please fill in Section (A) or (B)
- (ii) Incubation Programme - Please fill in Section (A) or (B)
- (iii) Tech for Good Programme - Please fill in Section (A) or (B)

For (B), please specify target cluster/segment of applicants.

Stage of Innovation Development	Type of Target Applicants		
	(A)	(B)	
	Entire social innovation community	Specific cluster	
Idea generation	<input type="checkbox"/>	<input type="checkbox"/>	(Please specify cluster/segment)
Prototype	<input type="checkbox"/>	<input type="checkbox"/>	

Start-up	<input type="checkbox"/>	<input type="checkbox"/>	here)
Scale-up	<input type="checkbox"/>	<input type="checkbox"/>	

D. Proposed Number of Tiers for the Tiered and Incentive-based Payment Structure (See paragraph 5.12 and Annex 4 of the Invitation Brief)

_____ tier(s)

Note: The proposed number should fall within the range of 1 to 3, i.e. Tier 0 (baseline) plus a maximum of 2 upper tiers (Tiers 1 and 2).

E. Proposed Key Performance Indicators (KPIs) of the Intermediary and Innovative Programme

(See paragraph 5.12 and Annex 4 of the Invitation Brief)

Proposed KPIs (Note)	Tier 0 (baseline)	Tier 1 (Optional)	Tier 2 (Optional)
For Ideation Intermediary ONLY			
(a) Total no. of participants completed elementary training			
(b) Total no. of funding applications received and processed			
(c) Total no. of funding applications supported by the Trustee			
For Incubation and Tech for Good Intermediary ONLY			
(a) Total no. of funding applications received and processed			
(b) Total no. of funding applications supported by the Trustee with a grant up to \$300,000			
(c) Total no. of funding applications supported by the Trustee with a grant from \$300,001 to \$1,000,000			
(d) Total no. of funding applications supported by the Trustee with a grant from \$1,000,001 to \$2,000,000			
(e) Total no. of funding applications supported by the Trustee with a grant exceeding \$2,000,000			
(f) Percentage of matching fund secured for funding applications recommended to the Proposal Assessment Committee/Task Force of the SIE Fund	%	%	%

Proposed KPIs (Note)	Tier 0 (baseline)	Tier 1 (Optional)	Tier 2 (Optional)
<i>The above are mandatory KPIs to be specified by each Proponent. Other KPIs proposed by the Proponent should be set out below:</i>			

Note:

The Trustee will negotiate with the proponent to finalise a set of KPIs to be adopted for appointment as and when the Proponent is selected under the assessment process.

F. Indicative Amount of Matching Fund to be Secured for Funded Social Innovators/Ventures

(See paragraph 3.9(a) of the Invitation Brief)

In cash	
Funding source for matching fund	Indicative Amount (HK\$)
In kind	
Source and description of the in-kind matching fund	Estimated Value (HK\$)

G. Conflict of Interest

(See paragraph 5.10 of the Invitation Brief)

Please specify below any circumstances which may reasonably be considered to give rise to a situation where the interests of the Proponent or each of the relevant persons conflict or compete with the IP Intermediary's duties to the Trustee in the performance of the intermediary services.

H. Double Funding

By submitting and signing in this Business Plan Proposal, the Proponent declares that the IP Intermediary (including the Proponent) has not received and/or is not applying for and/or are not receiving fundings from other publicly funded schemes for the proposed intermediary service.

I. Validity Period of the Proposal

(See paragraph 5.2 of the Invitation Brief)

_____ months from the Proposal Closing Date

Please sign and stamp your chop below

(Name of Authorised Signatory)
(Date)

Part II(b) – Details of the Proposal (Free Format)

Please provide the information as required below in free format having regard to the detailed assessment criteria as set out at **Annex 5**.

