

# 立法會 *Legislative Council*

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## **Panel on Development**

**Meeting on 24 November 2009**

### **Background brief on Hong Kong Special Administrative Region Government's post-quake reconstruction support work in Sichuan**

#### **Purpose**

This paper provides background information on the emergency relief and reconstruction support work undertaken by the Hong Kong Special Administrative Region (HKSAR) Government in Sichuan after the Sichuan Wenchuan massive earthquake on 12 May 2008, and a summary of the relevant discussions of the committees of the Legislative Council (LegCo).

#### **Background**

##### The earthquake at Wenchuan County on 12 May 2008

2. On 12 May 2008, a serious earthquake, the worst one since the Tangshan earthquake in 1976, jolted Wenchuan County, Sichuan Province. According to the State Council Headquarters for Resisting Earthquake and Providing Disaster Relief, as at 10 July 2008, the death toll of the earthquake stood at 69 197, with 374 176 injured and 18 377 missing. The total number of victims was over 46.24 million. The earthquake affected a wide expanse of 440 000 km<sup>2</sup>, of which 125 000 km<sup>2</sup> was hard-hit; 417 counties, 4 656 villages/towns and 47 789 village sub-areas in Sichuan, Gansu, Shaanxi and Chongqing were affected. In Sichuan alone, the quake-stricken area reached 250 000 km<sup>2</sup>, of which 100 000 km<sup>2</sup> was hard-hit. Premises of over 4.5 million households collapsed or were seriously damaged to the extent that they became uninhabitable. Beichuan, Wenchuan and Yingsiu counties were nearly flattened. A total of 22 000 km of expressways, trunk-roads and village roads, 940 bridges, 16 national/provincial trunk-roads, and six railway lines including the Bao-cheng Railway were broken.

### HKSAR's immediate relief to earthquake victims

3. Two days after the earthquake, i.e. on 14 May 2008, the Administration proposed and the Finance Committee (FC) approved the injection of a sum of \$350 million initially to the Disaster Relief Fund in aid of the earthquake victims. On the advice of the Central People's Government (CPG), a sum of \$300 million was channelled to the earthquake victims through the State Council Headquarters for Resisting Earthquake and Providing Disaster Relief. The remaining \$50 million was set aside to cater for applications for grants under the Disaster Relief Fund by major relief organizations to provide emergency relief to the earthquake victims.

### Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas

4. The Administration communicated further with the CPG and the Sichuan Provincial People's Government (SPG) and understood that the Hong Kong and Macao Special Administrative Regions were requested to assist in --

- (a) the reconstruction of public service facilities in the hard-hit counties of Sichuan such as schools, hospitals, rehabilitation centres, homes for the aged, orphanages, women and children healthcare centres, and cultural and sports facilities;
- (b) the key elements of specific infrastructural projects of Sichuan, including roads and bridges; and
- (c) the reconstruction of Wolong Giant Panda Reserve.

Besides, the HKSAR could also offer assistance in accordance with actual needs of the stricken areas such as medical and rehabilitation services, emotional support and counselling services, and other areas of professional training.

5. As the Sichuan Earthquake reconstruction support work falls outside the ambits of the Disaster Relief Fund and "The Secretary for Home Affairs Incorporated -- Donations" dedicated account, the Administration proposed the creation of a new commitment of \$2 billion for the establishment of the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas (Trust Fund) as the HKSAR's financial commitment to the reconstruction support work in the initial stage. The proposal was approved by FC on 18 July 2008. In the relevant FC Paper (FCR(2008-09)40), the Administration's preliminary assessment was that the overall commitment in the reconstruction support work of the HKSAR should not exceed HK\$10 billion. After off-setting donations from the private organizations and the public, the HKSAR's funding commitment would be less than HK\$10 billion.

6. The HKSAR Government signed a "Cooperation Arrangement on Support of Restoration and Reconstruction in the Sichuan Earthquake Stricken Areas" (Cooperation Arrangement) with SPG on 11 October 2008. According to the Cooperation Arrangement, projects directly funded by donations from Hong Kong will be jointly identified by Sichuan and Hong Kong sides, and Hong Kong's assistance in taking forward the agreed projects should be undertaken on a project basis and in phases. Each funded project would be a separate project, and project fund management should follow the principle that disbursement of funds should be made in accordance with the progress of work. The funds required would be released by instalment with regard to the progress of work and in accordance with the relevant financial regulations and rules of the HKSAR. The technical standards of the work projects should comply with the rules and regulations of the Mainland, and should be subject to an appropriate monitoring mechanism.

