

Community Investment and Inclusion Fund (CIIF)

Application Guide

Contents

	<u>Page</u>
1 What is CIIF?.....	2
2 What is Social Capital?	4
3 Who is Eligible to Apply?	8
4 What Types of Projects will CIIF Support?	9
5 Financial Arrangements.....	14
6 How will the Applications be Processed?	18
7 What are the Grantee's Obligations?.....	21
8 Support by the Secretariat	23

1 What is CIIF?

1.1 Background

The Community Investment and Inclusion Fund (CIIF) was set up by the Government of the Hong Kong Special Administrative Region (the Government) in 2002 to implement diversified social capital development projects in the community, promote reciprocity between the public and different sectors, and build together cross-sectoral collaborative platforms and social support networks. The Fund seeks to build social capital of mutual trust, spirit of cooperation and social cohesion, and enhance mutual support among individuals, families and organisations so that our community can grow from strength to strength.

1.2 Fund Objectives

- i. To strengthen social solidarity: to enhance social cohesion and strengthen the sense of belonging to the community;
- ii. To enhance social inclusion: to integrate people from different social strata, sectors or groups, leading to a more caring and harmonious society;
- iii. To encourage and increase self-help and mutual help capabilities: to strengthen community support networks for their self-sustaining operation, and to increase an individual's capacity to contribute to the welfare and benefits of the community; and
- iv. To promote positive culture and values such as mutual assistance, self-empowerment and resilience against adversity that will facilitate communication and co-operation among individuals or groups, which will, in turn, result in positive social capital.

1.3 Means to Accomplish the Objectives

- i. CIIF will accomplish these objectives by encouraging bottom-up solutions that seek to promote the development of social capital, and by supporting local or territory-wide community projects initiated by the community itself.

- ii. CIIF will also promote the concept of social capital in the community through actively encouraging and facilitating the participation of different sectors.

We hope that through the concerted efforts of different stakeholders in society, more social capital will be accumulated, which is conducive to strengthening social cohesion and promoting social development.

1.4 CIIF Committee

Established in April 2002, the CIIF Committee comprising both ex-officio and non-official members under the chairmanship of a non-official member is tasked to –

- i. handle applications for funding from CIIF, including examining and approving applications, deciding on the level of funding for each successful application, and monitoring and evaluating the effectiveness of CIIF-funded projects;
- ii. advise the Government on the most appropriate and effective means to facilitate the development of social capital in Hong Kong; and
- iii. advise the Government on all matters related to the administration of CIIF.
(Click here for the latest full membership of the CIIF Committee)

2 What is Social Capital?

2.1 Definition

According to the World Bank, different international academic research findings and the experience from implementing CIIF-funded projects, social capital refers to the institutions, relationships and norms that shape the quality and quantity of society's social interactions. Social capital includes social norms (personal attitudes and social values), networks and institutions.

Specifically, CIIF-funded projects should be based on six core social capital dimensions, namely (1) social networks; (2) trust and solidarity; (3) mutual help and reciprocity; (4) social cohesion and inclusion; (5) social participation; and (6) information and communication, to promote social capital development and foster community empowerment.

2.2 Types of Social Capital

There are different forms of social capital-

- i. **Social capital in cognitive dimension**, which relates to beliefs and perceptions, can be measured by the levels of trust among neighbours, reciprocity and civil identity (e.g. whether one feels to be a member of society) at the community level. At the individual level, it can be measured by individuals' perceptions of their communities, such as the sense of trust and belonging to the communities and the atmosphere of reciprocity (Putnam 2000¹; Uslaner 2002²).
- ii. **Social capital in relational dimension** refers to the relationships across multiple actors. Tie strength (Granovetter 1973³) (e.g. relationship frequencies and durations, and the levels of mutual trust, reciprocity, cohesion and inclusion in relationships) is frequently used to measure the social capital in the relational dimension. Moreover, inter-relationships among people can be categorised in the following two forms according to their different social backgrounds:
 - **Bonding Social Capital** is an intra-group phenomenon and relies on strong ties among members from relatively similar backgrounds. This can be reflected in their homogeneity, strong behavioural norms, loyalty and exclusivity. A typical example is a small close-knit group comprising new arrival families which need mutual support (Onyx and Bullen 2001⁴; Putnam 2000); and

¹ Putnam, R.D. (2000) *Bowling alone: The collapse and revival of American community*, New York: Touchstone.

