

ITEM FOR FINANCE COMMITTEE

HEAD 141 – GOVERNMENT SECRETARIAT: LABOUR AND WELFARE BUREAU

Subhead 700 General non-recurrent

Item 016 Community Investment and Inclusion Fund

Members are invited to approve an increase in the approved commitment by \$200 million for the Community Investment and Inclusion Fund.

PROBLEM

There is a need to inject additional funds into the Community Investment and Inclusion Fund (CIIF) to ensure that it can continue to perform its social function of furthering the development of social capital in the community.

PROPOSAL

2. The Secretary for Labour and Welfare (SLW) proposes to increase the approved commitment for the CIIF by \$200 million so that it could continue receiving funding applications from new projects in 2013.

JUSTIFICATION

Objectives of the CIIF

3. The CIIF serves to provide seed money in the form of initial funding for applicant organisations to implement diversified social capital development projects in the community, promote reciprocity between the public and different sectors, and build a cross-sectoral collaborative platform and mutual help network. The CIIF

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seeks to build social capital¹ - to garner mutual trust, strengthen social networks, spirit of co-operation and social cohesion, as well as enhance mutual support among individuals, families and organisations, so that our community can grow from strength to strength.

4. The CIIF projects operate in diversified models in various areas, including but not limiting to family and child welfare, youth development, elderly support and empowerment, community capacity building, cross-generational integration, social integration and health care. They aim to enhance the development of cross-sectoral partnership, with a view to bringing changes to the community. They also co-ordinate cross-sectoral efforts to enhance personal capacity and support network of the disadvantaged, thereby relieving them from poverty. Each approved project should last no more than three years. Examples of the CIIF projects are as follows –

- (a) mentorship projects through “Government-Business-Community” tripartite partnership to provide all-rounded support to youth development and enhance employability. For example, one of the projects lined up a major theme park, a non-governmental organisation (NGO) and some volunteer groups to provide non-engaged youths with all-rounded training and job placements;
- (b) “Family-School-Community” collaboration projects for meeting school children’s needs for care and growth. For example, in one of the projects, two schools in Tin Shui Wai opened up their campuses after school hours to provide after-school programmes for children where secondary students, parents, and residents of the community act as mentors;
- (c) “House Captain” system in housing estates, under which residents voluntarily serve as house captains. They have different roles to play in different estates. For example, some of them would organise visits to elderly households with referrals to NGOs as appropriate while others may provide assistance to new estate members so that they can settle in more quickly. The objective is to promote the message of cross-generational collaboration and active ageing, and to facilitate the building of neighbourhood support networks among residents; and

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¹ According to the World Bank, research findings and the experience of the CIIF funding projects in the past decade, 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.

- (d) “Medical-Welfare-Community” collaboration projects for supporting the elders and chronic patients’ needs for care and attention. For example, through establishing a community care network and pooling together the professional knowledge of various sectors, a “community clinic” has been set up under one of the projects to provide comprehensive health support for elders in need.

Funding Arrangement and Latest Progress

5. The CIIF Committee is established in the Labour and Welfare Bureau (LWB) to examine and approve applications, and to monitor and evaluate the effectiveness of the funded projects. It is also tasked to advise the SLW on the most appropriate and effective means to facilitate the development of social capital in Hong Kong and all matters relating to the administration of the CIIF. The Assessment and Evaluation Sub-Committee under the CIIF Committee makes preliminary assessment on the applications received, provides guidance and support for the applicant organisations, and makes recommendations on the applications for consideration by the CIIF Committee.

6. The CIIF invites three batches of applications every two years. Subject to the availability of funds, there is no ceiling on the number of projects and the amount of funding to be approved. Since the establishment of the CIIF in 2002, a total of 19 batches of applications have been processed. As at November 2012, the CIIF has provided or committed funding of about \$260 million to over 170 agencies/service units for launching 251 projects, among which 48 are in operation or will be launched soon. The average funding for each project is around \$1.1 million. After exhausting the relevant funding from the CIIF, some project teams continued to develop their projects through different means, for instance, by incorporating the project model into the agency’s mainstream service, continuously developing mutual support networks by the participants themselves, operating on a self-financing basis, or injecting new elements/innovative ideas for further development. For example, some project collaborators have set up social enterprises upon the expiration of the CIIF funding by leveraging on their social networks established through the CIIF-funded projects.

Evaluation Studies

7. To assess comprehensively the effectiveness of the CIIF in promoting social capital development, the LWB commissioned the University of Hong Kong, City University of Hong Kong, The Hong Kong Polytechnic University, The Chinese University of Hong Kong and Lingnan University in 2006, as well as City University

of Hong Kong and The Hong Kong Polytechnic University in 2012, to conduct two evaluation studies. The findings of these studies affirmed that the various collaboration models developed under the CIIF could effectively enhance capacity building of individuals, as well as promote cross-generational care, mutual help across different social strata and ethnic harmony, which are conducive to enhancing our community's overall capacity.

Need for Injection of Funding

8. The 20th batch of applications is being processed and the vetting result will be announced in the first quarter of 2013, involving a further commitment of \$21 million. It is estimated that the CIIF will only have an uncommitted balance of about \$19 million by then. Having regard to the current average allocation of about \$25 million per batch, a funding injection will be required by the end of the first quarter of 2013 so that it can proceed to invite the 21st batch of applications as scheduled. The CIIF has been operating smoothly since its establishment and we will continue to closely monitor its operation after the proposed injection.

FINANCIAL IMPLICATIONS

9. If the proposed injection of \$200 million is approved by the Finance Committee (FC), the approved funding commitment for the CIIF will increase from \$100 million to \$300 million. Such injection, together with the expected uncommitted balance of about \$19 million by the end of the first quarter of 2013, will enable the CIIF to continue to provide funding for various social capital projects for another five to six years, based on the current average allocation of about \$25 million per batch. The estimated funding to be allocated during the period is as follows –

Financial year	\$ million
2013-14 to 2014-15 (3 batches)	75
2015-16 to 2016-17 (3 batches)	75
2017-18 to 2018-19 (2-3 batches)	69
Total	219

10. The above estimation is based on the assumption that the current funding situation of the CIIF will remain unchanged in the coming years. The actual cash flow of the CIIF will depend on the number of applications received, the number of projects approved and the total funding allocated in each batch.

11. As in the past, the costs of administering the CIIF (including employees' remuneration) will be absorbed within the existing resources of LWB.

PUBLIC CONSULTATION

12. We consulted the Legislative Council Panel on Welfare Services on the proposal on 10 December 2012. Members were supportive of the proposal.

BACKGROUND

13. In 2001, the Chief Executive announced in the Policy Address the setting up of the \$300-million CIIF. In 2002, the FC approved a commitment of \$100 million from the General Revenue Account, whilst the remaining \$200 million was sought from the Lotteries Fund as the initial capital for the establishment of the CIIF².

Labour and Welfare Bureau
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² The \$200 million initial funding from the Lotteries Fund has already been fully committed.