7. In signing the Cooperation Arrangement, the HKSAR Government agreed to 20 reconstruction projects for implementation in the first stage, with an estimated financial commitment of HK\$1,897 million in total. The first stage reconstruction projects include the setting up of a "Sichuan Hong Kong Rehabilitation Centre" in the Sichuan Provincial People's Hospital, the reconstruction of medical facilities, schools and social welfare facilities in the province, as well as the reconstruction of a section of 303 Provincial Road from Yingxiu to Wolong.

8. On 20 February 2009, FC agreed to increase the approved commitment by HK\$4 billion to a total of HK\$6 billion to take forward the second stage reconstruction support work. Subsequently, the HKSAR Government and SPG signed the "Letter of Intent on HKSAR's Second Stage Work in Support of Restoration and Reconstruction in the Sichuan Earthquake Stricken Areas" and agreed on the list of second stage projects. There were originally 103 second stage projects. After further review by the Sichuan side, the number of projects was revised to 100, comprising projects on education, medical and health services, social welfare services and the reconstruction of the Wolong Nature Reserve.

9. On 3 July 2009, FC agreed to further increase the approved commitment by another HK\$3 billion to a total of HK\$9 billion to take forward the third stage reconstruction support work. The HKSAR Government and SPG agreed that the third stage projects should focus on the Deyang Aba Highway - Mianzhu to Mao County Section and some urgent medical and health facilities, as well as rehabilitation centres for disabled persons.

10. The distribution of HKSAR's reconstruction support projects by stages and functional areas is set out below --

| <i>Areas</i><br><i>Stages</i>        | <b>Education</b> | <b>Medical and Rehabilitation</b> | <b>Highway Infrastructure</b> | <b>Wolong</b> | <b>Social Welfare</b> | <b>Total</b> |
|--------------------------------------|------------------|-----------------------------------|-------------------------------|---------------|-----------------------|--------------|
| <b>First Stage Projects</b>          | 5                | 9                                 | 1                             | 1             | 4                     | <b>20</b>    |
| <b>Second Stage Projects</b>         | 51               | 20                                | 0                             | 22            | 7                     | <b>100</b>   |
| <b>Proposed Third Stage Projects</b> | 0                | 6                                 | 1                             | 0             | 25                    | <b>32</b>    |
| <b>Total :</b>                       | <b>56</b>        | <b>35</b>                         | <b>2</b>                      | <b>23</b>     | <b>36</b>             | <b>152</b>   |

Involvement of non-governmental organizations (NGOs) from Hong Kong

11. NGOs in Hong Kong may apply to the Trust Fund for financial support to take forward reconstruction support work in Sichuan's earthquake-stricken areas. To this end, they are required to form partnership with a government department or organization approved by SPG. The projects have to tie in with the overall planning and needs of the stricken areas. The HKSAR Government has promulgated the guidelines for grants to NGOs, and invitation for applications started on 13 October 2008. As advised by the Administration in late September 2009, the Trust Fund had approved 16 applications covering both hardware and software components in the areas of education, medical services, physical and psychological rehabilitation, training schemes and culture and leisure etc. The total amount of grants was about \$161 million.

**Relevant discussions at the Finance Committee and the Panel**

Discussions held in the period between May and October 2008

12. The Administration submitted two funding proposals on immediate relief for the earthquake victims and the first stage reconstruction support projects to FC on 14 May 2008 and 18 July 2008 respectively. The Administration reported the progress of the initial stage support work to the Panel on 28 October 2008. For a summary of the relevant discussions, please refer to **Appendix I**.

Discussions held in February 2009

13. On 3 February 2009, the Administration briefed the Panel on the progress of the reconstruction support work, and consulted members on the proposed financial commitments of \$4 billion for the second stage reconstruction support work. FC discussed and approved the funding proposal on 20 February 2009. The discussions mainly focused on whether there would be sufficient monitoring over the quality of project works, the integrity of the tendering procedures and the disbursement of funds. Noting that the Development Bureau (DEVB) would only have five additional staff members for the reconstruction support work and the Administration would mainly rely on documents provided by the Sichuan side for monitoring purposes, Panel members urged the Administration to introduce more stringent measures to enhance the role of the Hong Kong side in this regard.