² Uslaner, E.M. (2002) *The moral foundation of trust*, Cambridge: Cambridge University Press.

³ Granovetter, Mark (1973) 'The Strength of Weak Ties' *American Journal of Sociology*, 78, 1360-1380.

⁴ Onyx, J and Bullen P. 2001. "The Different Faces of Social Capital in NSW Australia." In *Social Capital and Participation in Everyday Life*, edited by Dekker, P. and Uslaner, E.M. London: Routledge.

Putnam, Robert D. 2000. *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster.

- **Bridging Social Capital** is outward facing and links different groups in society (Putnam 2000). Examples include social ties among loose friendships, workmates and different ethnicities.
- iii. **Social capital in structural dimension** refers to relationships, networks, associations, and institutions that link people and groups (Coleman 1988⁵). Structural social capital can be measured by an analysis of linkages and network density and size (Bourdieu 1986⁶). Woolcock (2001⁷) emphasises the importance of these relationships by using the term of Linking Social Capital:
- **Linking Social Capital** refers to linkages between different people and groups in society and people and groups with power and resources. Through these linkages, culture, values and institutions within an organisation, society and even a country can be changed.

2.3 Evidence-based Achievements of Social Capital Building in Hong Kong

Using a social capital development approach to respond to community needs is one of the beliefs of CIIF. The community development of Hong Kong has been met with challenges due to the outbreak of the Severe Acute Respiratory Syndrome epidemic in 2003, the series of family tragedies in Tin Shui Wai in 2004, the financial turmoil in 2009 and the adaptation needs arising from new town development, new public rental housing estate development and urban renewal in recent years. CIIF introduced corresponding themes in a timely manner to address specific community needs, which exemplified the essence of social capital in promoting community cohesion and fostering mutual trust and reciprocity in the neighbourhood.

CIIF commissioned academic institutions to conduct two independent evaluation studies, completed in 2006 and 2012 respectively, to evaluate the effectiveness of CIIF-funded projects in promoting strategies of social capital building. Findings of both studies affirmed the effectiveness of CIIF in the following respects-

⁵ Coleman, J.S. (1988) 'Social capital in the creation of human capital' *American Journal of Sociology*, 94, Supplement: S95-S120.

⁶ Bourdieu, Pierre (1986) 'The forms of capital' in J.G. Richardson' In *Handbook of Theory and Research for the Sociology of Education*, edited by Westport. CT: Greenwood Press, 241-258.

⁷ Woolcock, M. 2001. "The Place of Social Capital in Understanding Social and Economic Outcomes." *Canadian Journal of Policy Research*, 2(1): 11-17.

- i. developing and enhancing the capabilities of project participants and encouraging them to become self-reliant;
- ii. fostering mutual trust and support among people from different generations backgrounds and of different ethnicities through effective use of community networks and resources;
- iii. building neighbourhood support networks, turning assets of individuals into those of communities and enhancing the communities' capacities;
- iv. establishing cross-sectoral collaboration models and encouraging the private sector to engage in community activities;
- v. advocating different strategies for building social capital, such as mentoring, matching of partners, networking and complementarity; and
- vi. promoting best practice models for developing social capital.

For details of the milestones of social capital development in Hong Kong⁸ and the reports of the CIIF evaluation studies⁹, please visit the CIIF website.

⁸ <https://www.ciif.gov.hk/en/about-ciif/key-milestone.html>

⁹ <https://www.ciif.gov.hk/en/sc-resource/sc-6.html>

3 Who is Eligible to Apply?

3.1 The following parties may submit applications:

- ✓ non-governmental organisations (e.g. welfare agencies, community groups and associations); and
- ✓ private and public organisations (e.g. commercial companies and statutory organisations).

3.2 The following parties are NOT eligible to submit applications:

- ✗ individuals; and
- ✗ government agencies.

Please note the following:

- i. Applicant organisations should be registered under the laws of Hong Kong (e.g. the Companies Ordinance, the Societies Ordinance, or section 88 of the Inland Revenue Ordinance).
- ii. For applicant organisations outside the scope of (i) above, applications will be considered on a case-by-case basis.
- iii. We encourage collaborations amongst organisations and accept joint applications. However, one of the applicant organisations should be named as the lead applicant.
- iv. There is no limit on the number of applications each applicant organisation may submit, provided that they can demonstrate the ability to deliver each of the projects.
- v. The Government reserves the right to disqualify any applicant on the grounds that the applicant has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of offences endangering national security, or otherwise the exclusion is necessary in the interest of national security or necessary to protect the public interest, public morals, public order or public safety of Hong Kong.

