

District Council Paper

Implementation of Signature Projects Scheme

Purpose

This paper introduces the Signature Projects Scheme (SPS) and provides guidelines on its operation.

Background

2. The Chief Executive has announced on 16 January 2013 in the Policy Address to enhance the District Administration Scheme by introducing the SPS. Under the scheme, a one-off allocation of \$100 million will be earmarked for each district to support District Councils (DCs) in implementing SPS projects.

Objective and Nature

3. The objective of the SPS is mainly to provide a larger amount of resources to DCs for implementing large-scale and sustainable projects to address the needs of the districts. SPS projects may include works and/or non-works components which should bring a visible and lasting impact on the districts. The projects should be commenced and even accomplished within the current DC term as far as practicable.

4. If the SPS projects involve both works and non-works components, consideration should be given to including community involvement activities when implemented. For non-works projects, consideration may be given to organising trial and/or pilot services, etc to meet district needs.

5. The initiation, planning, selection of partner organisations (if applicable), delivery, promotion and publicity as well as monitoring of all SPS projects are to be undertaken by DCs. All SPS projects require the

funding approval from the Finance Committee (FC) of the Legislative Council (LegCo).

Resources

6. SPS projects must be of a considerable scale. Each project will be subject to an upper limit of \$100 million and a lower limit of \$30 million. Capital costs, consultants' fees, works contingency, expenses for community involvement activities (if applicable) as well as expenditure on manpower, promotion and publicity for project delivery, etc. are inclusive. Each district can use the allocation to implement one to two SPS projects. In addition, \$200 million will be reserved for the Home Affairs Department (HAD) for conducting the necessary preliminary studies and employing NCSC staff to undertake preparatory and supporting work for DCs prior to seeking funding approval from FC of the LegCo.

Partner

7. DCs may partner with non-profit-making organisations (NPOs), the business sector or statutory bodies to deliver the signature projects. We encourage partnership with NPOs, the business sector or statutory bodies for the following reasons:

- (a) Organisations outside the Government may bring in more ideas, hence instilling a greater degree of creativity and flexibility in project design;
- (b) Some organisations may have the capability to sustain the projects.

8. If DCs decide to identify an NPO, a business organisation or a statutory body as their partner, they should do so in a transparent and fair manner. If the completed facility will be managed by these organisations, DCs should introduce a system to ensure its effective operation. DCs should also put in place a control and monitoring mechanism to ensure that the projects partnered with or delivered by these organisations will be sustainable, transparent and that public funds

are used properly. If a business organisation is interested in partnering with DCs to deliver a SPS project, it should first form an NPO to ensure independent management and accounts. The organisation must also ensure that the earnings arising from the operation of the project (including the completed facility) will be ploughed back to the project in accordance with the objective(s) stated in the project proposal to sustain its operation. DCs should also put in place an appropriate mechanism for financial arrangements and delineate clearly the responsibilities of the NPOs, the business organisations, the statutory bodies, the Government and DCs.

9. Some facilities of the SPS projects would more appropriately be built and managed by government departments. DCs may need to partner with the relevant government departments which will then serve as the delivery agents of the projects.

Consultation and Funding Procedures

10. Details of the SPS projects would need to be presented to the Financial Services and the Treasury Bureau (FSTB) for vetting and formal clearance as well as the relevant LegCo Panels for consultation before the funding application procedures commence.

Works Projects

11. Funding applications for SPS projects would be processed in accordance with relevant procedures of the LegCo. Individual works projects would need to comply with the prevailing Capital Works Reserve Fund (CWRF) requirements in project planning and implementation (including the preparation of the Project Definition Statements (PDS) and the Technical Feasibility Statements (TFS)), and be submitted to the Public Works Sub-committee (PWSC) and FC for funding approval according to the normal capital works procedures of the LegCo. For budgetary purpose, sufficient provision (e.g. 15-20%) should be earmarked based on the nature of the works projects for contingency, such as payment of expenses for variation orders which are not uncommon in works projects. In addition, it is suggested that an appropriate sum (e.g. 10%) should be earmarked for related community

involvement activities, promotion and publicity, etc.

Non-works Projects

12. Under the prevailing policies and procedures, non-works projects exceeding the ceiling of \$10 million set by the LegCo are required to be submitted to FC of the LegCo for approval. The allocation will also be put under the non-recurrent commitments of the General Revenue Account.

