

For discussion on  
13 January 2003

## **LEGCO PANEL ON WELFARE SERVICES**

### **Community Investment and Inclusion Fund (CIIF)**

#### **Purpose**

The purpose of this paper is to update Members on the progress of the Fund.

#### **Background**

2. In the 2001 Policy Address, the Chief Executive announced plans to establish a \$300 million CIIF, to encourage mutual concern and help amongst the population, and to promote community participation in both district and cross-sector programmes.

3. At the meeting held on 14 January 2002, Members supported the allocation of \$100 million from General Revenue to establish the Fund. In addition, the Social Welfare Advisory Committee (SWAC) supported a one-off grant of \$200 million from the Lotteries Fund which the Chief Executive approved on 8 February 2002, in accordance with the Government

Lotteries Ordinance. A chronology of events relating to the operation of the Fund in 2002 is at **Annex A**.

4. A briefing and consultation session on the proposed operation of the Fund was held with members of the public on 26 February. This was attended by 270 representatives from various welfare and community groups. The wide range of views collected was taken into account in designing the Fund's mode of operation.

### **Composition of the CIIF Committee**

5. To reflect the unique nature of this Fund, an 18-member committee was set up in April 2002. This comprises 15 non-official members, 3 official members and is chaired by a non-official member. The membership of this Committee is diverse, representing a broad spectrum of community interests such as welfare non-governmental organizations (NGOs) (4), district councillors (2), women's groups (2), education (2), community (2), youth (1), medical (2), rehabilitation (2), academic (2), professional and business sectors (2).

### **The Sub-Committees**

6. To facilitate the Committee's work, two sub-committees have been formed, namely, the Assessment Sub-Committee (ASC) and the Sub-Committee on Evaluation and the Development of Social Capital (SCEDSC). The terms of reference of the two sub-committees are at

## **Annex B.**

7. The ASC advises the CIIF Committee on the criteria and procedure for assessing funding proposals. In September 2002, the Committee agreed to a three-step assessment process:

- ◆ the Secretariat is responsible for the first-level technical vetting and departmental consultation in respect of each proposal;
- ◆ the ASC is responsible for the second-level assessment on the quality, relevance, potential and cost-effectiveness of each proposal in achieving the broader social capital objectives. The ASC submits recommendations to the CIIF Committee on projects to be selected for funding and projects with potential, in which applicants are encouraged to submit revised proposals which are more aligned with the Fund's objectives; and
- ◆ the CIIF Committee is responsible for making the final decision on selecting projects for funding.

8. The SCEDSC advises the CIIF Committee on the appropriate framework, methodology and approach to evaluate the results to be achieved by the projects funded. It also advises on strategies to develop and achieve social capital outcomes. Given that social capital is a relatively new concept within the local context, the SCEDSC has decided to adopt a formative, enabling and participatory approach to its evaluation work. Successful

applicants will be encouraged to take a proactive role to define, monitor and report on the social capital outcomes achieved by the project. Every year, a sharing forum will be organized to disseminate information about the funded projects, their implementation experience, good practices and their practical results to facilitate incremental learning and knowledge transfer.

## **Eligibility**

9. Members previously expressed concern about the eligibility criteria of the Fund. In this regard, there are two main considerations. Firstly, who is eligible to apply and secondly, the types of projects eligible for funding consideration. Very broad and flexible criteria have been set for both in order to encourage the widest possible involvement of the community, and to stimulate innovative ideas and strategies.

### ***Who is eligible to apply?***

10. All NGOs and private organizations (but not individuals and HKSAR Government bureaux and departments) are eligible to submit proposals. This flexibility must be balanced by the applicant's ability to be accountable for the expenditure of public funds. Hence, applicant organizations are expected to satisfy the following requirements:

- a) registered under, e.g. the Companies Ordinance or the Societies Ordinance; and/or

- b) approved charitable institutions and/or trusts of a public character under section 88 of the Inland Revenue Ordinance; and/or
- c) a member of an umbrella organization such as the Hong Kong Council of Social Service, or a federation/coalition of women's groups etc.

