

**立法會**  
**Legislative Council**

LC Paper No. CB(2)721/07-08(05)

Ref : CB2/PL/WS

**Panel on Welfare Services**

**Background brief prepared by Legislative Council Secretariat  
for the meeting on 14 January 2008**

**Child Development Fund**

**Purpose**

This paper provides information on the setting up of a Child Development Fund (CDF) and a gist of discussions held by Members of the Legislative Council on the subject.

**Background**

2. One of the key recommendations of the Commission on Poverty (CoP) is to set up a CDF to provide more development opportunities for children from a disadvantaged background, with a view to reducing inter-generational poverty. The CoP also recommends that the Fund –

- (a) should be used to promote building personal development plans among children from a disadvantaged background under on-going guidance and mentorship from non-governmental organizations (NGOs) and voluntary mentors; and
- (b) should encourage targeted savings in order to examine whether asset-building habits would yield positive behavioural and mindset change among children from a disadvantaged background.

3. The Government has earmarked \$300 million for the setting up of a new CDF in the 2007-2008 Budget.

## Issues of concern raised by Members

4. Following the dissolution of CoP on 30 June 2007 and the re-organisation of policy bureaux of the Government Secretariat with effect from 1 July 2007, the Labour and Welfare Bureau is responsible for monitoring poverty alleviation and prevention work. The policy area of poverty is now placed under the Panel on Welfare Services (the Panel). The Panel has not discussed CDF per se. However, the Subcommittee to Study of the Subject of Combating Poverty (the Subcommittee) has studied the subject at its meetings on 19 January, 26 March and 18 June 2007. The issues of concern raised by members at the meetings of the Subcommittee are summarized below.

5. Members were advised that at the Child Development Forum organized by CoP on 10 November 2006, participants were supportive of exploring the asset-building approach<sup>1</sup> as a way to help motivate children and their families from a disadvantaged background to build up their own assets and plan for their own future. CoP was also in general supportive of the initiative to explore the asset-building approach as a way to help promote child development and to tackle inter-generational poverty. This additional measure should be viewed as an additional measure on top of the existing services for children and youth.

6. Members were further advised that three broad models of CDF, namely, the Child Personal Development Fund, the Child Targeted Savings Fund and the Child Trust Fund, had been put forward for public discussion. The key features of the three models are set out in the **Appendix**. While the Administration would gather views from the community on the most suitable model to be adopted, it would also consider supporting some pilot projects using the asset-building approach in the short-term. This would facilitate the Government and the community as a whole to consolidate the local experience and consider which model could best suit the needs of children and youth in Hong Kong.

7. While expressing support for the setting up of a CDF, members considered that instead of launching a short-term fund, sustainable assistance should be provided for children from a disadvantaged background to help them get out of poverty. Some members were concerned that needy children and families were too poor to save, and suggested that measures should be introduced to encourage needy families to make contributions to the Fund.

8. The Administration advised that there were divergent views in the community towards the suggestion for CDF to be a universal scheme and to last

---

<sup>1</sup> According to CoP, asset building encourages the disadvantaged to build up "assets". Such assets can be both financial savings and non-financial ones (such as human capital and social network).

for a longer period of time. Notwithstanding that the Administration was studying on the most suitable model of CDF to be adopted, the initial thinking was to use the Fund to encourage participating children to set special targets and plans for personal development.

9. The Administration further advised that given that the objective of the asset-building approach was to motivate children and their families to build up their own assets and plan for their own future, all children and families would be encouraged to do so irrespective of their financial conditions. To encourage the disadvantaged families to make contributions to CDF, the Administration would consider introducing incentives such as matching funds from the Government and/or the business sector.

10. Some members considered that contributions from the business sector was crucial to the success of CDF, the Administration should take a more proactive approach in promoting the concept of the Fund in the business sector with a view to encouraging more business organisations to give donations to the Fund. The Administration agreed that apart from the Government's efforts, the sustainable growth of CDF would depend heavily on donations from the business sector. In this connection, the Administration would step up efforts to promote the Fund in the business sector and encourage more business organisations to make donations.

11. Responding to members' concern about the timetable for launching CDF in Hong Kong, the Administration advised there were currently two to three NGOs piloting asset-building programmes based on the Child Personal Development Fund model to promote personal development of children and youth. The Administration was considering setting up a fund for taking forward this model under which NGOs could start to apply for funding for pilot asset-building programmes in 2007-2008. Separately, the Administration had already received two proposals from NGOs applying for Government subsidy to launch asset-building programmes for disadvantaged children based on the Child Targeted Savings Fund model. Given that the NGOs concerned had secured donations from the business sector, these pilot programmes were expected to be launched shortly subject to the NGOs concerned being undertaken the necessary preparation work. As regards the Child Trust Fund model, the Administration advised that the development of a universal fund for all children would take some time as it was controversial and involved legislative amendments.

### **Latest development**

12. The Administration will brief members on the progress of setting up a CDF at the Panel meeting on 14 January 2008.

**Relevant papers**

13. Members are invited to access the Legislative Council's website (<http://www.legco.gov.hk>) for details of the relevant paper and minutes of the meeting.

Council Business Division 2  
Legislative Council Secretariat  
8 January 2008

**Child Development Fund –  
Possible Models To Encourage Asset-building**

***Child Personal Development Fund***

- Not universal. Voluntary community-based programmes
- Target group: Children from a disadvantaged background
- Purpose: Personal development and capacity enhancement activities
- Need to draw up personal development plans and set targets
- Duration: depends on design. Ideally one year or more.

***Child Targeted Savings Fund***

- Not universal. Voluntary community-based programmes
- Target group : Children from a disadvantaged background
- Purpose: Encouraging targeted savings for personal development and capacity enhancement activities. With a mechanism to match savings from Government and/or private sector.
- Need to draw up personal development plans and set targeted use of the savings
- Duration: depends on design. Ideally one year or more.

***Child Trust Fund***

- Universal accounts for all children, with additional incentives (e.g. matching fund) to encourage voluntary savings for children from a disadvantaged background.
- Purpose: Long-term personal development and development of a saving habit.
- Amount of savings, restriction on withdrawals and uses would be subject to community discussion. Can have multiple exit points for withdrawing money during child's growth.
- Can be complemented by other child development programmes which encourage accumulation of non-financial assets.