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9 April 2001

Miss Denise YUE, JP  
Secretary for the Treasury  
4/F, Main and East Wings and  
5/F, East Wing  
Central Government Offices  
Hong Kong

Dear Miss YUE,

**Funding of the outstanding capital works projects  
of the former municipal councils**

On behalf of the LegCo Subcommittee to follow up on the outstanding capital works projects of the former municipal councils, I write to convey the Subcommittee's concern about the funding mechanism for the 169 outstanding capital works projects of the two former Provisional Municipal Councils (PMCs).

At the Subcommittee's meeting on 4 April 2001, members were informed by representatives of the Administration that the 169 outstanding projects of the ex-PMCs would have to compete for resources, in the same way as other government capital works projects, for inclusion in the Public Works Programme (PWP).

The Subcommittee was very concerned that, given the large number of competing bids from government departments and resource constraints, it would take an unduly long time for the Administration to take the 169 ex-PMC projects forward. The Subcommittee would like to remind the Administration that it had undertaken to implement these projects upon dissolution of the two PMCs. Members considered that as these projects had been thoroughly discussed at the district level and agreed to by the two former PMCs, they should be implemented without further delay.

You may also recall that at the Finance Committee meeting on 7 December 1999, the Secretary for the Treasury had advised Members that "a special arrangement would be made on an exceptional basis whereby the usual prerequisites for a project client brief and a project feasibility study for considerations of including a project into Category C of PWP should be waived in respect of the 169 PMC projects.". However, the Subcommittee was disappointed to know that the procedures had not been waived for the 169 ex-PMC projects to be included in Category C of PWP.

The Subcommittee requested the Administration to simplify the procedures for the funding of the 169 ex-PMC projects, in particular, the 16 recommended projects for retro-fitting of air-conditioning in public markets and the 21 priority projects recommended by the Secretary for Home Affairs. Members considered that a special category or "block vote" should be created for the ex-PMC projects so that they could be directly injected into Category C of PWP and accorded funding priority in the annual resource allocation exercise.

With best regards,

Yours sincerely,

( Dr Hon TANG Siu-tong, JP )  
Chairman of the Subcommittee

c.c. Secretary for Home Affairs  
(Attn : Mr Arthur NG, JP) (Fax No. : 2591 6002)

Secretary for the Environment and Food  
(Attn : Mrs Stella HUNG) (Fax No. : 2136 3281)