13. DCs should decide on the SPS projects by 31 March 2013 to facilitate the conduct of preliminary studies and employment of NCSC staff for the preparatory work, with a view to getting funding approval from the LegCo as early as practicable. Each District Office (DO), in consultation with the respective DC, has to make two rounds of submission to HAD which would then process the proposal with assistance from the relevant bureaux and departments as and when necessary. In the first round of submission, the DO assists the DC in formulating the proposal in broad terms without going into details. For the second round of submission, it should be ensured that the proposal is mature enough for detailed investigation and planning for implementation. For the works component, completion of the PDS and TFS, among others, is required. For the non-works component, preparation of a detailed proposal covering the project idea, financial arrangements, implementation details and social benefits, among others, is required. The DCs will then seek funding approval from PWSC and/or FC of the LegCo as appropriate. Depending on the nature of the project, Chairman and/or members of the DC and representatives of the partners may be invited to attend meetings of the relevant LegCo Panels, PWSC and FC to present details of the projects and answer questions from LegCo members.

Monitoring

14. DCs should make every effort to monitor the progress, implementation, finance and outcome of the SPS project. DCs may consider forming a dedicated committee, or task the District Facilities Management Committee or its relevant committee to monitor the

implementation of the project, depending on the nature of the project. The DC should also scrutinise the regular reports and final report on the SPS projects, and conduct site visits. The HAD will set up a SPS Steering Committee to oversee closely the progress of implementation of the projects by the 18 districts and provide assistance as appropriate.

Operation Guidelines

15. The HAD has formulated detailed operation guidelines on the SPS. The gist of the guidelines is at the Annex.

Advice Sought

16. DC Members are invited to note the SPS and relevant guidelines.

Home Affairs Department
January 2013

Guidelines on the Signature Projects Scheme

Preamble

The stakeholders of the Signature Projects Scheme (SPS) and their respective major functions are set out as follows:

- (a) District Councils (DCs) – initiate project proposals and advise on whether the SPS projects should be delivered by non-profit-making organisations (NPOs), business organisations, statutory bodies or government departments. It may also partner with NPOs, business organisations, statutory bodies or government departments to deliver a project. DCs are responsible for consulting the stakeholders on project proposals, addressing the stakeholders’ concerns and obtaining their support, monitoring project implementation, and evaluating the effectiveness of the projects.
- (b) District Officers (DOs) – assist DCs in formulating detailed project proposals, conducting relevant consultation, resolving relevant technical and procedural matters, seeking funding approval from the Legislative Council (LegCo) in conjunction with the Home Affairs Department Headquarters (HAD HQs), implementing the projects, following up with project implementation and evaluating the effectiveness of the projects.
- (c) Director of Home Affairs (DHA) – serves as the Vote Controller of the SPS and oversees the implementation of the SPS.
- (d) HAD central team and relevant government departments – provide technical advice to DCs and DOs on SPS projects.
- (e) NPOs, business organisations, government departments and statutory bodies –

- (i) for works projects, assume the role of works agent, and/or undertake the maintenance, management and operation of the completed projects, depending on the project nature and agreement; and/or
 - (ii) for non-works projects, assume the role of delivering agent, and/or undertake the management and operation of the project, depending on project nature and agreement.
- (f) The SPS Steering Committee – oversees the SPS projects of the 18 districts and deals with project issues that are more difficult to resolve.

Project Inception

(A) Number, scope and nature of projects

2. DCs may consider carrying out one or two SPS project(s) with the funding, and draw up the scope and proposals. In identifying the projects, they should consider if the projects will address the needs of the districts and bring visible and long-term benefits. They should also consider if the projects will be large-scale, sustainable and effectively operated and managed. A project may include both works and non-works components, or be a purely non-works project. The projects should begin as soon as practicable, and be commenced or even accomplished within the current DC term as far as practicable.

3. DCs should decide on the SPS projects, if possible, on or before 31 March 2013, so as to facilitate the conduct of preliminary studies and employment of non-civil service contract (NCSC) staff for the preparatory and supporting work with a view to seeking funding approval from the LegCo as early as possible. The District Office, in consultation with the respective DC, should submit the proposal to HAD HQs, which would then process the proposal with the assistance from the relevant bureaux and departments as and when necessary. The first round submission aims to assist the DCs in formulating a broad proposal without going into details. For the second round submission, it should be ensured that the proposal is mature enough for detailed investigation

and planning for implementation.