14. The Administration provided supplementary information on the project management and monitoring arrangements in its submission to FC (**Appendix II**). The Administration advised, among others, that on top of additional civil service staff, DEVB would commission "independent professional consultants" with extensive experience in monitoring and checking Mainland works projects to assist in carrying out site inspections and technical audits. At the FC meeting, the Administration agreed to report the progress of the reconstruction projects supported by HKSAR to the Panel on Development on a half-yearly basis.

15. On a FC member's concern about the support rendered by HKSAR to those people who became disabled at the earthquake in meeting their rehabilitation, social welfare and employment needs, the Administration agreed to include relevant information in its future progress reports on the reconstruction support work.

16. Other major concerns and views expressed by Members include the following --

- (a) the Administration should relay to the Mainland authorities the view that the relevant officials and parties should be held responsible if the buildings that collapsed during the earthquake had failed to reach the required technical standards when they were built;
- (b) the target of completing the major restoration and reconstruction work in three years might be a political objective and the quality of the projects might be compromised in order to meet the target completion date; and
- (c) the Administration should provide support to NGOs in Hong Kong to take part in the reconstruction projects and other support work.

Discussions held in June and July 2009

17. At the Panel meeting on 18 June 2009, some members expressed support for the funding proposal for the third stage of the reconstruction work so as to expedite the construction of the much-needed road infrastructure and other facilities. Some other members considered that the Administration should not seek funding approval in such haste. As only a portion of the \$6 billion commitment previously approved had actually been transmitted to Sichuan, the members queried whether the proposed \$3 billion increase in commitment was urgently required to take forward the third stage reconstruction support work. Besides, the Administration had yet to demonstrate that the funds for the first and second stage projects were well spent. The Administration explained the importance and urgency of the proposed third stage projects to help the affected residents restore their normal life, and pointed out that it was necessary to obtain FC's approval to increase the funding for the Trust Fund before the Government could make any financial commitment to the proposed third stage projects and take them forward.

18. On project monitoring, some Panel members considered that the Administration should make available for Members' perusal the reports from Mainland supervising bodies and auditing reports prepared by Hong Kong professionals relating to the first and second stages projects, so that Members' could have a better understanding of the quality and implementation process of the projects. In response, the Development Bureau compiled a list of related reports in hand and undertook to arrange for Members' perusal of the content upon request.

19. On a Panel member's concern on why the reconstruction projects supported by Hong Kong were not determined on the basis of the one-on-one support scheme as in the case of other supporting provinces/municipalities, the Administration has provided supplementary information (LC Paper No. CB(1)2111/08-09(01)) in this regard.

20. At the FC meeting on 3 July 2009, some members referred to the reports prepared by Mainland supervision engineers and enquired how the Administration would ensure timely rectification of the inadequacies identified in the reports. They also suggested that to facilitate Members' monitoring, the Administration should prepare summary reports highlighting the adequacies of project works and track the relevant rectification works in subsequent reports. The Administration responded that the report on inadequacies by Mainland inspection engineers reflected that the support projects were being properly monitored. DEVB engineers would carry out inspections and give their views on the support projects, and independent professional consultants would be hired to conduct independent technical auditing. The Administration agreed to explore how to share with Members the contents of the relevant reports in a simple and easily comprehensible way in future.

21. On some FC members' concern about LegCo's monitoring of the approved funds for the reconstruction projects, the Administration advised that apart from the Administration's pledge to provide regular reports on the progress and expenditures of the projects to Members, annual audit reports on the Trust Fund would be prepared by the Audit Commission for submission to LegCo.

22. At both the Panel meeting on 18 June 2009 and FC meeting on 3 July 2009, Members urged the Administration to arrange a visit to Sichuan for Members as soon as possible so as to allow Members to obtain first-hand information on the progress of the reconstruction support work.

