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Panel on Welfare Services

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 12 January 2015

Child Development Fund

Purpose

This paper provides background information and gives an account of the discussions on the Child Development Fund ("CDF") at meetings of the Council and its committees.

Background

2. According to the Administration, CDF was set up in April 2008 to provide funds to non-governmental organizations ("NGOs") to operate three-year projects, which have three key components, namely, personal development plan ("PDP"), mentorship programme and targeted savings, with an aim to promote the longer-term development of children aged between 10 and 16 from a disadvantaged background¹ and encourage them to develop an asset-building habit, thereby reducing inter-generational poverty.

Major issues raised by Members

Implementation and evaluation of CDF projects

3. The Panel on Welfare Services ("the Panel") was briefed on the

¹ Children aged 10 to 16 may participate in CDF projects if:

- (i) their family is receiving Comprehensive Social Security Assistance or full grant under the student finance schemes under the Student Financial Assistance Agency, or their household income is less than 75% of the Median Monthly Domestic Household Income; and
- (ii) they have not participated in any CDF project before.

progress of the implementation of CDF at its several meetings and the latest briefing was conducted on 16 April 2013. Members noted that as at April 2013, a total of 40 CDF projects had been rolled out in three batches, benefiting over 4 000 children. In the first batch, seven projects were carried out during April 2009 to March 2012 and recruited 728 children to participate. The second batch of 15 projects came into operation in October 2010 and would end in September 2013. In the second batch, there were a total of 1 464 participating children, including 74 ethnic minorities ("EMs") and 53 children with disabilities.² As for the 18 third batch projects, 16 of them commenced in January 2012 and two started in April 2012. Among the 2 106 participating children in the third batch, 35 were EMs, 60 were children with disabilities and 55 lived in cubicle apartments.³

4. According to the Administration, among the 728 and 1 464 participants of the first and second batch projects, 721 (99.0%) and 1 441 (98.4%) successfully completed the two-year targeted savings programme respectively. Under the guidance of the operating NGOs and mentors, participating children would make use of targeted savings which comprised savings of participants, matching donations from partner organizations or individual donors and the special financial incentive of \$3,000 from CDF, to implement their PDPs in the third year. As at April 2013, the second batch participants were at the stage of putting their PDPs into implementation while the third batch participants were proceeding with their targeted savings programme.

5. Some Members were of the view that the Administration should consider conducting a longitudinal study straddling more than 10 years on participating children, with a view to evaluating the long-term effectiveness of CDF projects in reducing inter-generation poverty. According to the Administration, a Steering Committee on CDF ("the Steering Committee") had been set up to steer the design and to monitor the implementation of CDF. The operating NGOs would make progress reports to the Steering Committee regularly. In addition, the Hong Kong Polytechnic University ("the Consultant") had been commissioned to conduct a longitudinal study to evaluate the first batch projects and make recommendations on how to further develop CDF into a longer-term model. The study was completed in end-2012. The Consultant concluded that CDF had helped create favourable conditions for participating children to overcome inter-generational poverty. The mentorship programme had enlarged social network of participating children by giving them exposure to

² These were end-December 2012 figures.

³ These were end-December 2012 figures.

environment and opportunities not provided by their own families. The process of accumulating savings and implementing PDPs had prepared participating children for their personal and career development. The Administration would consider whether a further study on the effectiveness of CDF should be conducted.

Scope of CDF projects

6. Some Members considered that a total of over 4 000 children who were benefited from three batches of 40 CDF projects was on the low side when compared to the total number of children from a disadvantaged background. They called on the Administration to consider expanding the reach of CDF projects and drawing up a concrete timetable for implementing the subsequent batches of projects expeditiously in order to benefit more children from a disadvantaged background, especially those EMs and children with disabilities.

7. The Administration advised that taking into account the Consultant's recommendations, comments made by the Steering Committee and experience gained in the first three batches of CDF projects, it planned to take forward a number of enhancement measures for future batches of CDF projects. For example, the Administration raised its target to roll out 20 CDF projects, which would offer 100 to 115 places each, for each batch to recruit 2 000 to 2 300 new participants each year. In fact, the possibility of launching more CDF projects depended largely upon the capacity of the operating NGOs. As at April 2013, 18 out of around 50 NGOs providing children and youth services in Hong Kong in the past five years had taken part in CDF projects. To encourage NGOs' participation, the Administration was considering awarding future batches of CDF projects in a "one-plus-one approach", under which each selected NGO would be awarded two projects in one go, but the award of the second project was subject to its satisfactory performance in implementing the first project. In addition, the Steering Committee had set up a task force to explore the desirability of piloting the school-based approach by inviting a few schools to operate CDF projects, so as to improve the community's capacity in supporting CDF projects.

8. Some Members noted with concern about the over-subscription of places for children aged 10 to 13 in the first two batches of projects. In their view, the Administration should allocate more places to meet the full demand from children of this age group so as to achieve the target of benefiting 13 600 children. Some Members were of the view that it would be rather difficult for children to change their bad habits when they reached

the age between 14 and 16. Hence, priority should be given to younger children in participating in CDF projects so that they could develop a saving habit and build up relationship with their mentors at an earlier stage. To facilitate young children to save, a lower savings target could be set.

