

**LEGISLATIVE COUNCIL**

**PANEL ON CONSTITUTIONAL AFFAIRS**

**Establishment of the Mainland Affairs Liaison Office**

**Introduction**

This paper briefs Members on the detailed proposal on the establishment of the Mainland Affairs Liaison Office. In view of the plan to strengthen the Hong Kong Special Administrative Region's (HKSAR) representation in the Mainland, we also propose to make corresponding adjustments to the functions and establishment of the Office of Hong Kong Special Administrative Region Government in Beijing (BJO).

**Background**

2. Since reunification, the HKSAR has maintained close ties and exchanges in various areas with the Mainland Authorities. The implementation of reform and open-door policy in the Mainland in recent years has expedited its economic growth, making China the impetus to regional economic development, and providing Hong Kong with many opportunities in trade, business and employment. The number of Hong Kong residents going to the Mainland or Mainland residents coming to Hong Kong for business, vocation, study and sightseeing purposes are ever increasing.

3. In the past eight years, the Central Authorities put in place a number of major measures, such as the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the Individual Visit Scheme, to promote exchanges and ties between the SAR and the Mainland in various aspects. The implementation of CEPA has enhanced Hong Kong's economic and trade co-operation with the Mainland, and we reached agreement with the Central Authorities on the third phase of open-up measures in October this year. To ensure effective implementation of CEPA, the SAR Government and the relevant Mainland authorities have to maintain close co-operation and enhance co-ordination. Regarding the Individual Visit Scheme, more than 9 million Mainland visitors have visited Hong Kong with "individual visit" endorsements since implementation of the Scheme in 2003, bringing considerable economic

benefits to the tourism industry and related businesses in Hong Kong such as hotels, retailing and catering services.

### **Specific Efforts on Co-operation with the Mainland**

4. To sustain the economic development of Hong Kong, we must seize upon our advantages of “leverage on the Mainland and engaging ourselves globally”. In other words, we have to grasp the opportunities arising from the rapid economic growth of the Mainland and to translate it into a driving force for our economic development. We are, at the moment, committed to enhancing co-operation and exchanges with the Mainland in different areas and promoting the flow of people, goods and capital in both directions. Meanwhile, we are also strengthening connections between the Mainland and the HKSAR through development of infrastructure and transportation network, so as to bring Hong Kong’s advantage as a regional logistics centre into full play. Some of the measures undertaken recently by the SAR Government in promoting exchanges and co-operation with the Mainland are listed at Annex A. These efforts are of primal importance in fostering regional co-operation between the Mainland and Hong Kong.

5. The SAR Government is promoting exchanges with the Mainland at different levels and exploring co-operation opportunities (brief on Pan-Pearl River Delta (PPRD), HK-Guangdong, HK-Beijing, HK-Shanghai and HK-Shenzhen co-operation mechanisms is at Annex B). In order to promote co-operation with the Mainland effectively, not only should we maintain close links with the Central Authorities, we should also establish communication channels with provincial/municipal governments. We should, on the one hand, formulate an overall strategy on co-operation and exchanges in various areas as well as strengthen policy co-ordination on our side. On the other hand, we also need to strengthen our representation in Mainland provinces/municipalities, to further promote our exchanges and co-operation with the Mainland, especially in the eastern and south-western regions, and to enhance support services to Hong Kong people visiting the Mainland.

### **Functions of the Mainland Affairs Liaison Office**

6. To co-ordinate more effectively our efforts to strengthen liaison with the Mainland, and to facilitate exchanges and co-operation with provinces/regions in various aspects, the Chief Executive has announced, in his 2005-06 Policy Address, that a Mainland Affairs Liaison Office (MALO) will

be established under the Constitutional Affairs Bureau (CAB). Specifically, the functions of the MALO include:

- a) to formulate overall strategies and directions regarding co-operation between the SAR and the Mainland, and to promote co-operation between Hong Kong and Mainland provinces/regions (including HKSAR's participation in the PPRD regional co-operation and co-operation with Guangdong, Beijing, Shanghai and Shenzhen), and to prioritise different co-operation initiatives. As for Hong Kong-Guangdong co-operation, the MALO will continue to promote and co-ordinate co-operation in key areas under the framework of the Hong Kong/Guangdong Co-operation Joint Conference (HKGJC). It will liaise with bureaux/departments in this regard, oversee progress on co-operation initiatives, and co-ordinate with Guangdong on formulating long-term co-operation. It will also seek views from the business and professional sectors through the Greater Pearl River Delta Business Council;
- b) to oversee the general liaison between Mainland authorities and the BJO as well as the Hong Kong Economic and Trade Offices (ETOs) in the Mainland; to formulate in conjunction with these offices, workplans to strengthen our relations with the Mainland;
- c) to facilitate collaboration between bureaux/ departments of SAR Governments and BJO/ Mainland ETOs as regards strengthening relations with the Mainland; and
- d) to provide secretariat services for the Hong Kong side regarding regional co-operation initiatives.

7. Should the establishment and financial proposals of the MALO be supported by the Legislative Council Establishment Subcommittee and Finance Committee, we envisage that the Office can be officially established in April next year.

### **Strengthening Our Representation in the Mainland**

8. The MALO, after its establishment, will oversee our offices in the Mainland. The SAR Government has so far established two offices in the Mainland, namely the BJO set up in 1999, and the ETO of the Government of HKSAR in Guangdong (GDETO) set up in Guangzhou in 2002.

9. Promotion of regional economic development remains the focus of work of the State. The PPRD region, the Yangtze River Delta (YRD) region, the advancement of the Bohai Sea region, the development of the western region, the revitalization of northeast China old industrial bases, as well as the acceleration of development of the Central region, offer Hong Kong with enormous business opportunities. In this connection, we consider that the SAR Government has to further foster its economic and trade ties with these provinces/municipalities, especially the PPRD region, the YRD region and Bohai Sea region so as to facilitate effective co-operation and enhance mutual understanding. Furthermore, there is a need for the SAR Government to rationalize the delineation of geographical coverage among our Mainland offices.

10. The SAR Government proposes to strengthen our representation in the Mainland. The detailed plan is as follows:

- a) to set up an ETO in Shanghai, with a tentative coverage including the YRD region and its peripheries, i.e. the Municipality of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Hubei;
- b) to set up an ETO in Chengdu, with a tentative coverage including four of the PPRD provinces and its peripheries, i.e. the provinces of Sichuan, Yunnan, Guizhou, Hunan, Shaanxi and the Municipality of Chongqing; and
- c) to expand GDETO's current coverage (i.e. Guangdong) to include five of the PPRD provinces/region, i.e. Guangdong, Guangxi, Fujian, Jiangxi and Hainan, and to enhance its functions to provide practicable assistance to Hong Kong residents in distress or seeking assistance in areas within its coverage; and
- d) the geographical coverage of BJO regarding economic and trade matters, currently enveloping the whole Mainland China excluding Guangdong, will be adjusted to include 15 provinces/regions (including the Bohai Sea region), viz. Beijing, Tianjin, Hebei, Henan, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu, Ningxia, Qinghai and Tibet. We also plan to enhance BJO's functions in economic and trade liaison, and to expand its functions to also cover investment promotion.

