

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

## **Application Guide**

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# **1 What is CIIF?**

## **1.1 Background**

Community Investment and Inclusion Fund (CIIF) was set up by the Government of the Hong Kong Special Administrative Region (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 platform and social support network. The Fund seeks to build social capital – to garner 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**

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

### 1.3 Means to Accomplish the Objectives

- (a) 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.
- (b) 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 The CIIF Committee

Established in April 2002, the CIIF Committee is chaired by a non-official member and comprises both ex-officio and non-official members. The Committee is tasked to –

- (a) handle applications for funding from CIIF, including to examine and approve applications, to decide on the level of funding for each successful application, and to monitor and evaluate the effectiveness of funded projects;
- (b) advise the Government on the most appropriate and effective means to facilitate the development of social capital in Hong Kong; and
- (c) 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, research findings and the experience of CIIF funded-projects, social capital refers to the institutions, relationships and norms that shape the quality and quantity of a society's social interactions. Social capital includes social norms (personal attitudes and social values), networks and institutions.

Specifically, funded projects should base 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 foster community empowerment and promote social capital development.

### **2.2 Types of Social Capital?**

There are different forms of social capital-

- (a) **Social capital in cognitive dimension**, which relates to beliefs and perceptions, can be measured by the level of trust among neighbours, reciprocity and civil identity (such as do you feel that you are a member of society?) at a community level. At an individual level, the perceptions of community, the sense of belonging and trust, can be measured. (Putnam 2000<sup>1</sup>; Uslaner 2002<sup>2</sup>)

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

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

(b) **Social capital in relational dimension** refers to the relationships across multiple actors. Tie strength (Granovetter 1973<sup>3</sup>) (such as relationship duration and frequency, and the level of mutual trust, reciprocity, cohesion and inclusion among relationships) is frequently used to measure the relational dimension of social capital. There are two forms of social capital related to this inter-relationship among people from different social background:

- **Bonding social capital** is an intra-group phenomenon and relies on strong ties among members of relatively similar background. This can be reflected in their homogeneity, strong norms, loyalty and exclusivity. A typical example is the family unit found in small close-knit group of new arrivals which need mutual support (Onyx and Bullen 2001<sup>4</sup>; Putnam 2000); and
- **Bridging social capital** is outward facing and links different groups in the society (Putnam 2000). Examples include social ties among loose friendships, workmates and different ethnicities.

(c) **Social capital in structural dimension** refers to relationships, networks, associations, and institutions that link people and groups (Coleman 1988<sup>5</sup>). Structural social capital can be measured by the analysis of linkages and network density (Bourdieu 1986<sup>6</sup>). Woolcock (2001<sup>7</sup>) further emphasises the importance of this social capital in structural dimension by using the term of linking social capital:

- **Linking social capital** refers to linkages across people and groups with different power and resource levels. Through these linkages, culture, values and institutions within the organization, in society and even in the country can be changed.

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

<sup>4</sup> 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.

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

<sup>6</sup> 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.

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

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

Using social capital development approach to respond to community needs is one of the beliefs of CIIF. The outbreak of the Severe Acute Respiratory Syndrome (SARS) epidemic in 2003, a series of family tragedies in Tin Shui Wai in 2004, the economic downturn in 2009, and the adaptation need in new towns development and urban renewal in recent years brought severe challenges to Hong Kong. CIIF introduced corresponding themes to address specific community needs at the time. They exemplified the essence of social capital in promoting community spirit and neighbourhood.

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

- (a) developing and enhancing the capabilities of project participants and encouraging them to become self-reliant;
- (b) fostering mutual trust and support among people from different generations, background, ethnicity through effective use of community networks and resources;
- (c) building neighbourhood support networks, turning assets of the individuals into those of the community, and enhancing community capacity;
- (d) establishing cross-sectoral collaboration models and encourage private sector to engage in community activities;
- (e) advocating strategies to create social capital, such as mentoring, matching partners, networking and complementarity; and
- (f) promoting best practice models for developing social capital.

For details of the milestones of social capital development in Hong Kong<sup>8</sup> and the reports of the CIIF evaluation studies<sup>9</sup>, please visit the CIIF website.

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<sup>8</sup> [www.ciif.gov.hk/tc/aboutciif/index\\_c.html#ciif-milestone](http://www.ciif.gov.hk/tc/aboutciif/index_c.html#ciif-milestone)

<sup>9</sup> [www.ciif.gov.hk/tc/evaluation/index\\_c.html](http://www.ciif.gov.hk/tc/evaluation/index_c.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 corporations (e.g. commercial companies and statutory organisations).

#### **3.2 The following are NOT eligible to submit applications:**

- × individuals; and
- × government agencies.