### **Recent developments**

23. On 2 September 2009, the Sichuan Provincial Government sent a letter to LegCo inviting members of the Panel on Development, as well as Chairmen and Deputy Chairmen of the Finance Committee, House Committee, Panel on Education, Panel on Health Services, Panel on Home Affairs and Panel on Welfare Services to visit Sichuan from 24 to 26 September 2009. Members were informed of the visit arrangements vide LC Papers No. CB(1)2594/08-09 and CB(1)2616/08-09. Subsequently, 14 Members participated in the visit with the President leading the delegation.

24. The Administration will update Members on the latest progress of the reconstruction support work at the Panel meeting on 24 November 2009.

### **Relevant papers**

25. A list of relevant papers is in **Appendix III**.

### Summary of discussions held in the period between May and October 2008

To secure funding in aid of the earthquake victims and implement post-earthquake reconstruction in collaboration with the Mainland authorities, the Administration submitted two funding proposals to FC on 14 May 2008 and 18 July 2008. A study mission was arranged for LegCo Members to visit the earthquake stricken areas on 4 to 6 July 2008. On 28 October 2008, the Administration briefed the Panel of Development on the progress of the post-quake reconstruction support work in Sichuan. The major concerns and views expressed by Members during these discussions are summarized in the ensuing paragraphs.

#### Need for additional funding and proper control over the use of relief funds

2. At the FC meeting on 14 May 2008, members generally considered that additional funds should be provided for emergency relief where necessary, particularly the provision of grants for major relief organizations, in view of the severity of the earthquake. Some members emphasized the importance of ensuring proper use of relief funds, and called for timely submission by relief organizations and relevant Mainland authorities of evaluation reports with clear breakdowns showing the uses and beneficiaries of the relief funds.

#### Relief measures for Hong Kong people

3. While appreciating the Administration's efforts in supporting the reconstruction of the Sichuan earthquake stricken areas, some members considered that the Administration should draw up comprehensive measures to help Hong Kong people at the same time, especially the low-income and middle-class citizens, who were hard hit by the escalating cost of living due to the rampaging inflation.

#### Funding arrangements

4. At the FC meeting on 18 July 2008, some members expressed the view that while they were sympathetic with the earthquake victims, they had strong reservations over the setting up of a \$2 billion Trust Fund in the absence of details of the reconstruction projects and how they were to be monitored. A member opined that the Administration should first draw up detailed procedures for selecting, monitoring and auditing the reconstruction projects and submit the funding proposal to FC at the beginning of the next term of LegCo. Another member requested the Administration to submit the project proposals to LegCo for approval before implementation.



5. The Administration responded that CPG and SPG would soon map out an overall reconstruction plan for the earthquake stricken areas, and it was desirable for HKSAR to participate early in the reconstruction to provide timely assistance to the earthquake victims. Given the emergency situation, it would not be practicable to submit details of individual reconstruction projects to FC for approval. The establishment of the Steering Committee to oversee the implementation of the projects and making regular progress reports to LegCo was considered to be the most effective arrangement in rendering assistance to the earthquake stricken areas.

#### Monitoring of reconstruction projects financed by the Trust Fund

6. At the FC meeting on 18 July 2008, some members opined that since the Trust Fund was financed by contribution of the HKSAR Government and public donations, the Steering Committee should include representatives of the public, and representatives from different professions and other sectors of the community including LegCo Members should be appointed to the five working groups formed under the Steering Committee.

7. In order to ensure the quality and standards of the works delivered, some members enquired about the possibility of assigning the reconstruction projects to authorized persons/professionals from Hong Kong, with the relevant Government departments certifying the completed works.

8. To achieve greater transparency, some members urged the Administration to publicize the list of reconstruction works projects and enable NGOs to participate as well. There was a suggestion that the Administration should set up a webpage to release updated information concerning the progress of the reconstruction projects and the operation of the Trust Fund.

9. The Administration advised that CPG would issue a new set of standards for the reconstruction projects in the earthquake stricken areas, and works items financed by the Trust Fund would have to comply with such standards. Implementation of the reconstruction programme would be highly transparent, and arrangement could be made for representatives of the community to visit the work sites where appropriate.