The coverage of these offices may be adjusted in future in the light of experience gained in actual operation.

11. About 80% of Hong Kong people residing on the Mainland now reside in the Guangdong Province, and more than 80% of distress cases involving Hong Kong residents in the Mainland received by the Immigration Department between 2002 and 2005, have originated from Guangdong. As such, we propose to deploy staff from the Immigration Department to the GDETO to support its expansion of functions, to provide assistance to Hong Kong residents in distress in the 5 provinces within its coverage. Requests for assistance from areas outside GDETO's coverage will continue to be handled by BJO.

12. We expect that the MALO, commencing operation in April 2006, will oversee the BJO, GDETO and the two new ETOs upon their establishment. The MALO will oversee the resource management, personnel arrangements and administrative work of the Mainland offices. As for their economic and trade promotion functions and provision of assistance for Hong Kong residents in distress, the offices would follow relevant policies laid down respectively by the Commerce, Industry and Technology Bureau as well as the Security Bureau. We will consult the Legislative Council Panel on Commerce and Industry, on the detailed proposal of strengthening our representation in the Mainland, including establishment and financial implications.

### **Adjustments to the Functions of the BJO**

13. Since its establishment in 1999, BJO has performed the following key functions:

- a) to further enhance liaison and communication with the Central People's Government (CPG) and other provincial/municipal authorities, including provision of information about the HKSAR to the Mainland authorities; keeping bureaux and departments of the HKSAR Government informed of the latest developments in the Mainland; communicate with Mainland authorities on specific issues according to instructions from the relevant bureaux and departments of the HKSAR Government; provision of logistical support to visiting HKSAR Government delegations, handling requests for assistance from Hong Kong residents in the Mainland, and promoting Hong Kong in the Mainland;

- b) to process and issue HKSAR entry visas to foreign nationals in the Mainland; to provide practicable assistance to Hong Kong residents in distress in the Mainland, and to liaise with various CPG authorities in Beijing on immigration matters.

14. To strengthen economic and trade ties with various provinces/municipalities, the SAR Government, apart from setting up more Mainland ETOs, has also proposed to strengthen economic and trade ties between BJO and the concerned 15 Mainland provinces/regions, and to enhance its functions in investment promotion. Details of work include:

- a) to strengthen communication and co-operation with provincial/regional governments, and serve as channel of exchanges between governments of the two places on information on economic and trade development, so as to further develop and promote commercial relations;
- b) to strengthen communication with Hong Kong businessmen operating in the concerned provinces/regions and to support Hong Kong enterprises; to collect and disseminate information on policies and legislation of relevant provinces/regions relating to commerce and trade and their latest economic developments; to reflect to relevant provincial/ regional authorities issues of common concern among Hong Kong businessmen regarding trade and commerce;
- c) to provide information and services on investment in Hong Kong to Mainland enterprises in these provinces/regions; and
- d) to organise promotional activities in these provinces/regions to promote the advantages of business operation in Hong Kong.

15. On immigration matters, the GDETO will, after the deployment of immigration staff to the office, provide assistance to Hong Kong residents in distress in areas within its coverage. Apart from the 5 provinces covered by the Immigration Unit of GDETO, distress cases in the remaining 26 provinces, autonomous regions and municipalities will continue to be handled by the Immigration Section of BJO. For individual cases happened in areas covered by the GDETO but require follow-up by the Central Authorities, the Immigration Section of BJO will, as in the past, provide facilitation taking account of the circumstances. In addition, the Section will maintain liaison with

relevant Central Authorities on policies and issues relating to immigration. The Section is also the only office in the Mainland that issues visa and applications for entry to Hong Kong.

### **Establishment Proposal of the BJO**

16. At present, the post of Director of BJO (DBJ) is pitched at Administrative Officer Staff Grade (AOSG) A1 (D8). Taking into consideration the establishment of two ETOs and the extension of service scope of GDETO, the functions and coverage of BJO would be adjusted accordingly. In the past six years, BJO has already established liaison and communication network with the CPG and governments of provinces/municipalities; considerable experience has also been accumulated regarding promotion of Hong Kong, building economic and trade ties, handling immigration matters relating to Hong Kong, and provision of assistance to Hong Kong residents in distress. Close working relationship has been established with Mainland authorities. These laid a solid foundation for future endeavours of BJO. In view of the above developments and the need to have an experienced and qualified Director to work with the CPG and senior officials of the 15 provinces/regions, we propose, taking account of various factors, to adjust the ranking of DBJ to AOSGA (D6). DBJ will report to the MALO upon the latter's establishment.

17. In light of changes in BJO's functions as regards economic and trade liaison as well as investment promotion, which call for greater dedication of efforts, we plan to engage 7 additional non-directorate personnel, including 1 Trade Officer and 6 officers to be engaged locally. The proposed organisation chart of BJO is at Annex C.

### **Establishment of the MALO**

#### Ranking of the Head of MALO

18. The head of MALO will assist the Secretary for Constitutional Affairs (SCA) regarding high-level communications with the Mainland authorities; co-ordination with Mainland provinces/regions and bureaux/departments of the SAR government, as regards formulation of overall strategies and directions of co-operation between the Mainland and Hong Kong. He will also tender views on co-operation strategies as well as oversee their implementation. Moreover, the head of the Office is responsible for coordinating our Mainland offices on their liaison functions, overseeing the offices and monitoring their administration. In view of the need for the post

holder to establish effective communication with senior officials in both the Mainland and SAR governments, and to oversee our Mainland offices, we propose that the Permanent Secretary for Constitutional Affairs<sup>1</sup> should concurrently take charge of the MALO and report to SCA in this respect.

19. As the MALO will take up matters relating to Guangdong/Hong Kong co-operation, we propose to subsume the Hong Kong Guangdong Co-operation Coordination Unit (HKGCCU) under the MALO. We propose that the Deputy Secretary for Constitutional Affairs (DS(CA))(2), in addition to her existing duties, should take on the responsibilities to assist PSCA in supporting the work of MALO. This directorate officer will have to assist in the formulation of the overall co-operation strategies and directions in relation to Mainland provinces/municipalities, to co-ordinate the promotion of HKSARG-Mainland co-operation in various aspects, to co-ordinate in a holistic manner the liaison with the Central and provincial/municipal authorities, as well as to oversee our Mainland offices. In addition, we also propose to delete the AOSGB (D3) post of the Head, HKGCCU after the merger. The post is currently a time-limited supernumerary post which will lapse after 31 January 2007. DS(CA)(2) will then take over the duties of promoting Guangdong/Hong Kong co-operation. The organization chart on the existing manpower support for DS(CA)2 in CAB is at Annex D. The organization chart of HKGCCU is at Annex E. The revised job description of DS(CA)2 (with effective from the establishment of MALO) is at Annex F.