#### **Please note the following:**

- (a) Organisations should be registered under the laws of the Hong Kong (e.g. the Companies Ordinance, the Societies Ordinance; or section 88 of the Inland Revenue Ordinance).
- (b) For organisations and corporations outside the scope of (a) above, the applications will be considered on a case-by-case basis.
- (c) We encourage collaboration amongst agencies and accept joint applications. However, one of the applicants should be named as the lead applicant.
- (d) There is no limit on the number of applications each applicant may submit, provided they can demonstrate the ability to deliver.

## **4 What type of projects will CIIF support?**

### **4.1 Nature of Projects to be Supported**

- ✓ CIIF supports community-initiated projects that seek to promote the development of social capital.
- ✓ CIIF is open to project proposals from different sectors, e.g. welfare, women, community, business, etc.
- ✓ Both territory-wide and district-based projects will be considered.
- ✓ The period of funding sought for a project should be no longer than three years.
- ✓ 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.
- ✓ Community support programme for new public rental housing estates (Please refer to *Application Guidelines for the Community Support Programme for New Public Rental Housing Estates* at Annex for details)

### **4.2 Nature of Projects that would not be Supported**

- × Activities involving one-off consumption of food or projects without long-term social capital outcomes.
- × Services or programmes that are currently subvented or eligible to obtain funding from the Government or other funding bodies.

### **4.3 Social Capital in Operation**

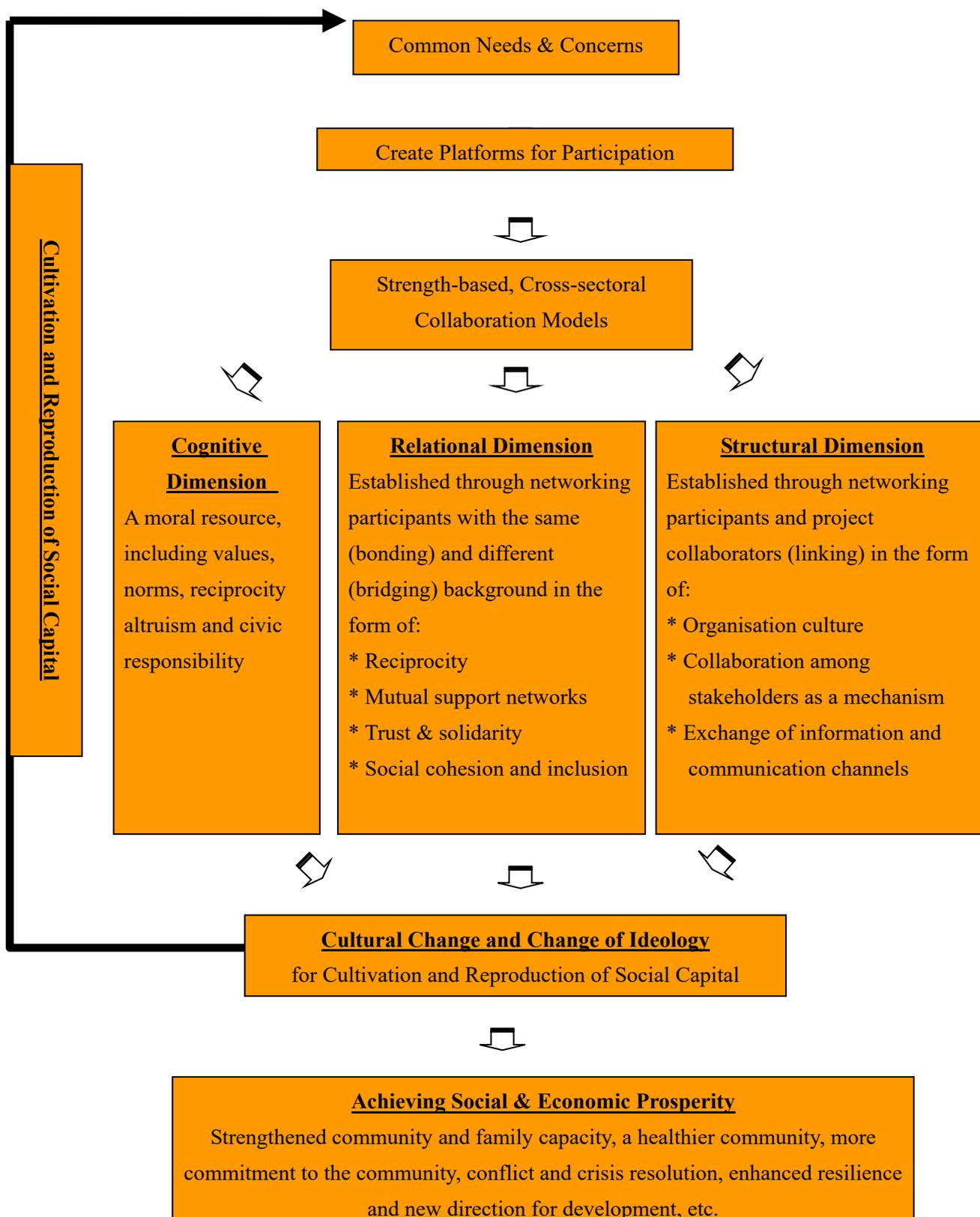
Social capital touches on a number of areas. For the purpose of CIIF, we will pay particular attention to the means and process of promoting social capital, as well as the end results. The project should aim to develop one or more of the following:

- **Networks** – the interactive relationship among people or bodies/organisations which improve their well-being;
- **Trust and Solidarity** – elements of interpersonal behavior which foster greater cohesion and collective action;

- **Mutual Help and Reciprocity** – tangible and intangible support for each other by using one’s own strengths and capabilities;
- **Social Cohesion and Inclusion** – mitigation of risks and conflict, and promotion of equitable access to benefits by enhancing participation of the marginalised;
- **Social Participation/ Engagement in Public Affairs** – ability of people to work together toward resolving communal issues; and
- **Information and Communication** – exchange of information and access to information would facilitate the building of social capital.

The following flow chart is 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 ultimate objectives of social capital projects should seek to achieve cultural and ideological changes as well as social and economic prosperity such as strengthened community and family capacity, a healthier community, more commitment to the community, conflict and crisis resolution, enhanced resilience and new direction for development, etc.

## Production and Reproduction of Social Capital



#### **4.4 Nature of Projects that Promote Sustainability**

CIIF values sustainability and considers the social capital outcomes of the funded projects should continue beyond the funding period. Social sustainability, which includes network, value, reciprocity, trust, cohesion, etc., is much more important for measuring sustainability. The six key dimensions of social capital (see 4.3 above for details) are regarded as the essential criteria and framework for measuring and evaluating project sustainability. Financial sustainability is not an essential criterion in determining project sustainability.

#### **4.5 Nature of Projects to be Accorded a Higher Priority**

- (a) Projects that can effectively and efficiently promote social capital.
- (b) Proposals which include evidence-based research which evaluates the effectiveness of strategies for building social capital.

## **5 Financial arrangements**

### **5.1 Key Principles**

- (a) Prudence, accountability and value for money in the use of public funds for community benefits.
- (b) Seeding support for community initiatives that are self-sustaining in the long run.

### **5.2 Funding Coverage**

- (a) Grants to individual projects can be non-recurrent or time-limited recurrent funding or a combination of both.
- (b) Proposed staff cost, if any, should not exceed 75% of the total requested budget unless justified and agreed by the CIIF Secretariat (the Secretariat). Details of manpower plan with specific roles in the projects, qualifications, proposed salary and employment period should be provided in the application.
- (c) Furniture and equipment proposed to be purchased must be essential to or specifically required by the project.
- (d) One-off events (such as banquets) which are not in line with the objective of social capital building and lacking in lasting impact will not be supported. All program expenses must be reasonable.
- (e) For any donation and sponsorship, it shall be ensured that the acceptance of it will not place the Government in an obligatory position towards the donor or 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; 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, requested amount lower than \$20,000 will not be entertained. However, there is no pre-set level of maximum funding for each project.

### 5.4 Other Financial Arrangements

- (a) The approved project grant will be released by instalments and in different percentage of the total grant in accordance with different project periods, subject to the submission of Progress Performance and Evaluation Report, Annual Audited Report and relevant forms. The last payment will be withheld until satisfactory completion of the whole project and based on actual remaining balance. The grantee will be required to keep the original invoices and receipts for random inspection by the Secretariat.
- (b) The grantee should keep a separate Hong Kong Dollar account with a bank licensed in Hong Kong for the grant. Payments from that account should be made by the authorised representative(s) of the grantee. Any unspent balance of the grant should be kept at all times in that account.
- (c) Should staff be employed in projects funded by the grant (as approved in the funding proposal), the employment terms should comply with statutory requirements and should not be more favourable than those for comparable jobs in the civil service. The recruitment process should be fair and open.
- (d) All expenses incurred before the date of approving the grant will not be subsidised by CIIF, except expenditure of procuring advertisement for staff recruitment for the project, for the Sexual Conviction Record Check and pre-employment body check-up (provided that such costs are included in the Approved Budget). Application for supplementary grants will normally not be considered. The Government accepts no liabilities for deficits arising from the project. Grantee will be solely responsible for any deficits arising from implementing the approved project. In addition, Grantee will be solely responsible for any shortfall necessary in implementing and completing the project.