1. Vision and Objectives	
(a)	<p><u>Understanding of the social innovation ecosystem and roles of intermediary</u> Please articulate your understanding on:</p> <ul style="list-style-type: none"> (i) the local social innovation ecosystem and, if your proposed innovative programme is theme-based/segment-specific, the specific theme/segment covered by your proposed programme as well; (ii) the development of the local social innovation ecosystem and SIE Fund in coming years and, if your proposed innovative programme is theme-based/segment-specific, the development of the specific theme/segment covered by your proposed programme in coming years as well; and (iii) the gaps and opportunities of the social innovation ecosystem and, if your proposed innovative programme is theme-based/segment-specific, those of the specific theme/segment covered by your proposed programme as well.
(b)	<p><u>Objectives of the proposed intermediary services</u> Please state the objectives of the proposed intermediary services and describe how the proposed services would:</p> <ul style="list-style-type: none"> (i) align with and further SIE Fund’s objectives and positioning; (ii) facilitate SIE Fund in addressing the gaps and opportunities of the social innovation ecosystem, facilitating innovation and further supporting and developing the social innovation ecosystem; (iii) help incubate innovative ideas, ventures and programmes; (iv) the innovativeness of the proposed intermediary services; (v) the target outcomes and expected social impacts of the proposed intermediary services; (vi) the critical success factors which are essential for achieving (ii) above; and (vii) the potential risks of the proposed intermediary services and proposed risk management/mitigation measures.
2. Capability	
(a)	<p><u>Capability of proponent*</u> <i>* Including all the parties involved if the proponent takes the form of an</i></p>

	<p><i>alliance/consortium comprising two or more parties</i></p> <p>(i) Please provide information to demonstrate your capability, experience and track records in social innovation and, if your proposed innovative programme is theme-based/segment-specific, the specific theme/segment covered by your proposed programme as well.</p> <p>(ii) Please set out the support and resources that you would commit for designing and administering the proposed innovative programme.</p>
(b)	<p><u>Capability of project and finance team</u></p> <p>(i) Please set out the proposed structure, composition and line of command of the project team as well as the roles and responsibilities of the project team leader and members individually.</p> <p>(ii) Please provide information to demonstrate the capability, experience, track records, credentials and qualification of the project team leader and members in social innovation and, if your proposed innovative programme is theme-based/segment-specific, the specific theme/segment covered by your proposed programme as well.</p> <p>(iii) Please set out the proposed structure and composition of the finance team as well as the roles and responsibilities of the finance team leader and members individually.</p> <p>(iv) Please provide information to demonstrate the capability, experience, credentials and qualification of the finance team leader and members.</p>
(c)	<p><u>Expertise from corporate/business sectors</u></p> <p>(i) Please provide information to demonstrate the capability, experience, track records, credentials and qualification of the project team leader and members in providing corporate/business support to funded ventures.</p>
3. Service Design	
(a)	<p><u>Funding scheme design and management</u></p> <p>(i) Please provide details of the funding scheme under the proposed innovative programme including, without limitation:</p> <ul style="list-style-type: none"> - eligibility and vetting criteria - application invitation, processing and vetting mechanism - estimated number of applications to be received and projects to be funded - estimated size of grant to be funded for each funded social innovator/venture and in total - project monitoring and evaluation mechanism <p>(ii) Please, if applicable, set out the strategy, plan, activities, funders' network, etc.</p>

	<p>for sourcing and securing matching funds.</p> <p>(iii) Please describe the innovativeness, outcomes and social impact of the funding scheme.</p>
(b)	<p><u>Elementary training programme (Ideation Intermediary ONLY)</u></p> <p>(i) Please set out the objectives, design, plan, activities, etc. for providing elementary training programme for no/less experienced individuals and organisations to learn and explore the social innovation space and equip with basic skills on idea generation, proposal preparation, pitching, marketing, etc.</p> <p>(ii) Please elaborate on how the above elementary training integrated with the incubation, coaching and support to funded innovators/ventures in project implementation stage.</p>
(c)	<p><u>Incubation</u></p> <p>(i) Please set out the strategy, plan, activities, network, etc. for providing tailored advice and support to funding applicants for refining their applications, and describe the types of advice and support to be provided.</p> <p>(ii) Please set out the strategy, plan, activities, network, etc. for providing tailored and hands-on incubation, coaching and support to funded innovators/ventures, and describe the types of incubation, coaching and support to be provided during project implementation.</p> <p>(iii) If the proposed innovative programme targets only at providing stage-specific incubation (see paragraph 3.1 of the Invitation Brief), please set out the strategy, plan, activities, network, etc. for providing bridging support for those funded innovators/ventures with potential to proceed to the next stage of innovation development upon completion of their funded projects, and describe the types of bridging support to be provided.</p>
(d)	<p><u>Measures to solicit more innovative application and projects</u></p> <p>(i) Please set out the strategy, design, plan, activities, network, etc. for attracting participants with creative talents, soliciting more innovative funding proposals and facilitating generation of innovative ideas during the project formulation stage.</p> <p>(ii) Please set out the methodology, activities, network, etc. for inspiring individual funded ventures to generate more innovative ideas during the product/service development stage.</p>
(e)	<p><u>Marketing and promotion</u></p> <p>(i) Please set out the strategy, plan, activities, etc. to market and promote the proposed innovative programme as well as source and solicit quality applications with innovation, diversity and impact for the funding scheme under the proposed</p>