#### Creation of Two Posts of Administrative Officer Staff Grade C (AOSGC)(D2)

20. There is one AOSGC (D2) post under DS(CA)2, designated as Principal Assistance Secretary for Constitutional Affairs (2) (PAS(CA)2), whose portfolio covers external affairs of Hong Kong, matters relating to Taiwan and Basic Law promotion etc. The onerous workload of MALO involving substantial co-ordination, secretariat support services and administration of Mainland offices, cannot be fully absorbed by existing manpower and establishment. We propose to create two AOSGC posts (D2) to support DS(CA)2 in relation to the operation of MALO. The two PASs will respectively be responsible for the following duties:

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<sup>1</sup> The post of Permanent Secretary for Constitutional Affairs is pitched at D8 in the establishment. Since 2002, the post has been held against by a supernumerary post at D6 level.



- a) one PAS will be tasked to promote PPRD co-operation; to assist in handling policies on Mainland liaison and relationship between CPG and HKSAR; to oversee the administration and resource management of the Mainland offices; and to oversee co-operation and liaison with areas covered by GDETO (except Guangdong), Chengdu ETO and BJO; and
- b) another PAS will be tasked to promote and provide overall co-ordination on matters relating to the Hong Kong-Guangdong co-operation (including Hong Kong-Shenzhen co-operation), and to oversee the co-operation and liaison with Macao and areas covered by Shanghai ETO.

21. The proposed job descriptions of the two PAS posts are at Annexes G and H. The job description of PAS(2) after the re-organisation is at Annex I. Subject to the endorsement of the Finance Committee of the Legislative Council, we intend to create these two posts in April 2006 to concur with the establishment of MALO.

#### Non-directorate Establishment

22. There will be 21 non-directorate officers supporting the MALO. Ten of them are from the existing CAB establishment. We plan to delete 7 non-directorate time-limited posts in the HKGCCU, and create 11 non-directorate permanent posts, to provide support regarding administration and resource management of Mainland offices, and to assist in promoting Hong Kong-Guangdong co-operation. The posts will be created according to the progress in setting up the MALO. The organisation chart of the MALO is at Annex J.

### **Financial Implications**

#### Mainland Affairs Liaison Office

23. We will seek support from the Establishment Subcommittee in December 2005 for the creation of two AOSGC posts. Approval from the Finance Committee on the above proposal will be sought in January 2006. The notional annual salary cost of creating two AOSGC posts at mid-point is \$2,721,600. The full annual average staff cost, including salaries and staff on-cost, is \$4,051,248. The notional annual salary cost of creating 11 non-directorate posts at mid-point is \$5,377,740, and the full annual average staff cost is \$7,959,156. These non-directorate posts will be created through the

Departmental Establishment Committee mechanism. The impact of the establishment of MALO on manpower strength and relevant financial implication is set out at Annex K. The annual recurrent departmental expenses is \$1,757,000.

### Beijing Office

24. The adjustment of the ranking of DBJ from AOSGA1 (D8) to AOSGA (D6) will incur savings of \$220,800 and \$77,916 respectively in notional annual salary cost at mid-point and full annual average staff cost. The notional annual salary cost of creating 1 non-directorate post in BJO at mid-point is \$681,180 and the full annual average staff cost is \$1,178,916. The increase in annual recurrent departmental expenses incurred from the additional staff is \$1,029,000.

### Mainland ETOs

25. On the proposed establishment of ETOs in Chengdu and Shanghai, and the expansion of functions of GDETO as outlined in paragraphs 10 to 11 above, we plan to create one AOSGC (D2) and one AOSGB (D3) posts to head the Chengdu ETO and Shanghai ETO respectively. The notional annual salary cost of creating the aforesaid two posts at mid-point is \$2,941,200, and the full annual average staff cost, including salaries and staff on-cost, is \$4,276,000. In addition, 14 non-directorate posts will be created to implement the proposals on ETOs. The notional annual salary cost of creating these posts at mid-point is \$9,961,080, and the full annual average staff cost, including salaries and staff on-cost, is \$15,837,096. The Panel on Commerce and Industry has earlier been consulted on these proposals.

26. We will include sufficient provision in the 2006-07 draft Estimates to meet the cost required for the coming financial year.

### **Advise Sought**

27. Members are invited to comment on the above proposals.

Constitutional Affairs Bureau  
November 2005

**Some of the Measures of Mainland-HKSAR  
Exchanges and Co-operation**

**Facilitation of Flow of People**

- a) **Tourism:** Residents of 38 Mainland cities are allowed to visit Hong Kong under the Individual Visit Scheme since its implementation in 2003. During the second PPRD Regional Co-operation and Development Forum (the Second Forum) held in July 2005, all parties agreed to seek the Central Government's support for the gradual extension of Individual Visit Scheme of Hong Kong and Macao to nine provincial capitals of the PPRD provinces/region. The Individual Visit Scheme has accelerated the flow of Mainland visitors to Hong Kong, thus boosting the Hong Kong economy and benefiting various trades and industries. We will continue to maintain close co-operation with the Mainland authorities on the implementation and orderly extension of the Individual Visit Scheme;
  
- b) **Education:** To encourage internationalisation of higher education institutions and to increase Hong Kong's competitiveness in talent admission, we have signed the Memorandum of Understanding Between the Mainland and Hong Kong on Mutual Recognition of Academic Degrees in Higher Education with the Ministry of Education, to facilitate Mainland degree-holders to pursue their studies in Hong Kong and vice versa. We have further relaxed immigration control this year, to allow more non-local students to take different types of study programmes at different institutions in Hong Kong. Mainland students now enjoy more opportunities in taking full-time and part-time post secondary courses in Hong Kong, while Associate Degree-holders in Hong Kong may also be enrolled by universities in the Mainland. In addition, we encourage co-operation of the higher education institutions between the two sides on the provision of education services and on conducting academic researches. We also promote establishment of sister schools at primary or secondary levels, and development of exchange programmes for teachers and students;
  
- c) **Employment:** Through the Admission Scheme for Mainland Talents and Professionals, we can attract qualified Mainland talents and professionals to work in Hong Kong in order to meet local manpower needs and enhance Hong Kong's competitiveness in the globalised market;

- d) Facilitation for cross-boundary passengers: We are pursuing a series of measures to facilitate the movement of people between the Mainland and Hong Kong, including the setting up of a new control point on the Hong Kong-Shenzhen Western Corridor and installation of automated passenger and vehicle clearance system. In order to enhance the efficiency of clearance, we aim to install around 270 Automated Passenger Clearance channels (e-Channels) at our control points by mid-2006.

