

**Supplementary Information on**  
**FCR(2010-11)1 : Transfers to Funds**  
**(Subhead 990 Payment to the Disaster Relief Fund)**

**for the Finance Committee (FC) Meeting on 1 April 2010**

As requested by the FC Chairman, supplementary information on the above FCai is appended below.

**Use of grants**

2. A supplementary provision of \$150 million is sought for injection into the Disaster Relief Fund. Out of this amount, we propose to donate \$40 million each to Guangxi, Guizhou and Yunnan Province/Region which are hardest hit by the drought (totalling \$120 million), as contribution to their disaster relief and rehabilitation work. The balance of \$30 million is to cater for applications for grants submitted or to be shortly submitted by relief organizations to provide emergency relief to the drought victims.

3. In response to the extensive damage caused by the drought, the authorities of the affected provinces/region have been carrying out large-scale emergency relief programmes to help the victims overcome the difficulties they face. The proposed donation will contribute to part of these massive programmes. Given the volatile situation in the disaster-stricken areas, the provincial/regional governments will require flexibility to determine how best the grants should be deployed in helping the victims on the ground.

4. A number of relief organizations have submitted applications for grants from the Fund to carry out emergency relief programmes and some others may do so shortly. Under this category, the applications are in the form of a specific emergency relief proposal which sets out detailed information on the target locations, relief items to be distributed, timeframe, budget and expected number of beneficiaries.

**Monitoring measures**

5. The relief organizations are required to use the grants only for the approved purposes. To monitor the use of grants, the following measures are put in place –

- (a) the concerned relief organization should report to the Committee the critical project milestones, such as the commencement date and completion date of a project, within one month from the respective scheduled date;
- (b) should there be signs of deviation from the approved targets, including the schedule, relief area, number of victims benefited, etc., the relief organization is required to obtain prior approval from the Committee;
- (c) the relief organization should submit an evaluation report after completing the

project. The report should comprise an overall assessment of the programme in terms of the number of victims benefited and the total time used to provide emergency relief to them. Other information such as a statement of need, project goal, relief items, timeliness of relief actions, coordination with other relief organizations, monitoring effort and project finance, etc. should also be provided as far as practicable and applicable; and

- (d) the evaluation report and audited accounts are reviewed by the Secretariat of the Committee and the Audit Commission during the annual audit of the Fund to ensure that the grant conditions are complied with.

6. For grants made to governments outside HKSAR, only evaluation reports are required from the recipient authorities. This is in line with the arrangement applied in previous cases of donations made to authorities of South Asian countries as well as in the Mainland and Taiwan in support of their relief programmes for victims in tsunamis, earthquake and typhoon etc.

**Administration Wing**  
**March 2010**