THE FIRST FIVE-YEAR PLAN FOR ECONOMIC AND SOCIAL DEVELOPMENT (2026-2030)

GENEROCITY HONG KONG SUBMISSION

Generocity Hong Kong makes the following submission in response to the Government's consultation on the First Five-Year Plan for Economic and Social Development 2026 - 2030.

Fulfil goals of the five-year plan public consultation document

1. Page 2 of the public consultation document states: "In the process of formulating Hong Kong's Five-Year Plan, the HKSAR Government will uphold the following principles: … to embrace high quality development and high-level internationalised development, deepen domestic and international two-way collaboration, and expand international connections and enhance global influence;"

2. Page 22 of the public consultation document states: "The HKSAR Government will…deeply participate in high-quality co-operation under the Belt and Road Initiative, and continuously develop international exchanges and co-operation"

3. Page 23 of the public consultation document states: "Hong Kong needs to deepen international exchanges and further expand its global co-operation network, so as to better fulfil its important roles as a "super connector" and "super value-adder".

4. Page 25 of the public consultation document states: “Fully leverage Hong Kong’s … status as an international city, deepen exchanges and co-operation with different regions and international organisations, and enhance Hong Kong’s functions as an international connectivity hub…. Attract more international organisations, multilateral institutions… to pursue development in Hong Kong, and enhance Hong Kong’s participation and influence in international affairs….”

To fulfill the above goals of the five-year plan, we propose the following.

Become Asia’s leader of philanthropy

5. The Fourth Plenary Session of the 20th Central Committee of the Communist Party of China[1] has prioritised philanthropy development, including corporate, social organisation and individual aspects. The refinement of the 2016 Charity Law in China has demonstrated the determination of enhancing philanthropy activities.

6. Charities Aid Foundation publishes the World Giving Report[2], which has become a global benchmark for generosity since its first release in 2010. The 2025 edition revealed that, of all the people in the world, we in Hong Kong come in first place for giving the largest share of our donations to charities (rather than to religious organizations or directly to people), and 70% of the population have donated[3], which is above the global average of 64%. We should capitalize on our number one position by building on our strength: enhancing the work of Hong Kong charities internationally. Below are further reasons to pursue this policy.

---

[1] 二十届四中全会《建议》：为公益慈善、社会组织、养老事业、志愿服务、社会工作未来五年发展定调！, China Philanthropy Times

[2] Donor Insights, Charities Aid Foundation.

[3] Explore the data, Charities Aid Foundation.

7. The US Agency for International Development (USAID), focused on areas in global health, humanitarian relief & development, ended more than 80% of its programmes as of March 2025, and officially closed in July 2025 after over 60 years of operation. More than 40 percent of the world's humanitarian work was funded by USAID. Major countries such as the UK, France and Germany have also reduced their overseas aid. This leaves a gap that we could help fill, gaining global goodwill for Hong Kong.

8. Hong Kong has 17,536 charities[4]. With our population of 7.5 million, this is one charity per 430 residents.

9. Hong Kong Financial Services Development Council (FSDC) Paper No.60[5], titled "Wealth for Good: Hong Kong as a Regional Philanthropic Hub" and issued in February 2024, emphasises the importance of a refined philanthropic ecosystem that can attract family offices. With a series of ancillary benefits, the impact investors, asset managers and institutions who are looking to facilitate social impact will lay their eyes on Hong Kong. An advanced philanthropic system can contribute to high-quality development of Hong Kong as an international financial centre.

10. Since Hong Kong established the Disaster Relief Fund (DRF) in 1993, the government has approved 576 grants, an average of 18 annually[6]. The target processing time for the conventional mechanism and fast-track mechanism are 12 working days and 3 working days, respectively, but the actual

---

[4] LIST OF CHARITABLE INSTITUTIONS AND TRUSTS OF A PUBLIC CHARACTER, WHICH ARE EXEMPT FROM TAX UNDER SECTION 88 OF THE INLAND REVENUE ORDINANCE AS AT 30 NOVEMBER 2025 , The Inland Revenue Department

[5] "Wealth for Good: Hong Kong as a Regional Philanthropic Hub", Financial Services Development Council

[6] Disaster Relief Fund Approved Grants, DATA.GOV.HK

processing time can be months. Proper vetting and deliberation are important; but for disaster relief, time is critical. With the sluggish timeline and limited transparency of the process, the goal of becoming the philanthropic center of Asia may be hard to reach.