### **Facilitation of the Flow of Goods**

- e) Reducing cost of cross-boundary freight transportation: recent measures for this end include the relaxation of the "four-up four-down" rule by the Mainland in January this year, and relaxation of the requirement of "one-truck one-driver" from 28 September;
- f) Facilitation for cross-boundary vehicular movement: The Immigration Department has already rolled out 4 Automated Vehicular Clearance (AVC) kiosks at the Lok Ma Chau control point. Another 42 AVC kiosks will be rolled out at the Lok Ma Chau, Man Kam To and Sha Tau Kok control points in the coming months to facilitate movement of cross-boundary vehicles;
- g) Customs clearance facilitation: During the Second Forum, all provinces/regions have agreed to include "customs clearance facilitation" as one of the key co-operation areas in PPRD regional co-operation. It mainly includes elimination of trade barriers and blockades, customs clearance facilitation for goods in transit, and enhancement of customs co-operation. We will work with other PPRD provinces/regions on the implementation of these proposals in compliance with the law and policy of Hong Kong;
- h) Exports of goods: Under CEPA III, with effect from 1 January 2006, all finished goods of Hong Kong origin may be exported tariff free to the Mainland provided that applications of the Hong Kong manufactures are valid and the CEPA rules of origin are met;
- i) Facilitation of service trade: The Mainland agreed to provide preferential treatment under CEPA to Hong Kong service suppliers in 27 service areas. To implement the open-up measures, the two governments have maintained close contact under the Steering Committee on CEPA and other mechanisms, and have strengthened co-operation in promotion and supervision.

## **Facilitation of Flow of Capital**

By October this year, more than 320 Mainland companies have been listed in the Hong Kong Exchange and Clearing Ltd. To promote Hong Kong as fund-raising centre for Mainland enterprises and to strengthen financial co-operation with the Mainland, we have undertaken a number of measures:

- j) Enhancement of the financial sector's understanding of the Mainland: The Secretary for Financial Services and the Treasury led a 70-strong delegation to Fujian Province in September 2005 with a view to enhancing understanding on investment opportunities in Fujian among Hong Kong investors, especially venture capitalists, investment bankers and entrepreneurs. We have also taken the opportunities to introduce to the Fujian provincial government and enterprises Hong Kong's advantages as an international financial centre, with a view to encouraging better use of Hong Kong as a fund-raising platform;
- k) To encourage Mainland enterprises to use financial services of Hong Kong: The government planned to organize in Hong Kong a PPRD Regional Co-operation Financial Service Forum in March 2006, with the theme of "Hong Kong as the Prime Capital Formation and Global Investment Platform for the Mainland". We will invite leaders of PPRD provincial/regional governments and representatives from enterprises in the region. The forum will serve to enhance their understanding on various financial services provided by Hong Kong, so as to encourage them to take advantage of Hong Kong as a platform to access the international market;
- l) Renminbi business: We welcome Central Authorities' approval to extend the scope of Renminbi business in Hong Kong. This will further facilitate the economic integration between the two sides and strengthen Hong Kong's status as international financial centre.

## **Strengthening Infrastructure Network**

- m) Major infrastructural projects: We are now pushing forward a number of major cross-boundary infrastructural projects to enhance the ties between Hong Kong and the Mainland. The completion of the Hong Kong-Shenzhen Western Corridor in 2006 coupled with the opening of the control point in She Kou, will boost the daily handling capacity of cross-boundary traffic in all control points by 80,000 vehicles. Preparatory work for the construction of the Hong Kong-Zhuhai-Macao Bridge is

progressing well. The co-ordination team on preparatory work formed by the governments of Guangdong Province, Hong Kong and Macao SARs are now deliberating over the findings of project feasibility study. Hong Kong and Mainland authorities including the Guangdong Provincial Government will also proactively take forward the study on the Guangdong-Shenzhen-Hong Kong Express Rail Link, including the convergence of the Mainland and Hong Kong sections;

- n) Co-operation on cross-boundary infrastructural planning: In order to enhance the compatibility and co-ordination of transport planning between Hong Kong and the PPRD region, we have been, in line with the “One Country, Two Systems” principle, actively participating in the compilation of “PPRD Regional Integrated Transport System Co-operation Project Plan (2006-2020)”, with a view to mapping out the direction on the development of the future regional transport network in PPRD region.

**Brief on the PPRD, HK-Guangdong, HK-Beijing,  
HK-Shanghai and HK-Shenzhen Co-operation Mechanisms**

**Pan-Pearl River Delta (PPRD) Regional Co-operation**

- The PPRD Regional Co-operation and Development Forum was held in June 2004. During the forum, the “9+2” governments (ie. Guangdong, Fujian, Jiangxi, Hunan, Guangxi, Guizhou, Yunnan, Sichuan and Hainan together with Hong Kong and Macao SARs) signed the “PPRD Regional Co-operation Framework Agreement”.
- Under the Framework Agreement, the “9+2” governments agreed to strengthen co-operation in ten areas, viz. infrastructure, investment, business and trade, tourism, agriculture, labour, education and culture, information and technology, environmental protection, and health and prevention of infectious disease. The “9+2” governments have also agreed to organize annual forum, and to establish a liaison mechanism among the “9+2” Secretary-Generals as well as a General Coordination Office mechanism.

**Hong Kong – Guangdong Co-operation**

- The Hong Kong/Guangdong Co-operation Joint Conference (HKGJC) was established in March 1998. The eight plenary sessions that have been held so far provided a high-level forum to explore and co-ordinate major initiatives in co-operation between Hong Kong and Guangdong. Starting from the Sixth Plenary session in 2003, the plenary sessions have been chaired by the Chief Executive and the Governor of Guangdong. Under the Joint Conference, the Chief Secretary for Administration and the Executive Vice-Governor of Guangdong have spearheaded the implementation of various co-operation initiatives through working level meetings. 18 expert groups have been set up to take forward various co-operation initiatives, which cover the implementation of CEPA, control point operation, major infrastructure projects, tourism, innovation and technology, education, intellectual property rights, joint promotion of PPRD co-operation, town planning and development, environmental protection and information technology etc.. Alongside the 18 expert groups, the Hong Kong Guangdong Strategic Development Research Group (Research Group) and the Greater Pearl River Delta Business Council have also been established under HKGCJC. The Research Group undertakes to conduct research into

subjects which have a significant bearing on Hong Kong/Guangdong co-operation, while the Business Council was set up to facilitate discussion and exchanges between Hong Kong and Guangdong enterprises, trade and business associations.