4 What Types of Projects will CIIF Support?

4.1 Types of Projects to be Supported

In order to deepen and extend the impact of CIIF-funded projects in the development of social capital in the community, CIIF accepts applications in the categories of “Dedicated Funding Application” and “General Funding Application”.

- “Dedicated Funding Application” comprises two types of application themes:
 - The Community Support Programme for New Public Rental Housing Estates (*Click [here](#) for the Application Guidelines for the Community Support Programme for New Public Rental Housing Estates*)
 - Ageing-in-place – The Programme for Building a Dementia-friendly Community (*Click [here](#) the Application Guidelines for Ageing-in-place – The Programme for Building a Dementia-friendly Community*)
- For projects under “General Funding Application”, the direction and goal of community building should be set as building a “Cohesive and Connected Community” and/or a “Socially Inclusive Community”.
- Applications must fall under the Community Support Programme for New Public Rental Housing Estates or Ageing-in-place – The Programme for Building a Dementia-friendly Community or fall within the scope of General Funding Application.

4.2 Project Nature to be Supported

- ✓ CIIF supports community-initiated projects that seek to promote social capital building.
- ✓ CIIF is open to project proposals from different sectors (e.g. the welfare, community and business sectors).

- ✓ The period of funding sought for a project should be no longer than three years, except the Community Support Programme for New Public Rental Housing Estates.
- ✓ The project should not be profit-making. Any profit or surplus income arising from the project must be invested into the project for its sustainable development.

4.3 Project Nature not Supported

- ✗ Services or programmes that are currently subvented or eligible to obtain funding from the Government or other funding bodies.

4.4 Nature of Social Capital Building Projects

Social capital touches on a number of areas. For the purpose of CIIF, we will pay particular attention to the means and process of developing social capital, as well as the end results.

The project should aim to promote the development of one or more of the following:

- **Social Networks** – to build interactive relationships among people or bodies/organisations to improve their well-being;
- **Trust and Solidarity** – to foster greater cohesion and collective action through elements of interpersonal behaviour;
- **Mutual Help and Reciprocity** – to offer tangible and intangible support for one another with one's own strengths and capabilities;
- **Social Cohesion and Inclusion** – to mitigate risks and conflicts while promoting equitable access to resources by enhancing participation of the marginalised;
- **Social Participation** – to promote people's ability to work together to resolve communal issues; and
- **Information and Communication** – to promote the exchange of and access to information to facilitate the building of social capital.