(B) Partnership

4. DC may partner with NPOs, business organisations, statutory bodies or government departments to deliver a SPS project.

5. If the DC advises to partner with an NPO in delivering an SPS project, the selection process should be fair and transparent. In addition to the relevant government financial circulars, the DC should draw reference to the following criteria when selecting an NPO. The DC may advise on the inclusion of other criteria and adjustment of weighting where appropriate. However, any additional criteria should not take up more than 20% of the total weighting and each criterion should be given not less than 10% of the total weighting:–

(a) Technical capability of NPO	20%
(b) Financial capability of NPO	20%
(c) Management capability of NPO	20%
(d) Relevant experience of NPO	20%
(e) Intended commitment (manpower, funding, expertise) of NPO	20%
<hr/> Total	<hr/> 100%

6. In general, a selected NPO should be an approved charitable institution/trust of a public character under section 88 of the Inland Revenue Ordinance (Cap. 112). Interested organisations that have formally submitted an application to the Inland Revenue Department are also eligible. However, such organisations should have obtained the above-said charitable status before submitting the second round proposal on the project.

7. The DC should task an appropriate committee or form a Vetting Committee to evaluate applications from NPOs according to the agreed criteria, and make recommendation on the selection of application for approval by the Vote Controller of the SPS (i.e. DHA). If a Vetting Committee is to be formed, it should preferably be led by the DC Chairman with members comprising DC members, the DO and other

relevant official members.

8. If a DC advises to partner with the business sector, the relevant business organisation should first form an NPO with independent management and accounts, which meets the eligibility criteria in paragraph 6 above, before entering into partnership with the DC on the project. The organisation should also ensure that the earnings arising from the operation of the project be ploughed back to the project in accordance with the objective(s) stated in the project proposal.

9. If a DC advises to partner with a statutory body, the proposal should be permissible under the enabling Ordinance of the relevant statutory body. If possible, the statutory body should first form an NPO with independent management and accounts, which meets the eligibility criteria in paragraph 6 above. The statutory body should also ensure that the earnings arising from the operation of the project be ploughed back to the project in accordance with the objective(s) stated in the project proposal. If an NPO cannot be formed, it should be ensured that the statutory body would keep separate books of accounts and records for the project for auditing and inspection.

10. Where appropriate, DC may advise to partner with government departments to deliver, manage and/or maintain the project.

Engaging Consultant

11. If a DC advises to implement the project through employment of consultant and/or contractor, the HAD central team must be informed early so as to provide the necessary support, e.g. funding application for employment of consultant.

12. Consultants for the works components of the SPS projects delivered by government departments should be appointed from the Lists of Consultants maintained by Architectural and Associated Consultants Selection Board (AACSB) or Engineering and Associated Consultants Selection Board (EACSB), as appropriate, following Handbooks issued by the two Selection Boards.

13. For both works and non-works projects, departments should

follow the Stores and Procurement Regulations (SPR) 280 to 290 for consultancy with a value of \$1.43 million or less, and Chapter IV of the SPR for those above \$1.43 million. For works projects, contractors should be appointed from the Lists of Approved Contractors maintained by the Development Bureau (DEVB) or relevant works departments.

Funding Arrangements

(A) Capital/Non-recurrent provision

14. Funding for the works components of the projects will come from the Capital Works Reserve Fund (CWRF), while funding for the non-works components will come from the General Revenue Account (GRA). The allocation would be as follows:–

- (a) \$1,800 million will be reserved for 18 districts (\$100 million for each district) to expend on the project cost, including the expenditure for capital and/or non-works items; manpower; and if necessary, costs for operation and maintenance by the NPOs for the first two years after project commissioning, which should not exceed 5% of the project cost (details are in paragraph 18 below); and
- (b) \$200 million will be centrally reserved for -
 - (i) preliminary studies for works and/or non-works components which may be required by DCs/DOs prior to seeking Finance Committee (FC)'s funding approval during proposal stage;
 - (ii) employing NCSC staff in District Offices prior to seeking FC's funding approval;
 - (iii) strengthening the central team to be established at HAD to process works proposals and provide technical support on the implementation for works projects;
 - (iv) employing NCSC staff or consultants to process non-works proposals and provide support on the implementation for non-works projects; and
 - (v) public engagement activities to be co-ordinated by HAD such as promotional and publicity activities to encourage

public participation in the projects, so as to highlight the benefits of the SPS to the community.