10. As regards the suggestion of assigning the reconstruction projects to authorized persons/professionals from Hong Kong, the Administration advised that Hong Kong and foreign professionals without Mainland qualifications would not be able to work in the Mainland, but qualified experts would be invited to help monitor the reconstruction works, and regular progress reports on the projects would be made to LegCo. The Administration would liaise with SPG regarding the appointment of qualified contractors both in the Mainland and Hong Kong to undertake the reconstruction works.

### Project and fund management

11. The discussion at the meeting of the Panel on Development on 28 October 2008 focused on project and fund management. In view of the abrupt economic downturn after the outbreak of the global financial crisis, some members considered that the Administration should review the HK\$10 billion financial commitment for post-quake reconstruction in Sichuan. A few members suggested that HKSAR's funding commitment should be spread over a longer period of time. Another member reminded the Administration not to make excessive commitments for the remaining projects at too early a stage.

12. While members in general appreciated the urgency in implementing the section of the 303 Provincial Road from Yingziu to Wolong, a Member opined that while essential projects for the Wolong Natural Reserve to function again should be supported, providing support for other additional enhancement projects might need further consideration.

13. While welcoming that the Administration had provided estimated project costs for the support work in Sichuan, a member expressed the view that reports on how the funds for relief work for previous natural disasters should be provided to facilitate members' consideration of approving further financial commitments for the post-quake support work in Sichuan.

### Tendering process and technical standards

14. At the Panel of Development on 28 October 2008, some members expressed concerns about the tendering procedures, progress monitoring and standard of reconstruction projects. Some members expressed the view that the integrity of the tendering process should be safeguarded and suggested that the tendering procedures should be examined by the Independent Commission Against Corruption (ICAC) in Hong Kong. They considered that that the Sichuan side should follow the best practices in tendering.

15. The Administration responded that there would be open tendering and only enterprises with a higher level of qualification could participate in the tendering. The use of the HK\$2 billion public funds would be in compliance with Hong Kong legislation, and subject to the examination by ICAC and Director of Audit. The Sichuan side had indicated that it would follow stringent tendering regulations promulgated by the Mainland authorities. While the technical standards would follow Mainland legislation and regulations, the Sichuan side was keen to draw on Hong Kong's technical and project management experiences.

### Participation of NGOs and professionals from Hong Kong

16. Some members considered that the Administration should help organize professionals in Hong Kong to participate in the support work projects in Sichuan. The Administration advised that local professionals would be invited to join dedicated project groups to provide advice and exchange views with their Mainland counterparts on different aspects of the projects.

17. Some members believed that the best way to establish rapport with the Sichuan earthquake victims was for Hong Kong people to participate directly in the reconstruction support work. The involvement of Hong Kong's NGOs in post-quake support work was worth supporting. There was also a view that the Administration should assist Hong Kong NGOs in obtaining greater flexibility in the planning and delivering of their support services and in helping Mainland voluntary organizations in capacity building. Providing support services and training the trainers should be done in parallel. There should be a channel to assist Hong Kong NGOs if they had difficulties in carrying out reconstruction support work in Sichuan. The assessment of the applications from NGOs for grants from the Trust Fund should be fair, and there should be an appeal mechanism for NGOs whose applications were rejected by the Trust Fund.

*(Source: Paragraphs 14 to 30 of the previous background brief on the same subject, LC Paper No. CB(1660/08-09(02))*

### **Management and monitoring arrangement for reconstruction works in the Sichuan earthquake stricken areas supported by HKSAR**

Both the HKSAR and Sichuan Provincial Governments fully understand the importance of works quality in reconstruction for Sichuan earthquake stricken areas, and will make arrangements and take initiatives to ensure that the reconstruction works supported by HKSAR will meet the latest quality requirements of the Mainland and fulfill public aspirations. Details of the initiatives are given in the following paragraphs.

