

**財經事務及庫務局**  
**(庫務科)**

香港下亞厘畢道  
中區政府合署

**FINANCIAL SERVICES AND**  
**THE TREASURY BUREAU**

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本函檔號 Our Ref. : B1/2/7 Pt.21  
來函檔號 Your Ref. : CB1/HS/2/04

11 January 2008

Ms Anita Sit  
Clerk to Subcommittee on  
West Kowloon Cultural District Development  
Legislative Council  
8 Jackson Road  
Central  
Hong Kong

Dear Ms Sit,

**Proposed funding approach**  
**for the West Kowloon Cultural District project**

Thank you for your letter of 21 December 2007. The information you have requested in your letter is provided below -

- (a) While we are not aware of any past cases where a statutory public body has been granted with an upfront endowment through a one-off funding approval by the Finance Committee (FC) to plan and implement capital works projects under its purview, the FC has approved one-off lump-sum injection or loans to statutory public bodies/relevant funds to implement specific programmes/schemes. Such examples include equity injection into the Urban Renewal Authority (URA) and grants to various trust funds such as the Language Fund, Environmental and Conservation Fund etc.
- (b) As regards control after funding approval, all grants/funding schemes are subject to varying types of monitoring having regard to the nature of the recipient organisation. For example, new urban renewal projects set out in the URA's Corporate Plan (CP) and Business

Plan (BP) are required to be approved by the Financial Secretary and the Government keeps the urban renewal programme and URA's financial position under close review in the context of the annual examination of URA's CP and BP. For funds established under the Controlling Officer (CO)'s Incorporated Ordinance, the subject CO is accountable for the administration of the Fund and the audited statement of accounts has to be tabled at the Legislative Council annually.

- (c) Infrastructure facilities are normally funded on a project by project basis under our existing funding arrangement. Nevertheless, we have in the past obtained FC's in-principle funding support for a bundle of related projects for undertaking certain commitments and subsequently sought FC's approval on the individual projects. Examples included the upgrading of sports venues for hosting the 2009 East Asian Games, the agreement on Disney Phase I project and the funding of seven school projects on a site in Tseung Kwan O Area 86.

I hope the above information is of use to the sub-committee.

Yours sincerely,

(Miss Amy Tse)  
for Secretary for Financial Services  
and the Treasury

c.c. Hon Alan Leong Kah-kit, SC (Chairman)