

Background

The Government accepted the recommendation of the former Commission on Poverty and set up the \$300 million CDF in April 2008. CDF aims at promoting the longer-term development of children aged between 10 and 16 from a disadvantaged background through collaboration of the family, the private sector, the community and the Government, thereby reducing inter-generational poverty.

The first two batches of CDF projects, rolled out in December 2008 and June 2010 respectively, have benefited 2 270 children. The Government plans to roll out two more batches of projects for another 5 000 children in 2011-12. We estimate that eventually at least 13 600 children will benefit from CDF.

CDF projects are operated by NGOs and last for three years each. All projects have three key components, namely personal development plan, mentorship programme and targeted savings. These components can help enhance the children's ability in managing resources and planning for their own future.

Each participating child will be assigned a personal mentor who is a volunteer. The operating NGOs will provide training programmes, which cover topics such as self-awareness, personal development and financial management, etc., to help participating children formulate personal development plans with specific targets (both short-term and long-term ones). The Government has set aside \$15,000 for each participating child for the provision of relevant training programmes.

Participating children will also take part in a two-year targeted savings programme. With the support of the business sector as well as individual donors, the operating NGOs will provide matching contribution for the targeted savings accumulated by participating children. In addition, the Government will provide a special financial incentive of \$3,000 for each participating child when he/she has completed his/her two-year savings programme. In the third year of the project, participating children will, under the guidance and supervision of the operating NGOs and mentors, use the savings (including the matching contribution and the special financial incentive) to implement their personal development plans.