#### **Well-defined Commitments and Applicable Laws and Regulations**

2. The "Cooperation Arrangement on the Support of Restoration and Reconstruction in the Sichuan Earthquake Stricken Areas" (the Arrangement) signed by the Hong Kong and Sichuan Provincial Governments in October 2008 clearly defines the basic responsibilities of the two governments, technical standards for the HKSAR's post-quake reconstruction support work and project management arrangement, etc. It is stated in paragraph 5 of the Arrangement that the technical standards for the works projects funded by the HKSAR should comply with the laws and regulation in the Mainland, with suitable monitoring mechanism. The HKSAR Government is the fund provider of the relevant projects. The Sichuan Provincial Government should be responsible for the arranging actual implementation, as well as the daily management and supervision of the projects. Tender invitation and assessment for these projects should be conducted in accordance with the relevant laws and regulatory systems in the Mainland. In fact, after the earthquake, the Central Government and the Sichuan Provincial Government enacted a series of ordinances and requirements<sup>1</sup> to regulate the reconstruction support work, including the seismic resistance requirement and construction standards, seismic design, works quality supervision responsibilities, inspection on completion of seismic resistance construction, management and monitoring, tendering arrangement and legal liabilities, etc.

3. The Arrangement has laid down a framework for management and monitoring of the reconstruction works supported by HKSAR, which forms a well defined basis for execution of the related work.

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<sup>1</sup> The related legislation and regulations include the "Tendering Ordinance", the "Construction Works Quality Management Ordinance" and the series of ordinances and regulations enacted after the earthquake, examples of which are the "Wenchuan Post-quake Restoration and Reconstruction Ordinance", the "General Planning by the State for Restoration and Reconstruction after Wenchuan Earthquake" and the "Seismic Design Standards (2008)", etc.

## **Project Management**

4. The reconstruction works supported by the HKSAR will be executed on project by project basis. The Sichuan side will carry out necessary project feasibility study and prepare a feasibility study report (hereinafter referred to as "feasibility report"). A "feasibility report" will normally include the scope and scale of the project, planning standard of the facility, seismic resistance design standards, cost estimates, preliminary plans on timing of project milestones and tendering methods. Based on the "feasibility report" approved by the relevant departments of Sichuan Provincial Government, and following the principles of the Arrangement, the HKSAR Government will sign project cooperation arrangement for each project. The signed project cooperation arrangement will clearly specify matters such as the project nature, scale, scope, people to be served, seismic resistance design standard, estimated project progress and ceiling of HKSAR's financial commitment. This project cooperation arrangement is conducive to monitoring of project progress during implementation jointly by HKSAR and Sichuan Provincial Governments, in a systematic manner. It would also help ensure that works at every important stage are carried out in strict compliance with the Mainland laws and regulations, and with suitable level of monitoring and audit.

## **Project Monitoring**

5. Under the "Construction Works Quality Management Ordinance" promulgated by the State Council in 2000, it is stipulated that the project agent, investigation agent, design agent, supervision agent and construction agent shall be held responsible for the quality of construction projects, and relevant government departments must manage the monitoring of works quality. The "Restoration and Reconstruction after Wenchuan Earthquake Ordinance", clearly specifies that relevant government departments should step up monitoring of the quality and safety of the post-quake restoration and reconstruction works, product quality as well as the appropriation and usage of fund. The Ordinance also stipulates that the supervisory organs should step up supervision on the personnel of State Organs and related organisations involved in the post-quake restoration and reconstruction work.

6. On the engagement of investigation, design, supervision and construction corporations to take part in the reconstruction projects supported by HKSAR, the "Arrangement" stipulates that tendering exercise would be handled in accordance with related laws and regulations. The requirements for credential of the corporations to be contracted could be raised as appropriate so as to further enhance the assurance of the quality of the projects. According to the "Sichuan Provincial Government's Notice of Tendering for the Reconstruction of Post Earthquake State Investment Construction Projects", the tendering of post-earthquake reconstruction projects must comply with the principles of fairness, just and honesty. It also stipulates that the laws, regulations and rules on tendering must be strictly enforced. Furthermore, public finance

departments and auditing organs will also monitor the tendering exercise. The Hong Kong side may require the Sichuan side to provide tender documents and other information of each project in due course, so that the Hong Kong side may provide views on the scope, forms, procedures, cost estimates, pre-qualifying requirements and tender assessment criteria.

7. On project monitoring, the "Construction Works Quality Management Ordinance" stipulates that strategic constructions, major and medium-sized public utilities projects, projects with foreign aid fund etc. must have a qualified supervision engineer resident on-site, to supervise the construction project in accordance with the standards of project supervision. Without the signature of the supervision engineer, construction materials, parts and equipment should not be used and installed in the project; work should not proceed to the next stage; project payment should not be effected and completion inspection should not be carried out. Should there be a relationship of subordination or interests between a project supervision agent and a construction agent or a supplies agent of construction material, construction parts and equipment under his supervision, the project supervision agent shall not undertake the supervision duty of the project.