11. Groups that are not registered or members of umbrella organizations are not necessarily excluded. But preference will be given to those who are affiliated to, or are sponsored by, a registered organization or who possess a proven track record in organizing public or community programmes. As the Fund also seeks to promote cross-sector collaboration as a means to enhance social cohesion and to develop social capital, joint-organization applications are welcome.

***Types of projects eligible for funding consideration***

12. Funding is project-based. The following types of community projects are eligible to apply:

- a) the project objectives are closely aligned to the broad objectives of the Fund, namely, to develop social capital in HKSAR;
- b) the projects are community-initiated;
- c) the projects will generate community benefits;
- d) projects that facilitate cross-sector collaboration and territory-wide and local projects will be considered.

13. The types of projects not eligible include those:
- a) that are primarily profit-making;
  - b) that involve mainly one-off consumption activities, such as banquets, picnics and trips without any demonstrable long lasting community development benefit;
  - c) where the beneficiaries and implementation locations are outside the HKSAR;
  - d) that duplicate or replace financial resources for existing subvented services; or
  - e) that are in breach of existing policies or legislative requirements.

## **Progress**

14. Considerable efforts have been made to publicize the Fund widely. The Fund was formally launched on 21 August 2002 by inviting the submission of proposals. A press briefing for over 40 electronic and print media was followed by a series of television and radio interviews with Members of the CIIF Committee and the Secretariat.

15. Over 20,000 copies of the CIIF Application Guide and Form (at **Annex C**) have been distributed to potential applicants through the Health, Welfare and Food Bureau, Home Affairs Department (HAD) (headquarters and District Offices), Social Welfare Department (SWD) (headquarters and District Social Welfare Offices), as well as the Hong Kong Council of Social Service.

16. An electronic version of the Guide and Form is available on the CIIF homepage. Over 45% of the applications have also submitted soft copies. An audio version of the Guide proved popular and over 70 copies were distributed to people with visual disabilities.

### **Support for Applicants**

17. A four-prong approach was adopted to provide support for prospective applicants:

- a) face-to-face briefings and dialogue with prospective applicants;
- b) dissemination of information and practical support at district levels;
- c) support through a Partnership scheme; and
- d) direct information access by the public.

### ***Dialogue with prospective applicants***

18. 17 briefing sessions were organized by the Secretariat to familiarize potential applicants with the Fund's objectives and application arrangements. Around 1000 representatives from over 600 different community groups, NGOs and professional groups attended the sessions.

### *Support at the District Level*

19. Potential applicants were able to approach staff of the Fund Secretariat, the SWD and the HAD (both headquarters and district branches), as well as the Hong Kong Council of Social Service, for assistance during the application process. Two training sessions were held with officers in the SWD and HAD District Offices to enhance the consistency of advice given about the Fund's objectives, operation and local service needs.

### *Support through the CIIF Partners Scheme*

20. Some of the less well-established groups indicated the need for additional assistance in order to turn their project ideas into viable proposals. In response, a CIIF Partnership Scheme was established in July 2002 to:

- a) extend the network of support for the Fund;
- b) demonstrate collaboration between community groups, corporate bodies/ professionals, as well as the Government in a practical way; and
- c) contribute advice or mentoring assistance to applicants.

The initial recruitment of CIIF Partners from the community has been enthusiastic. Over 100 people from the welfare, professional (legal and accounting), as well as business sectors and who share the vision of the Fund have expressed an interest to volunteer their services in the form of mentoring, or providing practical advice or technical assistance to community groups who

may wish to put forward proposals. To date, 50 of these partners have completed briefing and training workshops. 15 requests for partner support have been received from first batch applicants and initial matching assistance has been provided by the Secretariat.

### ***The CIIF Homepage***

21. The CIIF homepage was launched in August 2002. This serves as an ongoing communication channel to provide the public with the latest information on the Fund and to increase transparency on the Fund's operation. Information posted to date includes: the background and objectives of the Fund, composition of the Committee, application information, details on the Partnership Scheme, briefing notes and Q&A. Information on projects funded by the CIIF, when available, will also be posted.