- (e) Any unspent amount of the grant and any operating surplus over the recognised total expenditure of the project must be returned to CIIF.
- (f) If the project involves procurement of goods, services or furniture and equipment, the grantee is required to follow the quotation and tender procedures.
- (g) The grantees should maintain proper books, accounts and all relevant records and information related to the approved programmes receiving CIIF grant. These records should be kept at all reasonable times, for up to seven years after the completion of the project, and be made available for inspection by auditor, authorised staff of the Government and the Director of Audit.
- (h) Where circumstances justify, the Secretariat may defer, withhold or reclaim any payment if the grantee fails to submit the required Progress Performance and Evaluation Report and Annual Audited Report or there is a late submission of such report(s); or if any of the data, facts or information represented to 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.

For more details of the financial arrangements which the grantees need to take note of, please refer to the Notes to Grantees at the CIIF website.

## **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 maximum total funding for each batch, discretion will be exercised with a view to maintaining a balanced distribution of funding among the separate allocation exercises each year.
- 6.2 The Secretariat will issue an acknowledgment letter to the applicant within two weeks of receipt of the application. The CIIF Committee and Secretariat aim to ensure that the project proposals are assessed and processed efficiently and appropriately within a reasonable timeframe. Applicants will be notified in writing on the application results within six months after the closing date for application and upon receipt of all required information and supporting documents. All applicants of approved project have to sign the Conditions of Grant (CoG) and commence the project within eight months after the issue of the notification letter; otherwise it will be regarded as lapsed. However, special consideration could be granted on individual merits.
- 6.3 Applications will be considered by the CIIF Committee, which is responsible for approving applications, and deciding on the level of funding. The decision of the CIIF Committee shall be final.
- 6.4 All applications will be assessed by the 3-tier assessment mechanism as follows:
- (a) The Secretariat**
- initially assess applicants' proposals and verify the information submitted;
  - collect the views of other government bureaux/departments;

- based on the initial score, and where appropriate, arrange an interview with the applicant institution/ organisation for a better understanding of the proposal; and
- conduct an overall analysis and submit a paper of recommendations to the Assessment and Evaluation Sub-Committee.

**(b) Assessment and Evaluation Sub-Committee (AESC)**

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

**(c) CIIF Committee**

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

6.5 The assessment criteria mainly cover four parts with 12 criteria as follows:

**(a) Expertise on Building Social Capital and its Promotion (15%)**

- Clear objectives with potential for social capital development.
- Accurate assessment that can address community needs.
- Ways of promoting social capital.

**(b) Project Effectiveness (65%)**

- Effective and innovative intervention model and networking strategies.
- Strategic programme plan that can effectively achieve the project objectives.
- Specific and measurable performance indicators with effective tools and methods of evaluation.

- Support from key collaborators with effective synergy effects.
- Sustainability and contribution to social capital development.
- Reasonable and cost-effective budget.

**(c) Institutional Capability (15%)**

- Track record, effective leadership and strategic advantages of applicant institution/organisation.
- Financial management capability and stability of the institution.

**(d) Others (5%)**

- Ability to identify and address risks/difficulties.

## **7 What are the grantees' 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 applied according to the terms of the funding approval.

### **(a) Reporting**

All grantees of CIIF are required to submit the following reports:

- Project Income and Expenditure Report, Bank Interest Income Form, Fixed Asset Register and Project Staff Salary Form to be submitted every half year;
- Progress Performance and Evaluation Report to be submitted every half year ;
- Annual Audited Report to be submitted every year; and
- Project Completion Performance and Evaluation Report and Final Audited Report to be submitted than three months after the completion of the project.

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

### **(b) Audited Accounts**

- All projects will be 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 CoG), statement of financial position, income and expenditure statement, cash flow statement and notes to accounts. All such accounts should be audited by a certified public accountant.

- Audited Report should be submitted on an annual basis. The first Annual Audited Report should be submitted no later than 14 months from the commencement date of the project. The Final Audited Report of the project should be submitted no later than three months after the completion of the project.
- Grantees should identify their own auditors. Should the auditing of CIIF grant incur extra cost, the extra cost can be claimed on a reimbursement basis from CIIF (not as part of the grant for the project), according to the following scale-

| <b>Size of the Grant</b>   | <b>Maximum Auditors' Remuneration Payable (Per Year)</b> |
|----------------------------|--|
| 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) and (b), as well as information related the individual projects, are subject to the inspection of the public in accordance with the Code of Access to Information.
- 7.3 Visits to projects will be arranged for the Secretariat and CIIF Committee at least once during the project period to facilitate their understanding of the implementation of the projects. Grantees are required to assist in arranging such visits.

## 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 CIIF's requirements, the Secretariat regularly organises briefings, sharing sessions for grantees and prospective applicants, as well as providing individual consultation for applicants in need.

### 8.2 Support for Grantees

Sharing and training activities will be organised regularly to share best practices, as well as to engage new potential partners and SC. Net members, in order to provide support for Grantees. For details, please refer to the CIIF website.

For further enquiries, please contact the Secretariat:

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