	<p>programme.</p> <p>(ii) Please provide information to demonstrate your network and connection with different players and stakeholders of social innovation ecosystem including, for example, businesses, NGOs and, if your proposed innovative programme is theme-based/segment-specific, the relevant practitioners of that specific theme/segment.</p>
(f)	<p><u>Performance management</u></p> <p>(i) Please set out the performance management mechanisms to monitor, measure and evaluate the performance of (1) the intermediary and (2) the proposed innovative programme against the KPIs and target outcomes/impacts proposed by the Proponent.</p>
(g)	<p><u>Support and collaboration with corporate/business sectors</u></p> <p>(i) Please set out the design, plan and activities for engaging corporate/business sectors on inspiring participants in terms of business operation and viability during training and funding application stage.</p> <p>(ii) Please set out the plan and activities for leveraging resources, connection, expertise, etc. from corporates/business sectors on supporting funded ventures during the product/service development stage.</p>
(h)	<p><u>Optional innovative service(s) (if applicable)</u></p> <p>(i) Please set out the objective, strategy, design, plan, activities, network, etc. for the proposed innovative service and how the proposed service further the objective of the intermediary service.</p>
4. Implementation/Execution	
(a)	<p><u>Application management and processing</u></p> <p>(i) Please set out the proposed end-to-end mechanism for processing funding applications received under the funding scheme, including, without limitation:</p> <ul style="list-style-type: none"> - calling and receiving; - vetting and recommending; - approving; and - others (e.g. calling cycle, structure and composition of the proposed vetting committee). <p>(ii) Please set out the proposed mechanism for handling enquiries and complaints about the proposed innovative programme and your intermediary services.</p> <p>(iii) Please set out the proposed system for recording and retrieving information and statistics related to the proposed innovative programme.</p> <p>(iv) Please provide information to demonstrate your capacity and readiness to implement any referral and collaboration mechanism with the Trustee, other intermediaries of the SIE Fund or any other parties as directed by the Trustee</p>

(b)	<p><u>Work plan and corporate governance</u></p> <p>(i) Please provide the work plan for the entire engagement period covering all the major activities and milestones as well as the expected outcomes and deliverables at different stages of the engagement period.</p> <p>(ii) Please set out the potential risks in the execution of your work plan and the proposed risk management/mitigating measures.</p> <p>(iii) Please set out your corporate governance plan with reference to the guidelines set out in Annex 2 to demonstrate that your organisation will act in the best interest of the Trustee and use and handle the funds properly if you are engaged as an Intermediary to design and administer the proposed innovative programme for the Trustee.</p>
(c)	<p><u>Grant disbursement and monitoring (for ideation intermediary ONLY)</u></p> <p>(i) Please set out the mechanism for monitoring the financial position of the intermediary's programme and spending position of individual funded projects, and preparation of financial reports to the Trustee.</p> <p>(ii) Please set out your work plan for disbursement of grant to funded projects, including whether a designated bank account solely for disbursement grants will be created.</p> <p>(iii) Please set out your policies and work plan for monitoring purchases of equipments for funded projects and subsequent disposals.</p> <p>(iv) Please set out your work plan for refund of unspent balances of completed projects.</p> <p>(v) Please set out your control mechanism for ensuring that funds provided for the projects are spent solely for the projects and that unspent funds are returned to the Trustee without delay.</p>

Corporate Governance Guidelines

There is no “one-size-fits-all” corporate governance plan that can generally apply to each and every proponent. Since the size and nature of the proponent as well as its services and desired mode of operation vary, individual proponent is required to propose its own corporate governance plan for vetting and endorsement by the Trustee of the SIE Fund (“Trustee”).

2. The proposed corporate governance plan should meet the following principles:
 - (a) Focusing on the organisation’s purpose as an intermediary to design and administer an innovative programme for the Trustee and on outcomes for meeting the objectives of the SIE Fund;
 - (b) Performing effectively with clearly defined functions and roles;
 - (c) Promoting values for furthering the objectives of the SIE Fund and demonstrating the values of good governance through behaviour;
 - (d) Taking informed and transparent decisions, and managing risk;
 - (e) Developing the capacity and capability of the board to be effective; and
 - (f) Engaging stakeholders and making accountability real.

3. For the purpose of this invitation exercise, the Corporate Governance Plan should include brief descriptions of both general and specific requirements (if applicable), as described below.