### **Hong Kong – Beijing Co-operation**

- Pursuant to our long standing co-operation with Beijing, the HKSAR Government and the Beijing Municipal Government held the Hong Kong/Beijing High-Level Meeting cum the First Meeting of the Hong Kong/Beijing Economic and Trade Co-operation Conference in Hong Kong on 2 September 2004. The two governments agreed to set up a three-tier co-operation mechanism entitled the “Hong Kong – Beijing Economic and Trade Co-operation Conference”, to strengthen Hong Kong – Beijing co-operation and to tap the opportunities arising from CEPA and 2008 Olympic Games. The two sides also agreed to, in accordance with the “market leads, governments facilitate” principle, strengthen co-operation in seven areas, including economic and trade, professional exchanges, education, culture, tourism, environmental protection and Olympics economy.

### **Hong Kong – Shanghai Co-operation**

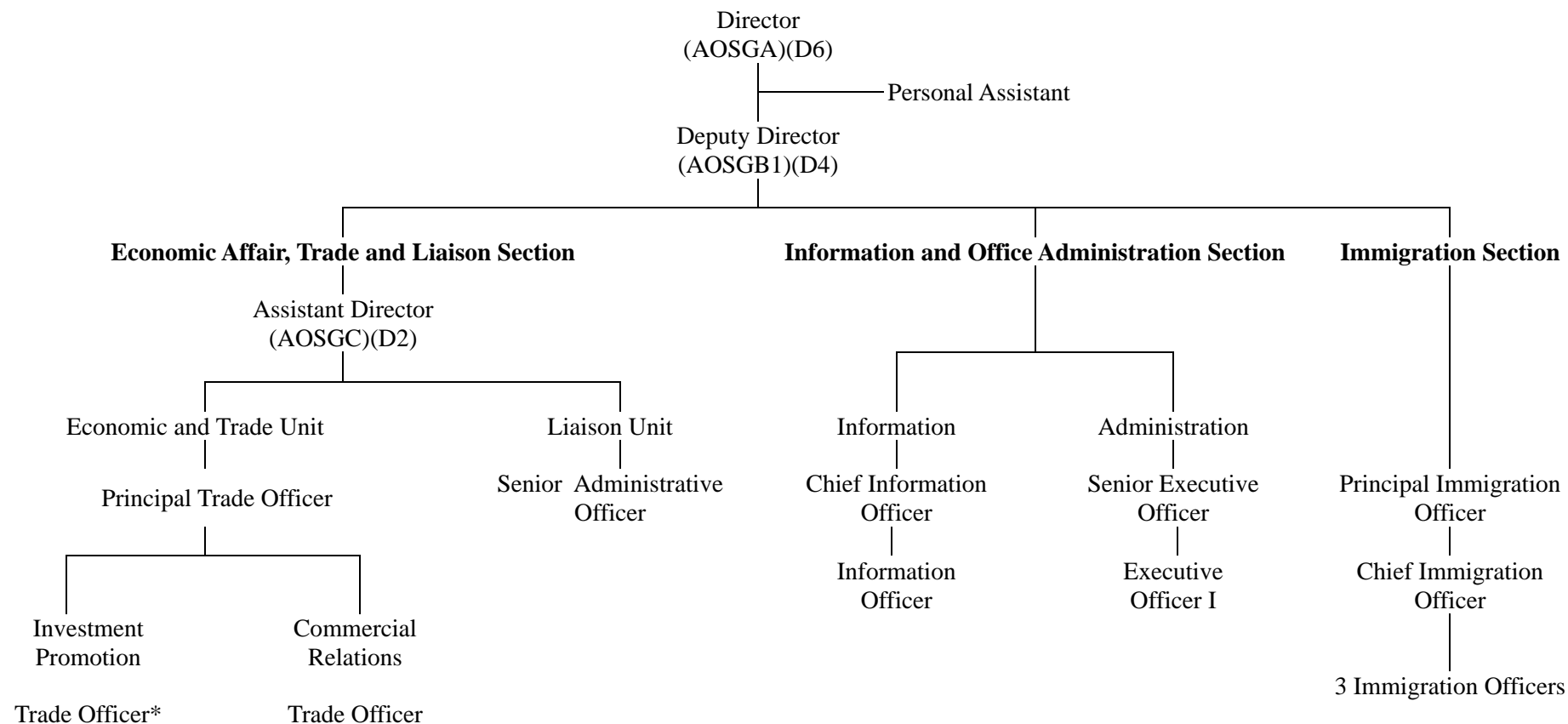
- Founded on the long standing co-operation between Hong Kong and Shanghai, the HKSAR Government and the Shanghai Municipal Government established the Hong Kong/Shanghai Economic and Trade Co-operation Conference in October 2003. The mechanism aims to foster closer economic and trade ties between the two places, particularly to leverage on the opportunities brought about by the CEPA, as well as the World Expo to be held in Shanghai in 2010.
- Chaired by the Chief Executive and the Shanghai Mayor, the first meeting of the Conference was held on 27 October 2003 in Hong Kong, at which the two sides agreed to strengthen co-operation under the CEPA framework and promote co-operation in eight areas, namely airport development; port and maritime; Shanghai Expo; tourism, convention and exhibition industry; investment and trade; education, health and sports; financial services and professional personnel exchanges. Professional departments on both sides continue to liaise and follow up on the implementation of the co-operation initiatives.



## **Hong Kong – Shenzhen Co-operation**

- In June 2004, the Chief Secretary for Administration and the Mayor of Shenzhen signed the Memorandum on Closer Co-operation between Hong Kong and Shenzhen. Relevant departments and organizations on the two sides also concluded eight co-operation agreements on legal services, industry and trade, investment promotion, economic and trade exchange, tourism, science and technology as well as hi-tech. The Memorandum and the co-operation agreements enabled the establishment of a direct channel of communication between Hong Kong and Shenzhen under the Hong Kong-Guangdong co-operation framework, which facilitates advance study and exchange of views on subjects of mutual concern.
- At the meeting on Hong Kong-Shenzhen Co-operation held in September 2005, both sides reviewed the progress of work since the conclusion of the Memorandum and the eight agreements. They have also exchanged views on the direction of co-operation on a number of subjects, including control points, infrastructure, town planning, implementation of CEPA, science and technology, environmental protection, food safety and education etc.