### **Outcome of the First Batch of Applications**

22. Applications to the Fund will be processed in two to three batches a year. Response to the first call for proposals has been enthusiastic and 227 proposals were received when the first batch closed for application on 4 October 2002.

23. As part of the assessment process, Committee members and the Secretariat met 19 applicants, as short-listed by the CIIF Committee. The purpose of this discussion was to clarify and enhance the planned social capital outcomes, assess the projects' technical feasibility and review project

budgets before making a final decision.

### **Assessment Criteria**

24. All projects were assessed on the following criteria:

- a) basic eligibility (whether the application or the status of the applicant meets the basic eligibility criteria, for instance, applications from individuals or Government departments were disqualified);
- b) project quality and potential social capital outcomes (factors to be considered include: innovativeness; positive values to be achieved; potential increase in social participation, social solidarity, self and mutual help, social inclusion of marginalized groups; sustainability of the operation and impact; degree of support from/engagement with other sectors, potential for knowledge transfer etc.);
- c) technical feasibility of the project (whether the proposal demonstrates a clear linkage between the proposed action in addressing the needs identified and achieving the planned outcome);
- d) applicants' background and capability (balancing track record with ability to innovate);

- e) financial viability (cost effectiveness, sustainability); and
- f) other planned outcome and considerations (e.g. whether the project would promote wider community interests etc.).

25. The Committee's assessment took into account the community's current concern for employment issues as reflected in the fact that about one third of the applications contain some employment related programmes such as training, job creation, service exchange or co-operative elements. After detailed consideration, the CIIF Committee adopted the following principles to guide its deliberations:

- a) CIIF will only consider supporting community-initiated and community-based projects with employment related outcomes, if they are the means to promote social capital, have clear sustainability plans beyond the funding period, and where setting up a business is not its primary goal.
- b) Purely commercial business propositions will not be supported.
- c) The CIIF will not fund projects which contain substantial commercial activities that would create unfair competitive advantages in the market or would result in undercutting existing operators running similar businesses.

- d) The CIIF will not fund incentive payments or subsidies to participants in these programmes or co-operatives. However, this does not preclude appropriate recognition of volunteers' expenses, which normally should not exceed \$70 per day.

26. After applying the assessment criteria outlined, the CIIF Committee has approved funding of \$9 million for 14 projects (which will be implemented as 12 projects). **Annex D** provides a summary of the approved projects. Highlights of these projects include:

- a) Two projects were combined by the applicant organization to achieve greater effectiveness and efficiency.
- b) Two different organizations have merged two different proposals into one project, providing a model of inter-agency collaboration, and integrated service delivery at the local level.
- c) 4 of the 12 projects contain "employment" related components.
- d) 18 paid staff positions will be created.
- e) It is estimated that over 4,000 volunteers will be mobilized.
- f) Over 18,000 participants will benefit from the services and programmes to be organized.
- g) 39 different types of user, volunteer or cross-sector self-help, mutual help or support networks will be established.

27. During this inaugural phase, the Committee has made special efforts to identify projects with different "demonstration" potential with

regard to social capital development and which can serve as “benchmarks” for other applicants. It is part of the Committee’s strategy to use practical examples generated from the local community, to incrementally promote the social capital development concept. Over 40 of the remaining applications from the first batch show potential in this regard and the relevant organizations will be invited to revise their proposals, with support from the Secretariat, for re-submission.

### **Way Forward**

28. Briefings involving successful applicants will be held in January 2003 to provide feedback and to facilitate experience sharing with a view to enhancing the quality of proposals from other applicants. Invitations for the second batch of applications will follow shortly with a closing date set in the second quarter of 2003.