General corporate governance requirements

4. Some general principles and best practices are applicable to each and every proponent. Suggested components for the general corporate governance requirements together with some broad examples under each of components are set out below for reference by individual proponent. The examples are provided for illustration purpose only. A proponent may need to elaborate these examples to develop its Corporate Governance Plans as appropriate.

	Component (Note)	Example
1	Board Structure and Composition	<ul style="list-style-type: none"> • Clear roles of board and executives • Desirable ratio of different types of directors
2	Board Operation and Effectiveness	<ul style="list-style-type: none"> • Effective use of committees • Proper declaration of interest
3	Strategy, Planning and Monitoring	<ul style="list-style-type: none"> • Clear objectives and plan • Effective budgeting and monitoring
4	Transparency and Disclosure	<ul style="list-style-type: none"> • High degree of transparency • Regular and proper reporting

	Component (Note)	Example
5	Social Expectations	<ul style="list-style-type: none"> • Contributing to social interest • Accountable to the public, government, etc.
6	Risk Management and Compliance	<ul style="list-style-type: none"> • Effective risk management • Independent internal control and audit
7	Compliance with Laws and Regulations	<ul style="list-style-type: none"> • Complying with relevant ordinances and codes

Note:

Categorisation of governance components is mainly based on the **Guide to Corporate Governance for Subvented Organisations** issued by the Efficiency Office (May 2010) with modifications to meet the requirements of the SIE Fund. Individual proponent should develop its own corporate governance plan by making reference to the appropriate guidelines/codes.

Some suggested guides are listed below for reference. The list is by no means exhaustive. A proponent may make reference to other appropriate guide(s) in developing their general corporate governance measures:

For subvented organisations, public bodies or non-business entities :

- (i) **Guide to Corporate Governance for Subvented Organisations**, by the Efficiency Office (May 2010)
https://www.effo.gov.hk/en/reference/publications/guide_to_cg_for_so_2015.pdf
- (ii) **Corporate Governance for Public Bodies – A Basic Framework**, by the Hong Kong Institute of Certified Public Accountants (2004)
http://app1.hkicpa.org.hk/publications/corporategovernanceguides/eframework_guid_e.pdf

For business organisations (registered under Companies Ordinance), partnerships and individuals :

- (iii) **Corporate Governance Code** (Appendix 14 to the Rules Governing the Listing of Securities on HKSE), by the Hong Kong Stock Exchange (2012)
http://www.hkex.com.hk/eng/rulesreg/listrules/mbrules/documents/appendix_14.pdf
- (iv) **Guidelines on Corporate Governance for SMEs in Hong Kong** (2nd Edition), by the Hong Kong Institute of Directors (2009)
http://www.hkiod.com/document/corporateguide/sme_guidelines_eng.pdf
- (v) **SME Corporate Governance Toolkit**, by the Hong Kong Institute of Directors (2009)
http://www.hkiod.com/document/smetoolkit/smetoolkit_eng.pdf

For general reference :

- (vi) **The Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance**, by OECD (2004)

<http://www.oecd.org/corporate/ca/corporategovernanceprinciples/31557724.pdf>

(vii) The series of “**Best Practice Checklists on Governance and Internal Control**” issued by the Independent Commission Against Corruption (ICAC) for different types of organisations, such as listed companies, SMEs, social enterprises, public organisations, NGOs, etc. Copies of these publications are available at ICAC’s website http://www.icac.org.hk/en/corruption_prevention_department/pt/index.html

Specific corporate governance requirements

5. Based on a risk assessment approach, specific governance requirements are determined by assessing the possible risks of the proponent under various dimensions including, without limitation, project type, profit management, remuneration basis, and mode of financing. Some examples of the specific requirements are set out below for reference by individual proponent in developing its Corporate Governance Plans.

	Item	Example
A	Project Type	
1	Innovative Programme	<ul style="list-style-type: none"> • Two-tier declaration of conflict of interest system for application vetting • Independent board and committee members • Clear guidelines and procedures of the vetting committees (including the Joint Intermediary and Task Force Vetting Committee) to be formed by the intermediaries for evaluating the funding applications from social innovators/ventures
B	Profit Management	
1	Organisation registered under Section 88 of the Inland Revenue Ordinance	<ul style="list-style-type: none"> • Clear re-investment strategy (to align with the objective as far as possible)
2	Organisation not registered under Section 88 of the Inland Revenue Ordinance	<ul style="list-style-type: none"> • Proper policy and mechanism of remunerations for board/committee members and senior executives
C	Remuneration Basis	
1	Payment of a fixed, all-inclusive lump sum service fee by instalments	<ul style="list-style-type: none"> • Setting of specific, attainable, relevant and time-bound key performance indicators, milestones and other performance requirements at different stages of the engagement period
D	Mode of Financing	
1	Grant to funded innovators/ventures	<ul style="list-style-type: none"> • Comprehensive system of project monitoring and reporting by funded innovators/ventures

Template for Fee Proposal

Please provide the information as required below with reference to paragraph 3.8, 5.11, 5.12, 5.13 and Annex 4 of the Invitation Brief.