## Proposed Organisation Chart of the Office of the Government of HKSAR in Beijing



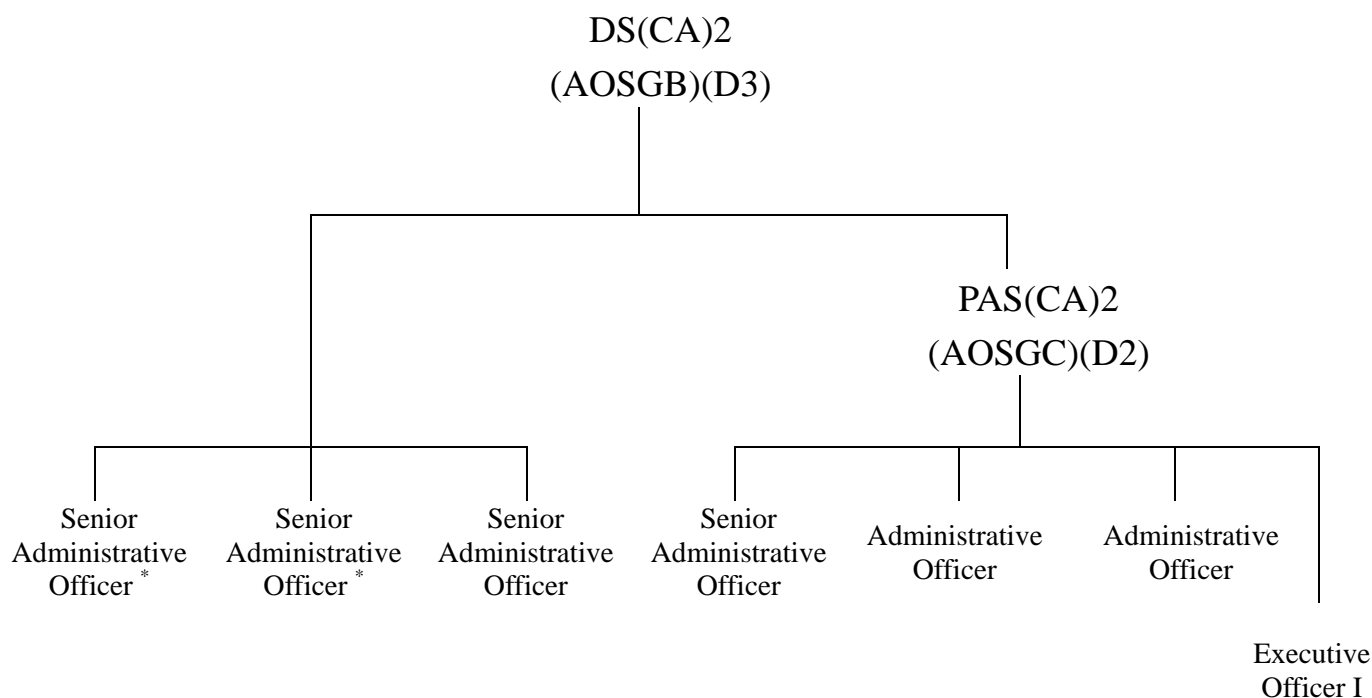
### Remarks

\* Non-directorate permanent post proposed to be created.

At present BJO engages 18 supporting officers locally. To support the functioning of BJO in future, the Office will engage 6 additional officers locally, including one Investment Promotion Manager, one Investment Promotion Assistant, one Commercial Relations Manager, one Secretary and two Clerks.

**Manpower support for Deputy Secretary for Constitutional Affairs (2)  
(DS(CA)2) in the Constitutional Affairs Bureau**

**Current Organisation Chart**

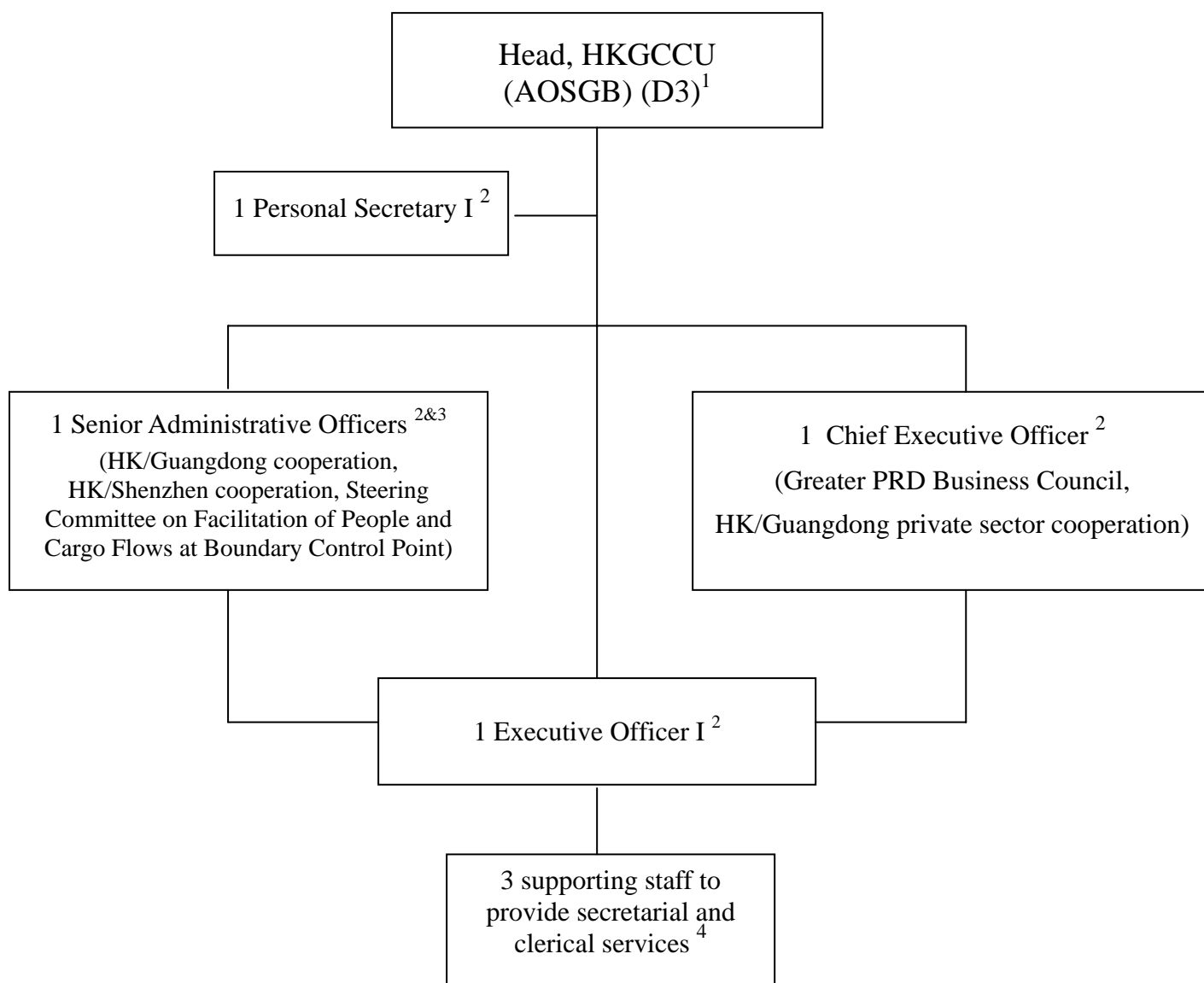


Other supporting staff includes two Personal Secretaries I and three Personal Secretaries II (one of them has been on loan from the Civil Service Bureau).

