

Trust fund in support of Sichuan reconstruction proposed

In a paper submitted to the Finance Committee of the Legislative Council today (July 16), the Administration proposes to create a new commitment of \$2 billion for injection into the "Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas" ("The Fund"), as the HKSARG's financial commitment to the reconstruction support work at the initial stage.

The Fund will be set up under the Secretary for Home Affairs Incorporated Ordinance (Cap. 1044) as a vehicle to receive government funding and public donation.

The Sichuan Wenchuan massive earthquake affected more than 46.24 million people and the hard-hit areas amounted to 125,000 square kilometres. According to the Sichuan Provincial Government, the financial expenditure involved for reconstruction of quake-hit areas is roughly estimated to be over RMB1,000 billion.

A spokesman for the HKSARG said: "Taking into account the overall expenditure required for the reconstruction work, the proposed mode of HKSAR's participation in the reconstruction work and the government's affordability, and on the prerequisite that our work to improve Hong Kong's economy and livelihood will not be affected, we have proposed to the Finance Committee to create the financial commitment of \$2 billion. Our preliminary assessment is that the overall commitment should not exceed \$10 billion and the commitment will be reduced correspondingly after off-setting donation from the public.

"We will follow a government-led, full community involvement approach in consolidating efforts of different sectors of the community to support the post-quake reconstruction," added the spokesman.

The Steering Committee on the HKSAR's Support for Reconstruction in the Sichuan Earthquake Stricken Areas (the Steering Committee), chaired by the Chief Secretary for Administration, oversees and co-ordinates HKSARG's efforts in support of the reconstruction of the quake stricken areas, including deciding on the policies and mode of operation relating to the release of funds under the Fund, resolving on the actual amount allocated to the subsidised bodies and monitoring the use of funds.

Five working groups dedicated to the specific areas of work, including

Reconstruction Works; Medical, Health, Hygiene and Rehabilitation Services; Home Affairs; Social Work; and Education and Training, will be set up under the Steering Committee.

To ensure efficient coordination of the reconstruction support work, the HKSARG and the Sichuan Provincial Government will set up a "Hong Kong - Sichuan Liaison and Coordination Group on Post-quake Reconstruction" to take forward implementation of the concrete post-quake reconstruction work items.

"We will submit regular reports to the Legislative Council on the progress of the reconstruction work items supported by HKSAR and the operation of the Fund. Besides, the Fund's audited statement of accounts will be incorporated in the annual audited statement of accounts of the Secretary for Home Affairs Incorporated and will be laid upon the table of the Legislative Council," said the spokesman.

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