- A. Please state the **fixed, all-inclusive lump sum service fee*** (in Hong Kong Dollars) to be charged for designing and implementing the proposed innovative programme covering the entire engagement period.

	Fixed, all-inclusive lump sum service fee* (HK\$)
Tier 0 (baseline)	

** Should be no less than HK\$1*

- B. If the proposed number of tiers for the tiered and incentive-based payment structure as set out in Part II(a)(D) of the Business Plan Proposal is 2 (i.e. involving Tiers 0 & 1) or 3 (i.e. involving Tiers 0, 1 & 2), please set out the proposed level(s) of additional service fee(s) required to cover the additional resources for delivering the better/ideal levels of performance above baseline. The proposed level(s) of additional service fee(s) should be **expressed as a percentage of the fixed, all-inclusive lump sum service fee** set out in Part A above and link to the corresponding KPIs proposed in Part II(a)(E) of the Business Plan Proposal:

Proposed Tier above Baseline	Additional Service Fee (as a percentage of the fixed, all-inclusive lump sum service fee)
Tier 1	%
Tier 2	%

- C. Please provide **high-level breakdown** of the key cost components of the service fee set out in Part A above (and Part B as appropriate) including, for example, staff cost, accommodation cost, fees for engaging implementation partners and hiring sub-contractors, if any, fees for preparing financial reports (including audited annual/financial reports), incidentals, insurance, etc. Proponent is strongly recommended to adopt the template at **Appendix to this Annex 3** in preparing the high level cost breakdown and provide all the information required.

Optional innovative service (if applicable)

- D. Please state the **extra service fee** (in Hong Kong Dollars) to be charged for providing optional innovative service. The proposed extra service fee should not exceed 10% of the all-inclusive lump sum service fee quoted in Part A.

Proposed innovative service (details to be provided in the proposal)	Extra service fee (HK\$)

Please sign and stamp your chop below

(Name of Authorised Signatory)
(Date)

**Provision of Intermediary Services to Design and Administer Innovative Programmes for the Trustee of the SIE Fund
High Level Cost Breakdown**

建議項目預算 Budget of Proposal

Appendix to Annex 3

請填在黃色格內，或調整其內容 Please input or adjust cells shaded in yellow.

項目名稱 Service Name:

申請機構 Proponent:

服務年期 Service Period: (年 Year)

(所有金額均以港幣表述 All amounts are expressed in HK\$)

(I) 資金需求規劃 Funding Requirement Plan

(A) 營運部分 Operating Portion					
預算損益表 Projected Profit and Loss Account	資助期內 Within Service Period			總額 Total	細項及其他備註 Breakdown and Other Remarks* (必須填寫 Compulsory)
	第一年 Year 1	第二年 Year 2 (如適用 where appropriate)	第三年 Year 3 (如適用 where appropriate)		
(1) 銷售 / 收入 Sales/Revenue				0	
(2) 銷貨/銷售成本 Cost of Goods Sold/Cost of sales (註一 Note 1)				0	
(3) 營運開支 Operating Expenses					
(a) 薪金、津貼及強積金供款 Salaries, allowances and MPF contribution				0	
(b) 租金及地租 Rent and rates				0	
(c) 一般辦公室費用 Utilities				0	
(d) 中央行政費用 Central Administrative Overheads (註二 Note 2)				0	
(e) 保險、會計及審核 Insurance, Accounting and Audit				0	
其他開支 Other Expenses (請詳列，可加插新行 Please specify details; insert rows if necessary)				0	
				0	
(4) 其他淨收入 Other Net Income (註三 Note 3) (請詳列，可加插新行 Please specify details; insert rows if necessary)					
(a) 資助 Sponsorship				0	
(b) 捐贈 Donation				0	
(c) 其他，請註明 Others (please specify)				0	
(5) 營運盈利 / 虧損 Operating Surplus / Deficit	0	0	0	0	

(B) 資本部分 Capital Portion					
預算現金流 Projected Cash Flows	服務期內 Within Service Period			總額 Total	細項及其他備註 Breakdown and Other Remarks
	第一年 Year 1	第二年 Year 2 (如適用 where appropriate)	第三年 Year 3 (如適用 where appropriate)		
(1) 資本開支 (資產細項) Capital expenditure (breakdown by assets) (註四 Note 4)					
裝修工程費用 Renovation and fitting-out costs				0	
				0	
傢俱及設備 Furniture & Equipment				0	
				0	
資訊科技，包括軟件或系統 IT expenses, including software/ system development					

請填在黃色格內，或調整其內容 Please input or adjust cells shaded in yellow.