Bridge the Mainland philanthropy market and the world

11. Hong Kong's proximity to Mainland China, combined with its status as a global financial and connectivity hub, uniquely positions it as a natural bridge for cross-border philanthropy and international development. Long recognised as the gateway for global businesses entering the Mainland, Hong Kong can extend this role to channel philanthropic capital, expertise, and partnerships from both international and Mainland donors into high-impact projects across China and the wider region.

12. With more than half of Hong Kong's charitable giving already directed across borders[7], the city has demonstrated its capacity to operate as a regional philanthropic platform. This bridging role enables Hong Kong to convene global and Chinese development actors to co-design initiatives including Belt and Road that combine financial strength with stronger social and sustainability standards.

13. A paper titled "Hong Kong: Showcasing how Impact Capital Makes a Difference", issued in September 2025[8], has highlighted that philanthropic foundations can serve as key enablers within the strategic financing framework of impact capital. The HKEX Impact Funding scheme deploys structured, outcomes-oriented capital in support of measurable community-

[7] "Wealth for Good: Hong Kong as a Regional Philanthropic Hub", Financial Services Development Council
[8] Hong Kong: Showcasing how Impact Capital Makes a Difference, Financial Services Development Council

level impact. Furthermore, there is a growing trend of family offices turning strategic intent into measurable philanthropic investment.

14. Hong Kong's proximity to Mainland China, combined with its status as a global financial and connectivity hub, uniquely positions it as a natural bridge for cross-border philanthropy and international development. Long recognised as the gateway for global businesses entering the Mainland, Hong Kong can extend this role to channel philanthropic capital, expertise, and partnerships from both international and Mainland donors into high-impact projects across China and the wider region.

15. With more than half of Hong Kong's charitable giving already directed across borders[9], the city has demonstrated its capacity to operate as a regional philanthropic platform. This bridging role enables Hong Kong to convene global and Chinese development actors to co-design initiatives including Belt and Road that combine financial strength with stronger social and sustainability standards.

16. A paper titled "Hong Kong: Showcasing how Impact Capital Makes a Difference", issued in September 2025[10], has highlighted that philanthropic foundations can serve as key enablers within the strategic financing framework of impact capital. The HKEX Impact Funding scheme deploys structured, outcomes-oriented capital in support of measurable community-level impact. Furthermore, there is a growing trend of family offices turning strategic intent into measurable philanthropic investment.

[9] "Wealth for Good: Hong Kong as a Regional Philanthropic Hub", Financial Services Development Council
[10] Hong Kong: Showcasing how Impact Capital Makes a Difference, Financial Services Development Council

17. The same paper suggests that private wealth is looking for more purpose-driven and impact-driven investment. The efficiency of impact capital is not only boosting the city’s economy, but also propelling cross-border investment aligned with development priorities across Mainland China.

Use unique advantages of the Northern Metropolis

18. The Northern Metropolis is strategically located adjacent to Shenzhen and is planned as a centre for innovation, healthcare, and cross-boundary collaboration. Hong Kong's internationally recognised legal system, financial services, and charitable governance framework uniquely position the Northern Metropolis to become a GBA humanitarian and emergency response hub. The hub could coordinate disaster relief, humanitarian logistics, public health emergencies, and post-disaster recovery across the GBA, the Asia-Pacific region, and the world. It would bring together government agencies, charities, hospitals, universities, logistics providers, and technology companies to improve emergency preparedness and operational efficiency. The hub could also facilitate cross-border deployment of humanitarian resources and talent while strengthening collaboration with Mainland partners. The government can establish a Hong Kong Humanitarian and Emergency Response Organization (HK HERO) to help coordinate these activities.