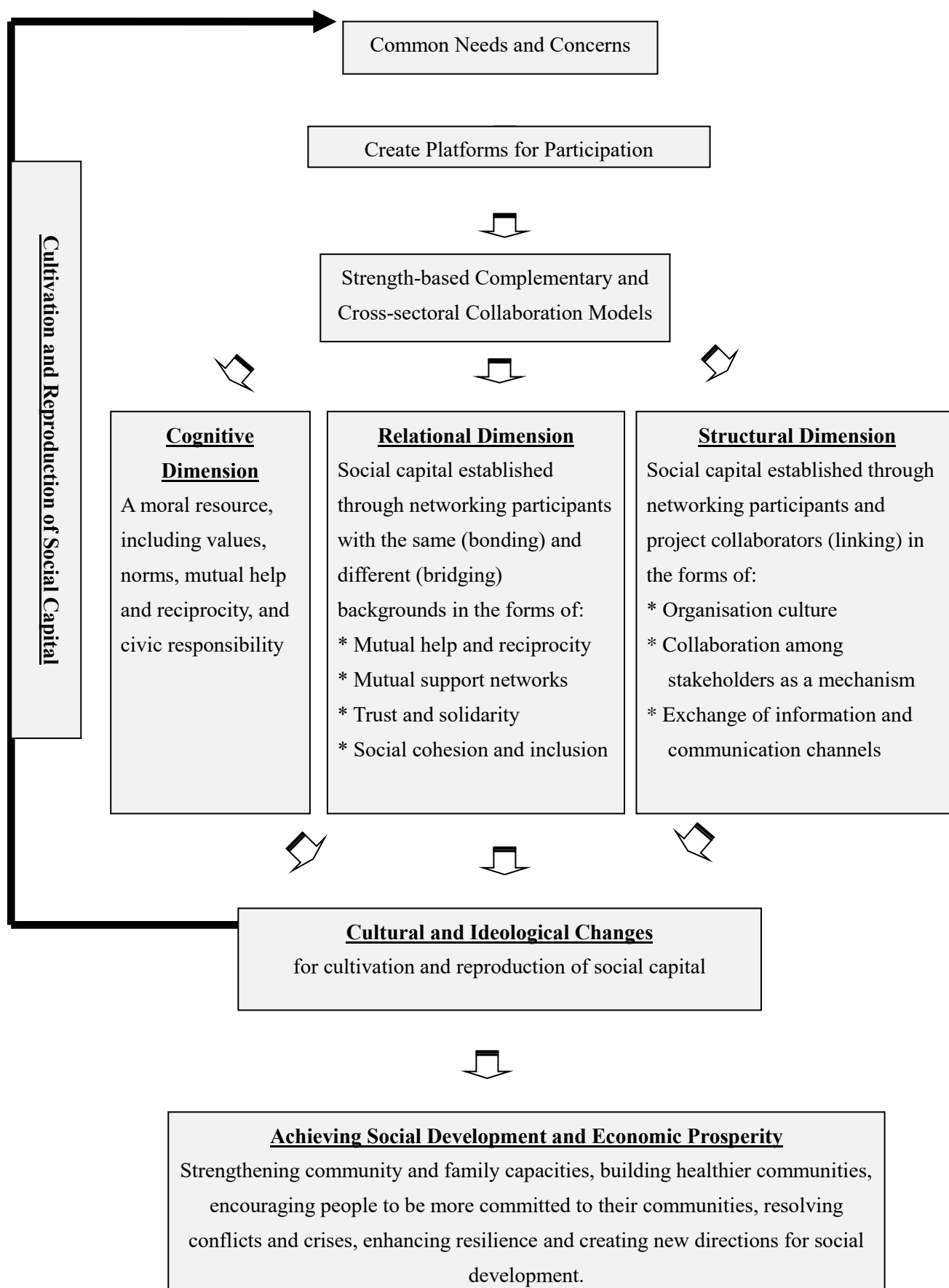
4.5 Nature of Project to be Accorded a Higher Priority

- Projects capable of developing social capital effectively and efficiently;
- Projects incorporating specific key collaborators and well-defined details of the nature of collaborations;
- Projects incorporating planning for the establishment of a sustainable cross-sectoral social support network;
- Projects capable of effectively applying the “House Captain” model as a strategy for social capital development¹⁰.

The following flow chart was developed by CIIF according to the international and local research findings, as well as the practical experience of the implementation of the CIIF-funded projects in Hong Kong. The chart shows that the ultimate objective of social capital projects is to achieve cultural and ideological changes while achieving social development and economic prosperity, including strengthening community and family capacities, building healthier communities, encouraging people to be more committed to their communities, resolving conflicts and crises, enhancing resilience and creating new directions for social development.

¹⁰ To encourage more CIIF-funded projects to adopt the “House Captain” model in their implementation strategies, CIIF will award applications that can effectively adopt the “House Captain” model with up to 5 points, in addition to the existing assessment criteria.

Production and Reproduction of Social Capital



4.6 Nature of Projects that Promote Sustainability

CIIF values sustainability and considers that social capital outcomes of CIIF-funded projects should continue beyond the funding period. Social sustainability, which includes networks, values, reciprocity, trust and cohesion, is an important criterion for measuring sustainability. The six key dimensions of social capital (please refer to items 2.1 and 4.4 above for details) are regarded as the essential framework and criteria for measuring and evaluating project sustainability. Financial sustainability is not the most dominant criterion in determining project sustainability.

5 Financial Arrangements

5.1 Key Principles

- i. Prudence, accountability and value for money are required in the use of public funds for community benefits.
- ii. CIIF provides seed funding for community initiatives at their initial stages with the goal of promoting their self-sustainability in the long run.

5.2 Funding Coverage

- i. The proposed staff cost, if any, should not exceed 75% of the total requested budget unless justified to and agreed by the CIIF Secretariat (the Secretariat). Details of the manpower plan, such as specific roles, entry qualifications, proposed salaries and employment periods of staff in the projects, should be provided in the application.
- ii. Furniture and equipment proposed to be purchased must be essential to or specifically required by the project.
- iii. One-off events (e.g. banquets) which are not in line with the objective of building social capital and lacking in a lasting impact will not be supported. All programme expenses must be reasonable.
- iv. For any donation and sponsorship, the grantee should ensure that the acceptance of the donation and sponsorship will not place the Government in an obligatory position towards the donor or sponsor, cause embarrassment to the Government or bring the Government into disrepute. It is also considered inappropriate to accept sponsorship in breach of prevailing government policies (e.g. sponsorship from a tobacco company should be avoided in view of the anti-smoking policy; it is the same with sponsorship of products made from endangered species).