項目名稱 Service Name: _____

申請機構 Proponent: _____

服務年期 Service Period: (年 Year) _____

				0	
				0	
其他，請註明 Others (please specify)					
				0	
(2) 處置資產所收款項 Cost of assets sold, disposed or transferred (註五 Note 5)					
				0	
				0	
(6) 資本開支 Capital Expenditure (B1 - B2)	0	0	0	0	

請填在黃色格內，或調整其內容 Please input or adjust cells shaded in yellow.

項目名稱 Service Name:

申請機構 Proponent:

服務年期 Service Period: (年 Year)

(C) 所需總資金 Total Funding Requirement	資助期內 Within Funding Period			
	第一年 Year 1	第二年 Year 2 (如適用 where appropriate)	第三年 Year 3 (如適用 where appropriate)	總額 Total
(7) 營運虧損 + 資本開支 Operating Deficit + Capital expenditure = (5) + (6)	0	0	0	0 (註六 Note 6)

Notes

- 「銷貨成本」一般按此計算：期初存貨 + 購貨額 - 期末存貨。
"Cost of good sold" in general equals opening inventory plus purchases minus closing inventory.
- 如有「中央行政費用」(例如母公司為提供中央行政服務所收取的固定費用)，應單項列示，並以「項目總額」的 5% 為上限。
If there is "Central Administrative Overhead" (e.g. fixed fee charged by the parent company for providing central administrative services), it shall be presented as a separate item and be capped at 5% of the "Total Service Fee".
- 「其他淨收入」包括「社創基金補助金」以外的捐款、贊助或其他補助。
"Other Net Income" includes donations, sponsorship and other subsidies other than the "Grant from SIE Fund".
- 「資本開支」用於添置固定資產或無形資產 (即非經常性購置、單價較高、使用年期較長的項目，如機器)。
"Capital Expenditure" is for acquisition of fixed assets or intangible assets (i.e. items of non-recurrent acquisition, higher unit cost, longer period of use, e.g. machinery).
- (B) 表內的資產，倘預計在資助期內處置 (如變賣或變現)，有關淨收款額應反映在 (B) 表內。
If during the funding period there is disposal of any asset as listed in Table (B), the related proceeds should be reflected in Table (B).
- 社創基金補助金一般按以下規劃分期放款 (實際放款表以補助金協議書所載為準)：
The default payment schedule (the payment schedule appended to the grant agreement shall prevail):

分期類別 Installment Type	進度期 Milestone
期初放款 Initial Payment	協議簽訂後 After signing of agreement
定期放款 Regular Payment	每個彙報週期所呈交的報告獲接納後 After acceptance of reports submitted in every reporting cycle
保留餘款 Retention Money (不少於總補助金的 10% No less than 10% of total Grant)	項目完結所呈交的報告獲接納後 After acceptance of reports submitted upon service completion

Illustration of the Tiered and Incentive-based Payment Structure of Service Fee

An illustration of a three-tiered payment structure is set out below.

Tier	Level of Payment	Payment Conditions (Note 1)*	Remarks
Basic (Tier 0)	\$X	Outputs/outcomes fully meeting KPIs at Tier 0 level (Note 2)	<ul style="list-style-type: none"> • Tier 0 level of KPIs represents the baseline which the Proponent is confident to achieve in delivering the proposed intermediary services. • \$X represents the fixed, all-inclusive lump sum service fee to provide the service and achieve the baseline performance (i.e. “baseline fee”).
Overshoot (Tier 1)	$\$X*(1+A\%)$	Outputs/outcomes further meeting KPIs at Tier 1 level	<ul style="list-style-type: none"> • Tier 1 level of KPIs represents a better level of performance than baseline. • A% represents the level of additional service fee required to cover the additional resources for delivering the better performance level above baseline.
Outperform (Tier 2)	$\$X*(1+B\%)$	Outputs/outcomes further meeting KPIs at Tier 2 level	<ul style="list-style-type: none"> • Tier 2 level of KPIs represents an ideal level of performance. • B% represents the level of additional service fee required to cover the additional resources for delivering the ideal performance level above baseline (i.e. $B>A$).