15. SPS projects will need to be submitted to the relevant LegCo Panels for consultation before seeking funding approval from the Public Works Sub-committee (PWSC) and/or FC of the LegCo where appropriate. While DOs will take the lead in consulting the relevant LegCo Panels prior to submission to PWSC and/or FC, representatives from DCs and NPOs/business organisations/statutory bodies may be invited to attend the relevant LegCo meetings on a need basis.

16. HAD plans to seek funding approval from FC of the LegCo in the first half of 2013 for the \$200 million stated in paragraph 14(b) above. In respect of the preliminary studies for works-related SPS projects prior to funding approval of individual projects by FC, all expenditures can be charged to the \$200 million reserved, subject to prior consent of HAD. Similarly, all expenditures for preliminary studies for non-works projects prior to funding approval by FC can be charged to the \$200 million reserved, subject to prior consent of HAD. The Secretary for Financial Services and the Treasury has the delegated authority to create non-recurrent commitments and approve non-works projects up to \$10 million each, above which FC approval will be needed. The costs for employment of NCSC staff by DOs and/or government departments and other expenditures for the implementation of the projects after funding approval by FC will be charged to the \$100 million reserved for each district under the SPS.

(B) Recurrent provision

17. To ensure that SPS projects would be sustainable in the long run, DCs are advised to, as far as practicable, consider projects that have the propensity to generate revenue, and identify partners who will be able to operate the projects and/or bear the recurrent consequences of completed projects in the long run.

18. On a need basis and on the prerequisite that a project is projected to become self-sustainable only after some initial years of operation, a sum of not more than 5% of the project cost can be set aside out of the

\$100 million reserved for each district. The fund can be used on a one-off basis to subsidise the start-up, operation, management and/or maintenance of the project for up to a maximum of two years after project commissioning. The relevant requirement should be included in the funding application to PWSC/FC. The arrangement, however, is not applicable to SPS projects undertaken by government departments.

19. For works projects or components delivered by government departments, consultation with LegCo Panels and submissions to PWSC and FC should be made only after the relevant recurrent consequences have been agreed by FSTB. Subject to FC's approval, the relevant management/maintenance department may apply to FSTB for release of the associated recurrent costs after commissioning of the project.

(C) *Donation and sponsorship*

20. HAD will, in consultation with relevant departments, formulate detailed guidelines on receipt of donations and/or sponsorships for projects delivered in partnership with NPOs/business organisations/statutory bodies.

Implementation and Approval Procedures

(A) *Preparation of proposal*

21. To ensure smooth implementation and attainment of the expected benefits of the SPS projects, DCs, upon deciding on the project idea, should prepare a preliminary proposal setting out the framework of the projects, e.g. project scope, partners, estimated costs and implementation time frame, for submission to HAD before 31 March 2013.

22. Where necessary, DOs, in consultation with DCs, may propose to seek funding out of the \$200 million allocation to engage consultant for preliminary study to facilitate preparation of the proposal for submission to HAD and FSTB. Upon approval by FSTB, funding approval will be sought from the LegCo.

23. Authority for approval of funds for engagement of consultants will follow the same arrangement as that under the existing block allocations of HAD. When preparing for the proposals for SPS projects, the lead time required to commence the projects and the staff resources especially those for managing consultants should be taken into account.

24. DCs may task an appropriate committee or form a Vetting Committee to evaluate applications from interested organisations or bodies and make recommendations on the selection of partners for approval by DHA in the second round submission.

(B) Detailed proposal

25. Upon completion of the above, a detailed proposal to take the project forward should be prepared, covering the following areas having regard to the nature of the project:–

- (a) The proposed project:
 - (i) Detailed project plan and description;
 - (ii) Objective(s) of the proposal and achievements expected;
 - (iii) Design concept or idea;
 - (iv) Compliance with relevant regulations and requirements;
and
 - (v) Detailed technical statements for works/non-works components;
- (b) Financial arrangement:
 - (i) Estimated project cost;
 - (ii) Other sources of income (if applicable);

- (iii) Financial viability, e.g. business operation plan, income and expenditure estimates, and cost control measures, etc; and
 - (iv) Overall assessment of the financial viability and sustainability of the project;
- (c) Project implementation details:
 - (i) Delivery mode;
 - (ii) Technical feasibility;
 - (iii) Project implementation timetable;
 - (iv) Relevant declarations; and
 - (v) Monitoring and evaluation mechanism;
- (d) Social benefit:
 - (i) Social value of the project (both quantitative and qualitative); and
- (e) The NPO/business organisation/statutory body selected based on the criteria mentioned in paragraph 5 above.