5.3 Upper and Lower Limits of Funding for Individual Projects

In view of the administration costs involved in processing project applications, any funding requests lower than \$20,000 will not be entertained. However, there is no preset level of maximum funding for each project.

5.4 Other Financial Arrangements

- i. The approved project grant will be released to the grantee by instalments and in different percentages of the total grant in accordance with different project implementation periods, subject to the submission of Progress Performance and Evaluation Report, Annual Audited Report and relevant forms.
- ii. The grantee should hold a separate Hong Kong Dollar account with a licensed bank incorporated in Hong Kong for the grant. Payments from that account should only be made by authorised representative(s) of the grantee. Any unspent balance of the grant should be kept at all times in that account.
- iii. Should staff be employed in CIIF-funded projects (as approved in the funding proposal), the employment terms should comply with relevant laws and should not be more favourable than those for comparable jobs in the civil service. The recruitment process should be fair and open.
- iv. All expenses incurred before the funding approval date and after the approved project completion date will not be subsidised under CIIF, except expenditures on advertisements for recruiting members of the project team, sexual conviction record checks and pre-employment body check-ups, as well as expenditures on back-payments of salary differences arising from pay adjustments (provided that such costs are included in the approved budget). Applications for supplementary grants will normally not be considered. The Government accepts no liabilities for debts, losses, claims and damages arising from the project. The grantee must be solely responsible for any deficits arising from implementing the approved project. In addition, the grantee must be solely responsible for covering any shortfall as required for the implementation and completion of the project.
- v. Any unspent amount of the grant and any operating surplus over the recognised total expenditure of the project must be returned to CIIF.

- vi. If the project involves procurement of goods, services or furniture and equipment, the grantee is required to follow the relevant quotation and tender guidelines. The grantee should properly maintain relevant books, all relevant income and expenditure accounts and all records and information related to the approved CIIF-funded project at all reasonable times, for up to seven years, after the completion of the project. These records should be made available for inspection by auditors, the Government, the Director of Audit or authorised officers of CIIF.
- vii. Where circumstances justify, the Secretariat may defer, withhold or reclaim any disbursement if the grantee fails to submit the relevant Progress Evaluation Report or the Annual Audited Report, or there is a late submission of such report(s); or if any of the data, facts or information represented and/or provided by the grantee to the Government about the project and/or the approved budget is incomplete, incorrect, untrue or is intended to mislead the Government.
- viii. The Government reserves the right to suspend or terminate its funding for any approved project in case of either of the following irregularities (be it observed at inspection or identified through other means):
 - (a) The grantee has engaged or is engaging in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security; or
 - (b) Continuation of the funding for the approved project by CIIF is contrary to the interest of national security.

In case CIIF decides to terminate its funding for an approved project, the grantee is required to immediately return all funds disbursed by the Government to the same and bear administrative, legal and other costs incurred by the Government accordingly (if any).

6 How will the Applications be Processed?

- 6.1 Applications will normally be invited three times every two years. While there is no prescribed level of the maximum total amount of grant that can be approved for each batch, discretion will be exercised with a view to maintaining a balanced distribution of grants among the separate allocation exercises each year.
- 6.2 The Secretariat will issue an acknowledgment letter to the applicant within two weeks after receipt of an application. The CIIF Committee and the Secretariat will strive to ensure that applications are processed efficiently within a reasonable timeframe. Applicants will be notified in writing on the application results within six months after the closing date for application upon receipt of all relevant information and documents. All applicants of approved projects have to sign the Conditions of Grant (CoG) and commence the project within eight months after the issue of the notification letter; otherwise, the approval will be regarded as having lapsed. However, special consideration could be granted on individual merits.
- 6.3 CIIF will not fund any projects that the Government believes to likely constitute or cause the occurrence of offences endangering national security or otherwise be contrary to the interest of national security.
- 6.4 The Government reserves the right to disqualify any applicant on the grounds that the applicant has engaged, is engaging, or is reasonably believed to have engaged or be engaging in acts or activities that are likely to cause or constitute the occurrence of offences endangering national security, or otherwise the exclusion is necessary in the interest of national security or necessary to protect the public interest, public morals, public order or public safety of Hong Kong.
- 6.5 Applications will be considered by the CIIF Committee, which is responsible for the assessment and approval of all applications and the decisions on the levels of funding. Its decisions shall be final.
- 6.6 All applications will be assessed by a 3-tier assessment mechanism as follows:

i. The Secretariat

- initially assess the applicant's proposal and verify the information submitted;
- collect views of other government bureaux/departments;
- based on the initial score, and where appropriate, arrange an interview with the applicant for a better understanding of the proposal. After the interview, the applicant may revise the proposal where needs arise; and
- conduct an overall analysis and submit a paper of recommendations to the Assessment and Evaluation Sub-Committee (AESC).

ii. Assessment and Evaluation Sub-Committee (AESC) of CIIF

- discuss applicants' proposals and submit preliminary recommendations to the CIIF Committee for approval.

iii. CIIF Committee

- advise whether the recommendations of the AESC should be approved.

6.7 The assessment criteria, which are mainly divided into three areas, comprises 12 criteria as follows:

i. Understanding and Application of Social Capital Concept (40%)

- Clear objectives with potential for social capital development.
- Accurate assessment that can address community needs.
- An effective and innovative intervention model and networking strategies.

ii. Project Effectiveness (40%)

- A strategic programme plan that can effectively achieve the project objectives.
- Engagement of different stakeholders with effective synergy effects.
- Specific and measurable performance indicators with effective evaluation tools and methods.
- Ways of promoting social capital.
- Sustainability and contributions to social capital building.
- A reasonable and cost-effective budget.

iii. Institutional Capability (20%)

- Track record, effective leadership and strategic advantages of the applicant institution/organisation.
- Ability to identify and address risks/difficulties.
- Financial management capability and stability of the institution/organisation.

7 What are the Grantee's Obligations?

7.1 It is the responsibility of the grantee to ensure that proper governance is put in place and that the approved funding is used according to the terms of the funding approval.

i. Reporting

All grantees are required to submit the following reports on time:

- Project Income and Expenditure Report, Bank Interest Income Form, Fixed Asset Register and Project Staff Salary Form;
- Progress Evaluation Report;
- Annual Audited Report; and
- Project Completion Evaluation Report and Final Audited Report.

Failure to submit the reports, or submission of reports containing insufficient, incomplete or false information may result in deferral or termination of project funding.

ii. Auditing of Accounts

All projects are required to submit Annual and Final Audited Reports. The reports must contain the Auditors' Report (including an assurance that the funding was spent in accordance with the terms of CoG), statement of financial position, income and expenditure statement, cash flow statement and notes to accounts. All such accounts should be audited by an independent certified public accountant.

Grantees should identify their own auditors. Should the auditing of CIIF-funded projects incur extra costs (auditing costs), the extra costs can be claimed on a reimbursement basis from CIIF (not as part of the grant for the project) according to the following scale-

Size of the Grant	Maximum Auditors' Remuneration Payable (Per Year)
Less than \$1 million	\$8,000
\$1 million to \$5 million	\$10,000
Over \$5 million	\$20,000

- 7.2 The reports provided by the grantee as mentioned in para.7.1(a), as well as information related to individual projects, will be subject to public inspection in accordance with the Code of Access to Information; the Annual Audited Report and the Final Audited Report will be open for public inspection to enhance the transparency of the use of public funds and accountability to the public.
- 7.3 At least one site visit will be arranged for the Secretariat and the CIIF Committee at least once during the project implementation period to facilitate their understanding of the implementation of the CIIF-funded project. The grantee is required to assist in arranging such visits.
- 7.4 The grantee should endeavour to promote the project through different channels and follow the “Guidelines for Producing Publicity Materials and Publications” in the promotion and production of the materials.

8 Support by the Secretariat

8.1 Support for Applicants

CIIF handles all applications in a fair and impartial manner. To enable applicants to have a better understanding of the requirements of CIIF, the Secretariat regularly organises briefings, sharing sessions for grantees and prospective applicants, as well as providing individual consultations for applicants in need.

8.2 Support for Grantees

Sharing sessions and training activities are organised regularly to share best practice models for building social capital, as well as engaging new potential partners and SC.Net members, in order to provide support for grantees. For details, please refer to the CIIF website.

For enquiries, please contact the Secretariat:

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