19. The Northern Metropolis provides an ideal platform to integrate these priorities into a globally competitive philanthropy ecosystem. Unlike many international philanthropy centres, Hong Kong possesses a unique combination of advantages: an internationally recognised common law system, a mature financial market, increasing numbers of family offices, world-class universities, internationally accredited healthcare institutions, and immediate access to the GBA's innovation and manufacturing ecosystem. Concentrating these assets within the Northern Metropolis would create a highly attractive destination for philanthropic foundations, impact investors, social entrepreneurs, nonprofit leaders, and international organisations.

Maintain international influence

20. Positioning Hong Kong as an Asia-Pacific and international hub with its strengths in financial services, ESG investing, and fintech, charities focused on international development can help channel impact capital into sustainable development projects across Asia. This would stimulate demand for Hong Kong's banking, legal, accounting, and advisory services, while attracting international investors seeking credible platforms for sustainable finance. For example, a charity or government agency could establish a Development Impact Fund that mobilises private capital from Hong Kong to finance clean energy, healthcare, and infrastructure projects to address urgent challenges in developing economies.

21. To host international conferences, research hubs, and policy laboratories focused on sustainable development, green finance, and digital inclusion, international development charities can strengthen Hong Kong's role as a centre for global knowledge exchange. For example, a charity or government agency could convene an annual Hong Kong Global Development Forum that brings together development agencies, impact investors, and innovators from Asia and Europe to collaborate on solutions to regional and global challenges.

Cultivate talent and global expertise

22. Through international internships, secondments, and training embedded in international development projects for philanthropists, foundation executives, nonprofit leaders, social entrepreneurs, and impact investors, charities can develop a pipeline of globally minded professionals for Hong Kong. This would strengthen Hong Kong's human capital, improve talent retention, and equip the workforce with the international skills needed to support a globally competitive economy. Participants could undertake placements with universities, charitable foundations, family offices, and innovation parks in the

Northern Metropolis while collaborating with GBA partners. This can support the Northern Metropolis as a knowledge and innovation hub, and attract high-net-worth individuals, family offices, and international foundations alongside students and researchers. Similar to the government's recent addition of $60 million for the HYAB Funding Scheme for International Youth Exchange, the government could provide some of the funding to initiate these placements.

Foster regional collaboration

23. By leveraging Hong Kong's unique position as a bridge between Mainland China and the global development community, the Belt and Road Office can work with charities focused on international development to help co-design Belt and Road–aligned projects that integrate stronger environmental, social, and governance (ESG) standards.

24. Forging cross-border collaboration would expand Hong Kong's influence within regional development ecosystems and create new demand for its professional, financial, and advisory services. For example, a charity assisted by a government agency could facilitate triangular cooperation among Hong Kong firms, Mainland agencies, and ASEAN partners to deliver sustainable infrastructure, healthcare, or climate-resilience projects across the region.

Establish philanthropy operations in the Northern Metropolis

25. Over many years, the DRF has provided multiple grants to support emergency relief efforts in Mainland China, demonstrating the longstanding and close partnership between Hong Kong and Mainland charitable organisations. To further strengthen this collaboration, the HKSAR Government could facilitate the establishment of operational offices and philanthropic hubs in the Northern Metropolis. Such a platform would enhance the efficiency of programme delivery, coordination, and administrative

support, enabling a faster and more effective response to emergencies and humanitarian crises.

The initiative could also facilitate cross-border disaster relief and emergency assistance by strengthening operational coordination between Hong Kong and Mainland organisations. In addition, it would promote deeper collaboration in talent recruitment, professional training, and knowledge exchange, fostering a sustainable pipeline of philanthropic and nonprofit professionals. By working closely with the Northern Metropolis University Town, I&T institutions, and health and medical research centres, the platform could encourage interdisciplinary collaboration, develop innovative solutions for humanitarian challenges, and reinforce Hong Kong's position as a regional hub for philanthropy, social innovation, and emergency response.