Notes: (1) The Trustee will negotiate with the Proponent to finalise a set of KPIs and the corresponding payment conditions to be adopted for appointment as and when the Proponent is selected under the assessment process.

(2) In the event that KPIs at the level of Tier 0 is not fully met, the Trustee is entitled to withhold, defer or reduce the payment of the whole or any portion of the service fee to the appointed IP Intermediary.

Detailed Assessment Criteria

Assessment Criteria	Maximum Score	
	Ideation	Incubation / Tech for Good
1. Vision and Objectives	5	5
<p>a. Understanding of the social innovation ecosystem and roles of intermediary</p> <p>(i) Insights on analysing the local social innovation ecosystem and if applicable, the specific areas covered in the theme-based/segment-specific proposal, including, for example:</p> <ul style="list-style-type: none"> - the key drivers for developing innovative ideas, ventures and programmes to address social issues; and - the roles, responsibilities, interaction and collaboration of major stakeholders in the social innovation space <p>(ii) Foresight on the development of the local social innovation ecosystem, the SIE Fund and if applicable, the specific areas covered in the theme-based/segment-specific proposal in coming years</p> <p>(iii) Comprehensiveness and reasonableness in identifying the gaps and opportunities of the social innovation ecosystem and if applicable, of the specific areas covered in the theme-based/segment-specific proposal</p>	1	1
<p>b. Objectives of the proposed intermediary services</p> <p>(i) How well the objectives of the proposed intermediary services align with and further the objectives and positioning of the SIE Fund</p> <p>(ii) Effectiveness of the proposed services in facilitating the SIE Fund at strategic level to address gaps and seize the opportunities identified, facilitate innovation and further support and develop the social innovation ecosystem</p> <p>(iii) Effectiveness of the proposed services in incubating innovative ideas, ventures and programmes</p> <p>(iv) Innovativeness of the proposed intermediary services</p> <p>(v) Significance of the target outcomes and</p>	4	4

Assessment Criteria	Maximum Score	
	Ideation	Incubation / Tech for Good
<p>expected social impact of the proposed services in addressing poverty and social exclusion as well as fostering well-being and cohesion of the society</p> <p>(vi) Comprehensiveness and insight on identifying critical success factors which are essential for achieving the target outcomes and expected social impacts of the proposed services</p> <p>(vii) Comprehensiveness and insight on the assessment and mitigation of potential risks of the proposed services and effectiveness of the proposed risk management/mitigation measures</p>		
2. Capability	15	15
<p>a. Capability of proponent</p> <p>(i) Relevance of the capability, experience, track records of the proponent in social innovation and if applicable, the specific areas covered in the theme-based/segment-specific proposal</p> <p>(ii) Value and effectiveness of the proposed support and resources committed from the proponent to the proposed intermediary services</p>	5	5
<p>b. Capability of project and finance teams</p> <p>(i) Relevance of the capability, experience, track records, credentials and qualification of project team leader and individual team members in social innovation and if applicable, the specific areas covered in the theme-based/segment-specific proposal</p> <p>(ii) Relevance of the capability, experience, credentials and qualification of the finance team leader and members</p> <p>(iii) Reasonableness of the mix of different skills and expertise of team members</p> <ul style="list-style-type: none"> - project team - finance team <p>(iv) Effectiveness and reasonableness of the proposed team structure, line of command, and distribution of roles and responsibilities of team members</p> <ul style="list-style-type: none"> - project team - finance team 	10	5

Assessment Criteria	Maximum Score	
	Ideation	Incubation / Tech for Good
<p>c. Expertise from corporate/business sectors</p> <p>(i) Relevance of the capability, experience, track records, credentials and qualification of team leader and individual team members in providing corporate/business support to funded ventures.</p>	-	5
3. Service Design	40	45
<p>a. Funding scheme design and management</p> <p>(i) Comprehensiveness, reasonableness and robustness of the funding scheme for supporting the innovative programme, including, without limitation, the following components:</p> <ul style="list-style-type: none"> - target applicants - eligibility - assessment criteria - target beneficiaries - funding limit per application - processing and assessment mechanism - estimated no. of funding applications received/processed/funded - estimated grant size per funded project/venture - project monitoring and evaluation mechanism <p>(ii) Robustness of matching fund support (applicable to innovative projects costing \$300,000 above only), including coverage of funder's network and level of commitments, effectiveness of the proposed fund matching strategy, plan, programme and activities</p> <p>(iii) Innovativeness, outcomes and social impact of the funding scheme</p>	5	10
<p>b. Elementary training programme</p> <p>(i) Comprehensiveness, reasonableness and effectiveness of the elementary training programme for no/less experienced individuals and organisations to learn and explore the social innovation space and equip with basic skills.</p> <p>(ii) Reasonableness on the integration of elementary training and subsequent incubation programme; applicability of knowledge and skills acquired in the elementary training during the project</p>	10	-