Remark

\*Two Senior Administrative Officer posts have been redeployed from the HKGCCU.

## Organisation Chart of the Hong Kong Guangdong Cooperation Coordination Unit (HKGCCU)



1. Directorate supernumerary post
2. Non-directorate time-limited/supernumerary posts
3. There are two other Senior Administrative Officers now deployed to the Constitutional Affairs Bureau for undertaking tasks concerning the Hong Kong participation in the PPRD regional cooperation and the joint efforts by Hong Kong and Guangdong in promoting PPRD cooperation. Moreover there is one Principal Immigration Officer time-limited post which is vacant.
4. Including one Personal Secretary II on loan from the Offices of the Chief Secretary for Administration and the Financial Secretary and two supporting staff on non-civil service contract terms.

**Revised Job Description  
(With Effective from the Establishment of the  
Mainland Affairs Liaison Office)**

**Post Title:** Deputy Secretary for Constitutional Affairs (2) (DS(CA)2)

**Proposed Rank:** AOSGB (D3)

**Accountable to:** Permanent Secretary for Constitutional Affairs

**Main Duties and Responsibilities:**

1. to assist the Secretary for Constitutional Affairs in planning, formulating and coordinating overall policy strategies for fostering cooperation between Hong Kong and the Mainland, particularly in the following areas, and to oversee the implementation of cooperation initiatives reached thereunder :
  - a) Guangdong under the Hong Kong-Guangdong Cooperation Joint Conference (HKGJC);
  - b) Shenzhen under the HKGJC and Memorandum of Hong Kong-Shenzhen Cooperation ;
  - c) PPRD provinces/regions under the PPRD Regional Cooperation Framework Agreement;
  - d) Beijing under the Hong Kong-Beijing Economic and Trade Cooperation Conference; and
  - e) Shanghai under the Hong Kong-Shanghai Economic and Trade Cooperation Conference.and to provide policy and secretariat support for HKSARG's participation at the above cooperation mechanisms;
2. to maintain liaison with PPRD provinces/regions, Guangdong (including Shenzhen), Macao, Beijing, Shanghai and other provinces/regions; and to

outreach to different sectors to tap their views on Hong Kong's cooperation with the Mainland;

3. to handle coordinating work and provide secretariat support in respect of HKGCJC, including coordinating preparatory work for plenary and working meetings, overseeing the work of the 18 Expert Groups and providing secretariat and management support to the Greater Pearl River Delta Business Council;
4. to oversee general relationship and liaison with the Central People's Government and provincial and municipal authorities;
5. to oversee the operation and administration of the Mainland Affairs Liaison Office;
6. to oversee house-keeping duties for the BJO, GDETO, Shanghai ETO and Chengdu ETO and provide policy support on their general liaison with the relevant Mainland authorities;
7. to oversee handling of complaints by Hong Kong residents on Mainland affairs;
8. to tender advice on the handling of Hong Kong's external affairs;
9. to tender advice on the handling of Taiwan-related matters; and
10. to plan, formulate and coordinate policy and strategies for the promotion of the Basic Law and oversee their implementation.

**Job Description**

**Post Title:** Principal Assistant Secretary for Constitutional Affairs (1)  
(PAS(CA)1)

**Proposed Rank:** AOSGC (D2)

**Accountable to:** Deputy Secretary for Constitutional Affairs (2)

**Main Duties and Responsibilities:**

To assist DS(CA)2 in delivering the following duties:

1. to give advice on issues relating to CPG-HKSARG relationship and provide policy support on general liaison with Mainland authorities;
2. to develop and implement overall policy strategies for fostering cooperation between Hong Kong and the PPRD provinces, other areas covered by Chengdu ETO and areas covered by BJO;
3. to conduct day-to-day liaison with the PPRD provinces, other areas covered by Chengdu ETO and areas covered by BJO, and to coordinate policy and secretariat support for various levels of meetings conducted under the PPRD Regional Cooperation Framework Agreement (9+2 Framework Agreement) and the Hong Kong – Beijing Economic and Trade Cooperation Conference;
4. to coordinate and expedite efforts by bureaux and departments in the implementation of cooperation initiatives of the 9+2 Framework Agreement and the Hong Kong – Beijing Economic and Trade Cooperation Conference, and promote cooperation with other areas covered by the Chengdu ETO and BJO;
5. to provide policy and secretariat support to the PPRD Steering Committee and the Hong Kong-Guangdong Expert Group on the Promotion of PPRD Cooperation;

6. to formulate plan, coordinate policy strategies and oversee implementation of initiatives to maintain and enhance liaison with the PPRD provinces, other areas covered by the Chengdu ETO and areas covered by BJO;
7. to oversee house-keeping duties for BJO, Guangdong ETO, Shanghai ETO and Chengdu ETO;
8. to liaise with different sectors in both Hong Kong and Mainland to tap their views on cooperation with PPRD provinces, other areas covered by Chengdu ETO and areas covered by BJO; and
9. to coordinate with bureaux and departments on visit programmes by Mainland visitors.



**Job Description**

**Post Title:** Principal Assistant Secretary for Constitutional Affairs (3)  
(PAS(CA)3)

**Proposed Rank:** AOSGC (D2)

**Accountable to:** Deputy Secretary for Constitutional Affairs (2)

**Main Duties and Responsibilities :**

To assist DS(CA)2 in delivering the following duties:

1. to develop and implement overall policy strategies for fostering cooperation between Hong Kong and Guangdong under the auspices of the Hong Kong Guangdong Cooperation Joint Conference (HKGJC); Shenzhen under the HKGCJC and Memorandum of Hong Kong-Shenzhen Cooperation; Shanghai under the Hong Kong-Shanghai Economic and Trade Cooperation Conference; other areas covered by Shanghai ETO and Macao;
2. to conduct day-to-day liaison with Guangdong (including Shenzhen), Shanghai, other areas covered by Shanghai ETO and Macao and to coordinate policy and secretariat support for various levels of meetings conducted under the HKGCJC, Memorandum of Hong Kong-Shenzhen Cooperation and Hong Kong – Shanghai Economic and Trade Cooperation Conference;
3. to coordinate and expedite efforts by bureaux and departments in the implementation of cooperation initiatives with Guangdong (including Shenzhen) and Shanghai, and promote cooperation with other areas covered by Shanghai ETO and Macao;
4. to provide secretariat support to the Greater Pearl River Delta Business Council;
5. to participate in the work of Hong Kong Guangdong Strategic Development Research Group set up under the aegis of the HKGCJC;

6. to formulate plan, coordinate policy strategies and oversee implementation of initiatives to maintain and enhance liaison with Guangdong (including Shenzhen), areas covered by Shanghai ETO and Macao;
7. to liaise with different sectors in both Hong Kong and Mainland to tap their views on cooperation with Guangdong (including Shenzhen), areas covered by the Shanghai ETO and Macao;
8. to coordinate handling of complaints by Hong Kong residents on Mainland affairs.

