

**The Legislative Council Public Accounts Committee public hearing  
on the Director of Audit's Report No. 55  
Chapter 11 – The Community Investment and Inclusion Fund  
30 November 2010**

**Opening remarks by the Secretary for Labour and Welfare**

Chairman:

First of all, on behalf of the Labour and Welfare Bureau (LWB) and the Community Investment and Inclusion Fund Committee (the CIIF Committee), I would like to thank the Audit Commission for the audit conducted on the Community Investment and Inclusion Fund (CIIF). We agree with the views and recommendations of the Audit Commission. In fact, some of the recommendations for improvement have already been implemented. We are also actively following up on the remaining recommendations to enhance the operation and governance of the CIIF for the sake of good governance and ensure the optimum use of public fund.

**Governance and Operation of the CIIF**

2. With the funding approval from the Finance Committee of the Legislative Council, the Government set up the \$300 million CIIF in 2002. The CIIF, in the form of seed money, encourages mutual care and help as well as promotes community participation and cross-sectoral collaboration through collaborative projects among community and commercial organisations with a view to building up social capital including “mutual trust”, “community networks”, “collaboration spirit” and “social cohesion” etc. As such, the CIIF has a clear objective and positioning which is to serve as a catalyst to foster social capital development through promoting the concept of social capital to all sectors. The CIIF is not a general welfare fund or one that disburses financial assistance.

3. The CIIF Committee is currently chaired by Mr. YEUNG Ka-sing and comprises members from the welfare, academic, commercial and community sectors so that we can draw on their collective wisdom. The Committee is responsible for advising the Administration on the approval of applications under the CIIF and assessing and monitoring

CIIF projects. When the CIIF was initially established, the CIIF Committee had clearly defined that the seed money would be used to support projects that could effectively foster the development of social capital while all one-off activities and projects in lack of long-lasting effect would not be supported. When assessing applications, the Committee will accord priority to the effectiveness of the project in terms of promotion of multi-partite collaboration and social capital development rather than focusing on the number of projects approved.

4. The CIIF welcomes applications from stakeholders of different sectors, and all non-governmental and private organisations can apply for subsidies under the CIIF. At present, the CIIF invites three batches of applications every two years. The CIIF Committee has put in place a fair and impartial mechanism for handling all applications. First, we will consult relevant government departments on the applications and make an initial assessment in accordance with the established assessment criteria. If necessary, an interview between the applicants and representatives of the CIIF Assessment and Evaluation Sub-committee will be arranged. The applications will then be submitted to the Assessment and Evaluation Sub-committee for discussion and then the CIIF Committee for a final decision.

### **Present Situation of Project Implementation**

5. The CIIF has been set up for eight years. So far, a total of 213 CIIF-funded projects will be launched/ have been launched/ have been completed and the amount of total funding approved exceeds \$200 million. The projects are implemented by 130 organisations, including non-governmental organisations, district organisations, educational institutions, medical and nursing organisations, cultural groups and business establishments. The content and nature of the 213 funded projects mainly cover children and family networks, community capacity building, youth development, social integration (including services for ethnic minorities and new arrivals), community healthcare networks, cross generation integration and elderly empowerment etc.

6. The findings of the CIIF Evaluation Consortium conducted by five local tertiary institutions from 2004 to 2006 showed that the CIIF had initially achieved its objective of promoting social capital development. It was also confirmed that the CIIF had achieved certain outcomes in building mutual help and neighbourhood support, fostering community-business-government collaboration and promoting community participation.

## **Enhancing Support to Applicant Organisations and CIIF Projects**

7. Social capital development is an enormous task calling for active participation of stakeholders from different sectors. As social capital is a relatively new concept, we are committed to providing eligible applicants and funded projects with necessary support.

