

**For information on
14 February 2008**

LC Paper No. CB(2)977/07-08(07)

**Legislative Council Panel on Welfare Services
Further discussion on the Child Development Fund**

Purpose

This paper aims to provide supplementary information on our proposal to set up the Child Development Fund (CDF).

Background

2. At the last meeting of the Panel on Welfare Services on 14 January 2008, Members requested to further discuss the proposed CDF in February 2008. Members also requested further information on the asset-building component of the CDF, the age requirement of target participants and the number of participants.

Administration's Response

Asset-building

3. As stated in the last Panel paper on the CDF (LC Paper No. CB(2) 697/07-08(01)), the CDF seeks to encourage children from a disadvantaged background to develop an asset-building habit through formulating and implementing personal development plans. It also encourages these children to accumulate both financial assets (through the targeted savings programme) and non-financial assets (through the mentorship programme as well as the training/programmes to be identified/provided by the operating non-governmental organizations (NGOs)).

4. It is important to note that the "non-financial assets", such as right attitudes and a proper mindset, personal resilience and capacities as well as social networks, are important for the children's future development. Helping children to build up such assets is therefore a key objective of the CDF. To this end, we have proposed under the pioneer projects to set aside \$15,000 to provide training/programmes for each participating child. The child's mentor will also help the child to develop and implement his or her personal development plan.

5. As to the “financial assets”, we have proposed to set the savings target at \$200 per month. Nonetheless, we appreciate that flexibility should be allowed to address the special needs or circumstances of individual participating children and their families. We propose that participating children and their families, together with the operating NGOs, can agree to set a lower savings target. For these special cases, the operating NGOs will also seek partnership from the business sector and individual donors to provide matching contribution to the lower savings target (at least 1:1 matching contribution). The Government will provide special financial incentive (i.e. \$3,000 each child) for each of these participating children upon completion of their two-year savings programme, same as for the other children participating in the pioneer projects.

Age of Target Participants

6. We have earlier proposed that the CDF pioneer projects should cover secondary school students aged 12 –16 who live in households receiving Comprehensive Social Security Assistance or full grants from the Student Financial Assistance Agency; or those who live in households with income not exceeding 75% of the Median Monthly Domestic Household Income. Noting Members’ view that younger children should also be covered in the pioneer projects, we propose to lower the age requirement from 12 – 16 to 10 – 16. We do not propose to further lower the age requirement to below 10 because those children may be too young to develop and implement their own personal development plans and their involvement will not provide useful information for the evaluation of the pioneer projects. We still consider that priority should be given to youngsters aged 14 to 16 to participate in the pioneer projects as some students may choose to receive vocational training or join the labour market after completing senior secondary education, and they have a more urgent need to learn how to formulate and implement their personal development plans. As such, we propose children aged 10 – 13 should constitute no more than 30% of the participants in each pioneer project.

Number of participants

7. As stated in the last Panel paper on the CDF, we propose to implement seven pioneer projects as a first step. The seven pioneer projects will involve a minimum of 700 participants, i.e. a minimum of 100 participants for each project and operating NGOs will be welcome and encouraged to provide a higher number of participants. These seven

pioneer projects represent only the first batch of projects under the CDF. In the light of experience, subsequent batches of projects will be rolled out in future and we may not wait for the completion of the first batch of pioneer projects before launching the second batch. We anticipate that at least 13 600 children will in the end benefit from the CDF. We will also take into account the practical experience in the implementation of the first batch of pioneer projects to see if modifications/improvements to the design or arrangements are required for subsequent batches of projects. The implementation of the CDF will be closely monitored and evaluated throughout the process. The results of the evaluation will be taken into account in considering the long-term model.

Advice Sought

8. Members are invited to note the content of the paper.

Labour and Welfare Bureau
January 2008