Assessment Criteria	Maximum Score	
	Ideation	Incubation / Tech for Good
implementation stage		
<p>c. Incubation Effectiveness and comprehensiveness of the proposed incubation during:</p> <ul style="list-style-type: none"> (i) application stage (for funding applicants) (ii) implementation stage (for funded social innovators/ventures) (iii) project completion stage (for funded social innovators/ventures with potential to proceed to the next development stage) Factors to be considered include, for example, support on entrepreneurship and business operation; method to facilitate innovation; flexibility and level of customisation for individual innovators/ventures; tailored support to target social innovators/ventures covered in theme-based/segment-specific proposal (if applicable), etc.	5	10
<p>d. Measures to solicit more innovative proposals and projects</p> <ul style="list-style-type: none"> (i) Effectiveness of the strategy and design of the programme in attracting creative talents, innovative funding proposals and generation of new ideas (ii) Effectiveness of the methodology adopted for inspiring funded ventures on generating more innovative ideas during the product/service development stage 	5	10
<p>e. Marketing and promotion</p> <ul style="list-style-type: none"> (i) Coverage and robustness of the available network and connection with different players and stakeholders of the social innovation ecosystem, in particular the businesses, NGOs and if applicable, practitioners of the specific areas covered in the theme-based/segment-specific proposal (ii) Effectiveness of the marketing and promotion strategy, plan, programme and activities for promoting the proposed innovative programme as well as sourcing and soliciting quality applications with innovation, diversity and impact for the funding scheme under the proposed programme 	5	5
f. Performance management	5	5

Assessment Criteria	Maximum Score	
	Ideation	Incubation / Tech for Good
Effectiveness and reasonableness of the proposed performance management mechanisms and key indicators to monitor, measure and evaluate the performance of (1) the intermediary and (2) the proposed innovative programmes. The key indicators proposed should be SMART (specific, measurable, attainable, relevant and time-bound) and outcome-based as far as practicable		
<p>g. Support and collaboration with corporate/business sectors</p> <p>(i) Effectiveness of the design, plan and activities for engaging corporate/business sectors on inspiring participants in terms of business operation and viability during training and funding application stage</p> <p>(ii) Effectiveness of the plan and activities for leveraging resources, connection, expertise, etc. from corporates/business sectors on supporting funded ventures during the product/service development stage.</p>	5	5
4. Implementation/Execution	20	15
<p>a. Application management and processing</p> <p>(i) Comprehensiveness and robustness of the proposed end-to-end application processing mechanism including, for example, calling receiving, vetting and recommending, approving, calling cycle, structure and composition of the proposed vetting committee, etc.</p> <p>(ii) Effectiveness of the proposed mechanism for handling enquiries and complaints</p> <p>(iii) Comprehensiveness and robustness of the system for recording and retrieving necessary information and statistics</p> <p>(iv) Capacity and readiness to implement any referral and collaboration mechanism with the Trustee, other intermediaries of the SIE Fund or any other parties as directed by the Trustee</p>	5	10
<p>b. Work plan and corporate governance</p> <p>(i) Reasonableness of work plan for the entire engagement period covering, for example, the major activities and milestones as well as the expected outcomes and deliverables at</p>	5	5

Assessment Criteria	Maximum Score	
	Ideation	Incubation / Tech for Good
<p>different stages of the engagement period</p> <p>(ii) Level of compliance and effectiveness of the proposed corporate governance plan with reference to the standard requirements provided</p>		
<p>c. Financial monitoring and management</p> <p>(i) Comprehensiveness and effectiveness of the mechanism for monitoring the financial position of the intermediary's programme and individual funded projects.</p> <p>(ii) Effectiveness of mechanism for preparation of financial reports to the Trustee.</p> <p>(iii) Efficiency of mechanism for disbursing grants to social innovators/ventures and adequacy of disbursement control procedures to ensure prudent use of public funds.</p>	10	-
5. Cost Effectiveness	20	20
<p>(i) Comprehensiveness and robustness of the overall cost structure</p> <p>(ii) Reasonableness of individual expenditure items</p>		