8. To encourage more applications from eligible organisations for CIIF subsidies, we have stepped up our publicity efforts to social service agencies and district organisations. Briefing sessions will be held before each batch of applications to brief interested parties on the social capital concept and assessment criteria. CIIF-funded project teams will also be invited to share their experience. Moreover, we will from time to time review the CIIF application procedures and make necessary amendments, including revision to the application form last year and development of clearer assessment criteria, to help applicants gain a better understanding of the CIIF requirements and prepare concise project proposals. Subject to the needs of applicants, we will provide individual consulting service whereby applicants can exchange preliminary views with the CIIF Secretariat on the ideas of their projects. Before granting formal approval, the CIIF Committee will arrange an interview between individual applicants and CIIF Committee members as well as the CIIF Secretariat on a need basis in order to exchange views on the ideas and content of the projects with a view to enhancing the quality of the project proposals.

9. As the CIIF is public fund, we have to ensure its optimum use while providing applicants or executive agencies with convenience. The CIIF has therefore set up a monitoring and review mechanism. In accordance with the established practice, each approved project will be assigned a member of the CIIF Committee as project mentor who in collaboration with the CIIF Secretariat will provide the project team with guidance and support during the project period. Besides, CIIF-funded organisations are required to submit quarterly progress reports and, upon completion of projects, final performance reports to the Committee. The Secretariat will monitor the performance of funded projects regularly on a quarterly basis, and conduct at least one site visit during the project period. For those projects with performance problems, the CIIF Secretariat and concerned CIIF Committee members will hold review meetings with the project operators and advise on the areas for improvement for the development of the projects. In response to the recommendations of the Audit Commission, the Secretariat plans to conduct regular training or sharing sessions for project operators on topics of common concern so as to foster exchange of experience. We

will continue to review and improve the existing operational mechanism to ensure that applicants and project operators are provided with sufficient support and guidance with a view to assisting them to effectively implement their projects.

### **Sustainable Development of Projects**

10. Since the CIIF is a seed fund, we attach great importance to the sustainable development of the projects. Practical experience shows that sustainability can be achieved if effective interventional approaches are used and the active participation of stakeholders is secured. Since the inception of the CIIF, there have been many successful examples of sustainable development. An example is the Elderly Shop Project launched by the Salvation Army in Wong Tai Sin. While the project period has expired in May 2007, many community service teams, including the repair teams led by elders, cleaning teams led by women and the elderly shop managed by local elders selling elderly and healthcare items, formed during the project period still continue to operate now. The core members of the project also actively take part in another CIIF-funded project called “The Harmonious Home” to promote cross-generation integration in collaboration with local schools through establishing the relationships of “god-grandfathers and god-grandmothers” with students. Other successful examples include the “House Captain/Floor Captain System” launched at many housing estates over the territory, under which residents take the initiative in making concerted efforts in caring their neighbours; community clinics set up under the “medical-welfare-community” collaboration model to provide physical, mental and spiritual care for local residents; and mentorship programmes carried out to provide local students with after-school care and life navigation under the “home-community-school” collaboration model etc.

### **Way Forward for the CIIF**

11. The CIIF Committee drew up a strategic development plan in mid-2010, which focused on the action plans for promotion and development in the coming three years. On promotion, the CIIF will strive to enhance the participation of stakeholders of various networks, including the first social capital district summit to be held in Wong Tai Sin early next month (December). We will also reinforce our collaboration with the media to enhance the public awareness of the CIIF. On development, we will take stock of the experience of all projects and identify some successful ones as flagship models which will be promoted to and developed in other districts. Moreover, the CIIF has successfully

gathered some 100 persons from different sectors such as industrial and commercial, social welfare, education, medical and nursing ones as well as the community to serve as SC.Net (i.e. Social Capital.Net) members. In the future, we will further leverage on the influence and networks of SC.Net members to enhance the development of social capital.

## **Conclusion**

12. Chairman, the Administration has all along been attaching great importance to the governance and operation of the CIIF to ensure the optimum use of public fund and effective achievement of the CIIF's objectives. We have commissioned an independent consultant to conduct the second evaluation study which has just commenced last month (October) for completion in early 2012. We will actively follow up on the findings of the independent evaluation study and consider the future development of and injection of funding into the CIIF in due course.

13. LWB colleagues, CIIF Committee Chairman Mr. YEUNG Ka-sing and I stand ready to answer questions to be raised by Members. Thank you, Chairman.

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