**Revised Job Description  
(With Effect from the Establishment of the  
Mainland Affairs Liaison Office)**

**Post Title:** Principal Assistant Secretary for Constitutional Affairs (2)  
(PAS(CA)2)

**Proposed Rank:** AOSGC (D2)

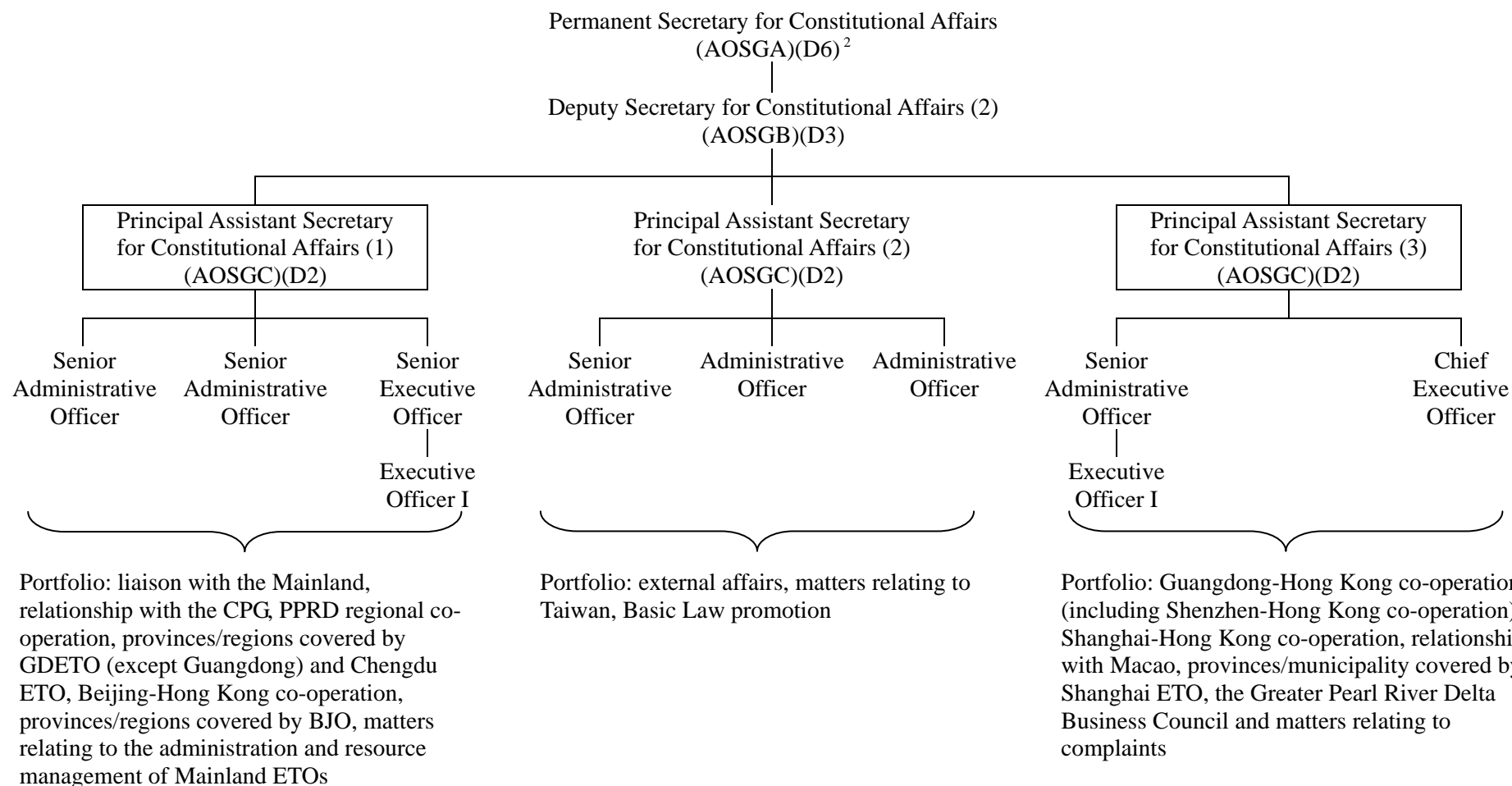
**Accountable to:** Deputy Secretary for Constitutional Affairs (2)

**Main Duties and Responsibilities:**

To assist DS(CA)2 in delivering the following duties:

1. to give advice to bureaux and departments on the conduct of the HKSAR's external affairs in accordance with the relevant provisions of the Basic Law and the "One Country, Two Systems" principle;
2. to act as the focal point of liaison between the HKSARG and the Office of the Commissioner of the Ministry of Foreign Affairs in the HKSAR;
3. to co-ordinate liaison with Taiwan organizations in the HKSAR and give advice to bureaux and departments on issues relating to exchanges with Taiwan;
4. to assist in the formulation of Basic Law promotion policies, coordinate promotion programmes and oversee promotion campaigns and events undertaken by the Constitutional Affairs Bureau with a view to enhancing public awareness and understanding of the Basic Law; and
5. to provide secretariat support for the Basic Law Promotion Steering Committee and co-ordinate the implementation of action plans endorsed by the Steering Committee.

## Proposed Organisation Chart of the Mainland Affairs Liaison Office



- Directorate posts proposed to be created
- Other supporting staff includes 4 Personal Secretaries I, 3 Personal Secretaries II, 2 Clerical Officers and 2 Assistant Clerical Officers.

<sup>2</sup>The post of Permanent Secretary for Constitutional Affairs is pitched at D8 in the establishment. Since 2002, the post has been held against by a supernumerary post at D6 level.

**The Impact of the Establishment of Mainland Affairs Liaison Office on  
Manpower Strength and Relevant Financial Implication**

<b>Creation/ Deletion</b>	<b>Post</b>	<b>Notional Annual Salary Cost at Mid-point (\$)</b>	<b>Full Annual Average Staff Cost (\$)</b>
<b>Creation</b>	2 AOSGC permanent posts	2,721,600	4,051,248
	11 non-directorate permanent posts	5,377,740	7,959,156
<b>Deletion</b>	1 AOSGB time-limited supernumerary post	1,580,400	2,250,420
	7 non-directorate time-limited posts (Note 1)	5,482,260	8,016,192

Note 1

Among the 7 posts, there is one Principal Immigration Officer time-limited post which is currently vacant.