29. Radio Television Hong Kong will run a series of programmes (13) on the approved projects between January and April 2003. These will enhance understanding of the Fund and its prime objective of developing social capital in Hong Kong. Thereafter, a community forum will be held to facilitate experience sharing and for the organizers of the approved projects to report on the outcomes they have achieved, as part of the knowledge transfer and public accountability process.

Health, Welfare and Food Bureau

January 2003

**Annex A**

**A Chronology of Events related to the CIIF Operation in 2002**

<b>Date</b>	<b>Event</b>	<b>Results</b>
14 Jan 2002	Legislative Council Panel on Welfare Services: to seek advice and support for establishment of CIIF	A funding proposal for \$100 million from the General Revenue to set up the CIIF, was submitted to and endorsed by the Finance Committee on 1 February 2002
17 Jan 2002	SWAC: to seek advice and support for establishment of CIIF	Support to allocate \$200 million from Lotteries Fund to establish the CIIF
7 Feb 2002	Lotteries Fund Advisory Committee (LFAC): to inform the Committee on the proposed allocation of \$200 million from the Lotteries Fund to the CIIF	LFAC supported the proposed allocation
8 Feb 2002	Chief Executive approved the allocation of \$200 million from the Lotteries Fund	
26 Feb 2002	Public briefing and consultation regarding CIIF operation	Attended by 270 representatives from a wide range of community groups
April 2002	Establishment of the CIIF Committee	18-member Committee with 15 non-official and 3 official

		members
May-June 2002	Overall approach to the Fund	Clarified and established by the CIIF Committee
June 2002	(3-member) CIIF Secretariat established	Provide operational support to the CIIF Committee
July 2002	Prepare for public launch of CIIF	CIIF Application Guide and Form produced; infra-structure support, e.g. home-page and database established
21 Aug 2002	Public launch of the CIIF; first batch applications invited, to close on 4 October 2002	Resulting in over 40 media reports, TV and radio interviews
Aug – Sept 2002	Public briefings for prospective applicants	17 briefings held; attended by around 1000 people from over 600 organizations.
Aug 2002	Assessment Sub-Committee (ASC) and Sub-Committee for Evaluation and Development of Social Capital (SCEDSC)	Committees established; respective assessment procedures and evaluation framework being developed
4 Oct 2002	First batch of proposals	227 proposals received
Oct – Dec 2002	Assessment of proposals: 1 trial run; 2 ASC meetings, 2 CIIF Committee meetings; 1 SCEDSC meeting, and interviews with 19 applicant organizations	14 projects (integrated into 12 projects for implementation) selected with funding support from the first batch

**Terms of reference of the Two Sub-Committees**

**A) Assessment Sub-committee:**

- (1) To advise the CIIF Committee on a set of assessment criteria, process and mechanisms that are efficient, effective and appropriate for individual CIIF applications and that can best achieve the objectives of the CIIF;
- (2) To meet as required to consider the initial assessments of individual applications undertaken by the CIIF Secretariat;
- (3) To undertake additional vetting considered necessary for selected proposals in order to complete the assessment;
- (4) To draw up recommendations in respect of each application to the CIIF Committee for final endorsement; and
- (5) To review and recommend changes to the assessment criteria and process as and when appropriate for the endorsement of the CIIF Committee.

B) Sub-committee on Evaluation and the Development of Social Capital:

- (1) To advise the CIIF Committee on appropriate performance and outcome measures, performance monitoring and reporting channels for individual CIIF projects;
- (2) To advise the CIIF Committee on relevant, realistic and achievable measures for the overall performance of the CIIF;
- (3) To advise the CIIF Committee on the appropriate scope, methodologies, cost-effective mechanisms and realistic timeframe to monitor, evaluate, analyze and report to key stakeholders on the aggregated achievements of projects against the overall objectives of the Fund to enhance social capital;
- (4) To undertake any subsequent follow-up tasks (e.g. performance reports) as assigned by the CIIF Committee; and
- (5) To advise the CIIF Committee on social capital development strategies, facilitate the promotion of good practices and enable experience and knowledge transfer in furthering social capital development in Hong Kong through the operation of the Fund.