8. The "Construction Works Quality Management Ordinance" also stipulates that the construction agent should establish a quality responsibility system and be responsible for the quality of all the construction works, including the sub-contracted works. The construction agent must examine the construction materials, construction parts and equipment in accordance with the construction design requirements, construction technical standards and contract terms; and nothing unexamined or found sub-standard should be used. The construction agent must establish a sound construction quality inspection system and must strictly manage work processes. Concealed works must be inspected by the project agent and construction works quality inspection authority before concealment, with filing records. Sampling of materials for structural safety testing must be conducted in the presence of the project agent and supervision agent and be inspected and tested by a quality inspection and testing agent with suitable level of credential.

9. Regarding the completion inspection, when the project agent has received the completion report, he should arrange the design, construction and supervision agents and other related parties to carry out inspections, and report to the construction office or other relevant departments of the Peoples' Government at provincial level or above for record purposes, so as to enhance the level of supervision and management by the Government. The government departments would base on the supervision report prepared by the quality monitoring and inspection agent to check whether there has been any non-compliance with the requirements on construction works quality control in the process of the completion inspection. If necessary, an order to suspend the usage will be given and a new round of completion inspection should be arranged. The facility can only be used upon satisfactory inspection.

10. To further ensure the quality of the works, the Hong Kong side would suitably take part in the monitoring of the reconstruction works, with reference to the works quality management mechanism established by the Sichuan side. The Arrangement states that the Hong Kong side, while abiding by the State's relevant regulations and polices, may assign professional organisations/personnels to provide professional advice where necessary on the planning, design, construction, consultation, management, supervision, accounting and audit work of the reconstruction projects funded by the HKSAR. The Hong Kong side may also organize inspections, at regular or irregular intervals, on the related data and information of the projects, and may conduct on-site inspections to check on the progress, quality of the materials used as well as the use of the allocated funds, to ensure that the projects are implemented according to standards. The Sichuan side should provide relevant documents, such as report by an independent certification body, report by supervision agent, works report (the contents of which include construction progress, quality of works, financial status, works safety, environmental impact, etc.) as well as drawings showing completion of works at various stages and site photos, notes of meetings and records of test, as proof and reference.

### **Project Supervision Framework**

11. The overall implementation and monitoring of the reconstruction projects supported by HKSAR falls on relevant bureaux. For the implementation of works, the Development Bureau will provide technical support to other bureaux. As the monitoring of works quality is of utmost importance and that there are many reconstruction projects supported by HKSAR, the workload of on-site inspection is very heavy. On top of additional civil service staff, the Development Bureau will commission "**independent professional consultants**" with extensive experience in monitoring and checking Mainland works projects to assist in carrying out site inspections. The consultants will conduct on-site checking of the progress of works, quality and use of funds at important stages, such as construction of foundation and structures as well as the completion of project milestones. The service also includes vetting of documents on quality management provided by the Sichuan side. To apply the "Government-led, full community involvement" principle, the "Hong Kong Construction Sector 5.12 Reconstruction Joint Conference" and other volunteer professionals from the construction industry, as well as other professional bodies/volunteers may also participate in monitoring of the reconstruction projects supported by HKSAR.