9. The Administration explained that in the first two batches, priority was given to children aged 14 to 16 as some of them might be about to leave school and therefore have a more imminent need to plan for their future. In view of the strong demand for places from the 10 to 13 age group in the first two batches, the Administration would adjust the minimum percentage of children aged between 14 and 16 from 70% to 50% for the third and fourth batches of CDF projects. The operating NGOs might provide more than 50% of places for children aged 14 to 16 according to the actual needs in individual districts. The Administration, however, did not propose to further lower the age requirement to below 10 given that these children might be too young to develop and implement their own PDPs.

Targeted savings and PDPs

10. Members expressed concern about the ability of children from a disadvantaged background to meet the monthly savings target of \$200. The Administration explained that affordability had been taken into consideration in setting the savings target. Moreover, the successful rate in completing the two-year targeted savings programme of the first two batches of CDF projects was high as mentioned in paragraph 4 above. The operating NGOs had made a lot of efforts to help participating children complete the targeted savings programme with an aim to encourage them to develop a saving habit. For example, emergency funds were set up by NGOs to assist those who had difficulty in meeting their savings target owing to temporary financial hardship, and some participating children and their families were allowed to set a lower savings target. For those children who were unable to continue the targeted savings programme, the operating NGOs would invite them to participate in other training programmes under CDF.

11. Some Members suggested that the Administration should increase the amount of special financial incentive of \$3,000 provided by CDF for each participating child who had completed the targeted savings programme. The Administration advised that the Steering Committee had divided views on whether the current amount of the incentive should be increased. Members' view would be taken into account when the issue was further considered.

12. Members were also concerned about the specific PDPs developed by participating children and whether the savings were adequate to realize their plans. Some Members considered that CDF projects should aim at early identification of the target participants for appropriate assistance, instead of focusing on the development of one's potential and talents.

13. According to the Administration, each participating child would be able to accumulate a total of \$12,600 (inclusive of their own savings, the matching contributions from partner organizations or individual donors and the special financial incentive of \$3,000 from CDF) upon the completion of the two-year savings plan. The operating NGOs and mentors would provide on-going guidance to participating children in developing their specific targets in their PDPs, which were mostly related to education, skill enhancement and vocational training. Participating children would work towards their targets by making use of targeted savings. According to the report of the longitudinal study, only 16.3% of 332 children of the first batch projects who were captured in the study used up all the targeted savings in the third year to implement their PDPs.

Resources for the operating NGOs and mentors

14. Members expressed grave concern about the difficulties encountered by the operating NGOs in recruiting quality mentors. They were also concerned about training/assistance to mentors, in particular training on counselling and communication skills, for the provision of proper guidance to participating children. Some Members considered that to expedite the full implementation of CDF projects, more operating NGOs should be invited to enlarge the network and a central register should be introduced to facilitate matching of mentors and children across the territory.

15. In the Administration's view, it was appropriate for the operating NGOs to recruit mentors through their established networks. Nonetheless, the CDF Secretariat would continue to promote CDF to the business sector and encourage corporations to mobilize their employees to join the mentorship programme. The experience of the first two batches of projects suggested that mentors recruited from the same company were more effective in providing mutual support among themselves.

16. The Administration advised that the Consultant considered mentor training vital for the development of CDF projects. At present, operating NGOs were required to provide a minimum of four training programmes for mentors in the first two years. As one of the enhancement measures,

the operating NGOs were required to add one training programme in the third year of a CDF project to help mentors guide their mentees in implementing PDPs. The existing training for parents/guardians of participating children would also be strengthened to help them support their children in implementing PDPs. In view of these enhancements and inflation in the past five years, the Administration would increase the training provision for the operating NGOs from \$15,000 per participating child to \$20,000.

17. Noting that one of the enhancement measures was to increase the administrative fee from \$1,500 to \$2,000 per participating children, some Members considered that the adjusted amount of money was insufficient for operating NGOs to cover the administrative costs in running CDF projects. The Administration advised that the increased provision had already taken into account inflation in the past five years, the administrative work required on the part of NGOs, as well as information technology facilities and training support required by NGOs. At a meeting between the Administration and NGOs in March 2013, NGOs were generally positive to the aforesaid arrangement. The Administration, however, would review the level of administrative fee as and when necessary.

Latest development

18. According to the Administration, as at November 2014, four batches of 61 CDF projects operated by NGOs as well as seven school-based pilots operated by schools had been rolled out, benefiting almost 7 000 children. The fifth batch will be launched in the second quarter of 2015. To ensure the sustainable development of CDF projects, the Chief Executive announced in his 2014 Policy Address that an additional \$300 million would be earmarked for CDF in the 2014-2015 financial year. The Panel will be briefed on the progress of CDF projects at its meeting on 12 January 2015.

Relevant papers

19. A list of the relevant papers on the Legislative Council Website is in the **Appendix**.

Appendix

Relevant papers on Child Development Fund

Committee	Date of meeting	Paper
Panel on Welfare Services	14 January 2008 (Item V)	Agenda Minutes
Panel on Welfare Services	14 February 2008 (Item VI)	Agenda Minutes
Finance Committee	25 April 2008	Minutes FCR(2008-09)4
Panel on Welfare Services	13 July 2009 (Item III)	Agenda Minutes
Panel on Welfare Services	14 May 2010 (Item IV)	Agenda Minutes
Panel on Welfare Services	13 June 2011 (Item IV)	Agenda Minutes
Panel on Welfare Services	16 April 2013	Agenda Minutes
Legislative Council	10 July 2013	Official Recording of Proceeding Pages 205-210

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