26. Dedicated space could be reserved within the Northern Metropolis for charitable foundations, international NGOs, family offices, university research centres, and social enterprises. Combined with incubators, shared facilities, and innovation funding, the cluster would facilitate interdisciplinary collaboration on ageing, healthcare, education, environmental sustainability, and AI for social good, creating a globally connected ecosystem serving both Hong Kong and the Greater Bay Area.

Streamline disaster relief with artificial intelligence

27. The Third Plenary Session of the 20th CPC Central Committee has underscored the importance of accelerating technological innovation as a national priority, providing a clear mandate for Hong Kong to leverage its role as an international platform to drive the development of the AI industry.

28. Although disaster relief is highly time-sensitive, the current application process requires extensive documentation, including application forms, evaluation reports, and supporting materials. The adoption of AI to review and

assess these submissions could significantly streamline approvals and transform the efficiency of the process, aligning with the core development of the government.

29. In February 2021, the Government introduced a fast-track mechanism for DRF applications. To further enhance the Fund's effectiveness, the approval process should be shortened through the use of advanced technologies.

Adjust the 5% ceiling on administrative cost of DRF

30. According to the Guide to Grant Application released by the Hong Kong Special Administrative Region Disaster Relief Fund issued in December 2024, the administrative expense is restricted to under 5% of the grant or 5% of total expenditure, whichever is less.

31. The administrative cost is explicitly confined to use in the daily operation of the applicant organisation, unless additional staff expenses are derived from the relief work. Other than that, there is no clear definition to the administrative cost.

32. Considering that there would be different amounts of approved grant, the 5% of administrative cost can be varied. Based on the complexity of the disaster and target location, there could be unprecedented obstacles to deliver the relief support into the hands of the disaster victims. Therefore, the administrative cost may be raised to cover the logistics and other relevant costs.

33. Some administrative support by NGOs is necessary for disaster relief, just as it is for business or government. Without sufficient administrative support, emergency help to the victims may not be effectively and efficiently delivered.

Without appropriate coordination, for example: there may be a failure to mobilise volunteers; instructions for delivered medicine may not be translated; lack of security may delay arrival of relief supplies; or poor prioritisation may lead to resources being wasted.

34. To ensure the approved DRF grant can serve its purpose effectively and efficiently, we suggest raising the administrative cost cap from 5% to 15%. Alternatively, we suggest preserving the 5% administrative cost cap, but revising the definition of direct cost to include some of what is now categorized as administrative cost (for example: paying staff, monitoring item delivery, or visiting after delivery).

35. The Ford Foundation, based in the United States, has an indirect cost limit of 25%. But that's not the maximum. That's the minimum. The Foundation explains: "For many years, funders have largely overlooked indirect costs, perpetuating what's been dubbed the nonprofit starvation cycle. This cycle centers grantmaking around the allure of new projects without allocating support for basic necessities—in other words, not allowing for vital funds our grantees need to ensure their long-term financial security[11]."

36. Easing restrictions would allow the DRF to help more Hong Kong NGOs participate in the program, allowing them to develop their expertise and lead Hong Kong to build a reputation as a center of international humanitarian organization know-how.

37. The investment in the Hong Kong DRF demonstrates how a modest public expenditure can generate significant strategic value. Its expenditure for 2024–25 was only HK$85 million, or 0.01% of the estimated HK$755 billion government spending. Despite this minimal fiscal commitment, this

[11] Increasing our indirect cost commitment, Ford Foundation

investment raises Hong Kong’s standing as a reliable regional and global partner, which in turn boosts investor confidence, soft power, and cross-border collaboration. It also helps anchor Hong Kong as a hub for philanthropy and impact finance, drawing in international donors, NGOs, and professional services that generate local economic activity. In effect, a very small fiscal outlay helps safeguard Hong Kong’s global credibility, deepen international networks, and create spillovers for finance, logistics, and professional services, while aligning with the First Five-Year Plan's objectives of enhancing international connectivity, strengthening Greater Bay Area collaboration, and promoting high-quality development.

Generocity Hong Kong

17 July 2026