*(Source: Enclosure to FCR(2008-09)66)*

## HKSAR Government's post-quake reconstruction support work in Sichuan

## List of relevant papers

| Date         | Meeting                                                                                                                                                                | References                                                                                                                                                                                                                                                                                                                                                                        |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14 May 2008  | The Finance Committee discussed with the Administration on the supplementary provision of \$350 million to enable an injection to be made to the Disaster Relief Fund. | Information paper<br><a href="http://www.legco.gov.hk/yr07-08/english/fc/fc/papers/f08-15e.pdf">http://www.legco.gov.hk/yr07-08/english/fc/fc/papers/f08-15e.pdf</a><br><br>Minutes of meeting<br><a href="http://www.legco.gov.hk/yr07-08/english/fc/fc/minutes/fc080514.pdf">http://www.legco.gov.hk/yr07-08/english/fc/fc/minutes/fc080514.pdf</a>                             |
| 14 July 2008 | The Administration briefed the Finance Committee on its plan to participate in the reconstruction work in Sichuan.                                                     | Information paper<br><a href="http://www.legco.gov.hk/yr07-08/english/fc/fc/papers/fc0714fc-112-e.pdf">http://www.legco.gov.hk/yr07-08/english/fc/fc/papers/fc0714fc-112-e.pdf</a><br><br>Verbatim record of proceedings<br><a href="http://www.legco.gov.hk/yr07-08/chinese/fc/fc/minutes/fc080714a.pdf">http://www.legco.gov.hk/yr07-08/chinese/fc/fc/minutes/fc080714a.pdf</a> |
| 18 July 2008 | The Finance Committee discussed with the Administration on the subject of "Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas".          | Information paper<br><a href="http://www.legco.gov.hk/yr07-08/english/fc/fc/papers/f08-40e.pdf">http://www.legco.gov.hk/yr07-08/english/fc/fc/papers/f08-40e.pdf</a><br><br>Minutes of meeting<br><a href="http://www.legco.gov.hk/yr07-08/english/fc/fc/minutes/fc080718.pdf">http://www.legco.gov.hk/yr07-08/english/fc/fc/minutes/fc080718.pdf</a>                             |



| <b>Date</b>      | <b>Meeting</b>                                                                                                                                                                                     | <b>References</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 28 October 2008  | The Panel on Development discussed with the Administration on "Hong Kong Special Administrative Region's post-quake reconstruction support work in Sichuan".                                       | Information paper<br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev1028cb1-112-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev1028cb1-112-1-e.pdf</a><br><br>Minutes of meeting<br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20081028.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20081028.pdf</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 22 December 2008 | Press release of the Administration entitled "Government approved the first stage Sichuan Reconstruction Trust Fund NGO projects"                                                                  | Website<br><a href="http://www.info.gov.hk/gia/general/200812/22/P200812220267.htm">http://www.info.gov.hk/gia/general/200812/22/P200812220267.htm</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3 February 2009  | The Panel on Development discussed with the Administration on "Hong Kong Special Administrative Region's second stage work in support of reconstruction in the Sichuan earthquake stricken areas". | Information paper<br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-660-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-660-1-e.pdf</a><br><br>Follow-up papers<br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-851-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-851-1-e.pdf</a><br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-1486-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-1486-1-e.pdf</a><br><br>Background brief<br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-660-2-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0203cb1-660-2-e.pdf</a><br><br>Minutes of meeting<br><a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090203.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090203.pdf</a> |

| <b>Date</b>      | <b>Meeting</b>                                                                                                                                                                                                                         | <b>References</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 February 2009 | The Finance Committee discussed with the Administration on the subject of "Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas".                                                                          | <p>Information paper<br/> <a href="http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f08-66e.pdf">http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f08-66e.pdf</a></p> <p>Minutes of meeting<br/> <a href="http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090220.pdf">http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090220.pdf</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 18 June 2009     | The Panel on Development discussed with the Administration on "Progress report on Hong Kong Special Administrative Region's work in support of reconstruction in the Sichuan earthquake stricken areas and third stage work proposal". | <p>Information paper<br/> <a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0618cb1-1927-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0618cb1-1927-1-e.pdf</a></p> <p>Follow-up papers<br/> <a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0618cb1-2106-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0618cb1-2106-1-e.pdf</a><br/> <a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0618cb1-2111-1-e.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/papers/dev0618cb1-2111-1-e.pdf</a></p> <p>Minutes of meeting<br/> <a href="http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090618.pdf">http://www.legco.gov.hk/yr08-09/english/panels/dev/minutes/dev20090618.pdf</a></p> |
| 3 July 2009      | The Finance Committee discussed with the Administration on the subject of "Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas".                                                                          | <p>Information paper<br/> <a href="http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f09-32e.pdf">http://www.legco.gov.hk/yr08-09/english/fc/fc/papers/f09-32e.pdf</a></p> <p>Minutes of meeting<br/> <a href="http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090703a.pdf">http://www.legco.gov.hk/yr08-09/english/fc/fc/minutes/fc20090703a.pdf</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                   |