For projects with works components, the detailed proposal should include a Technical Feasibility Statement (TFS), which should cover the above information and any other items as required for a TFS.

(C) Project Definition Statements and Technical Feasibility Statements

26. For SPS projects with works components, they should comply with the prevailing CWRP requirements in project planning and implementation (including the preparation of Project Definition Statement (PDS) and TFS). The due process to confirm the technical feasibility on a prima facie basis and get approval from the relevant government

bureaux/departments as in the case of Public Works Programme items should be completed. In this connection, reference should be made to Financial Circular No. 4/2012.

27. While relevant government departments would prepare PDS and TFS for works projects to be delivered by them, for works projects involving NPOs, business organisations and statutory bodies, the PDS should be prepared by DOs. The TFS should be prepared by the relevant government department for approval by DEVB. Where appropriate, the relevant bureaux and government departments must be committed to taking up the respective roles as the policy bureau, client department and works department. During project implementation, DCs may engage relevant departments for technical guidance or professional advice.

(D) Detailed Design and Construction

28. After a proposal has been approved by DHA and the TFS approved by DEVB, the DO may sign a Memorandum of Understanding (MoU) with the selected partner organisation. The MoU is to give the selected partner organisation the needed certainty that the project will proceed subject to FC's funding approval. The selected partner organisation may then engage its own consultants for detailed design at its own expense prior to the submission to PWSC/FC. If the DO decides to engage his own consultant for detailed design, he may do so and the authority for approval of funds would follow the same arrangement as outlined in paragraph 23 above.

29. After PWSC/FC's approval, the DO should sign a formal agreement with the selected partner organisation. The partner organisation may provide staff to work alongside the DO's staff in implementing the project. The staff cost can be met within the \$100 million allocation for each district.

30. DCs should regularly monitor and review the effectiveness of project implementation, and devise suitable performance indicators in this regard, e.g. the milestone reached, the amount of funds disbursed and the administrative costs expended, etc.

31. For mixed works and non-works projects, the requirements set out in paragraphs 26 and 27 above also apply to the works components of the projects. For non-works components of the projects costing \$10 million or less, a submission should be made to FSTB. If the non-works components exceed \$10 million, a submission should be made separately to FC.

32. For purely non-works projects, detailed proposals will be submitted to FC for approval without going through PWSC. Should preliminary studies be required before the proposals are ready for submission to FC, the costs for these studies will be charged to the \$200 million set out in paragraph 14(b) above.

33. For all projects which require approval from PWSC/FC, prior consultation with relevant LegCo Panels is required.

34. Any variations or fine-tuning of project proposals during project implementation must be within the scope approved by FC. Any major change in scope approved by FC must be endorsed again by FC.

Management and Maintenance

35. For projects with works components to be managed and maintained by government departments, the management and maintenance responsibilities should be agreed upon by the bureaux and departments concerned and the necessary recurrent expenditure approved by FSTB well before consulting LegCo Panels and making submission to PWSC and/or FC.

36. Where necessary, the partner organisations, which will operate, manage and/or maintain the project after its commissioning may apply for funding to meet initial start-up costs and recurrent consequences for up to two years after project commissioning (see paragraph 18 above). The relevant requirement should be included in the submission to PWSC/FC. Where the project is to be operated, managed and maintained by a government department, an application should be made to FSTB for the provision of the agreed recurrent expenditure.

37. For non-works components of the projects, the allocation should be one-off and time-limited, and any associated management responsibilities should not incur any long-term recurrent consequences.

Administrative and Financial Arrangements

(A) The need for an agreement

38. While agreements between DOs and their partners can be renewed regularly or on a need basis, DOs will reserve the right not to renew the agreements upon expiry. As a term in the agreement, the partner organisation must be required to submit progress reports and audited accounts of the funds expended on the project at stipulated time points. The agreement should also include relevant terms governing the repossession of the project site when deemed necessary by the DO on advice of the DC.

(B) Procurement of goods and services

39. Procurement of equipment, goods or services made by DOs on advice of DCs should be governed by SPR unless separate approval/exemption from FSTB under the SPR has been sought. The procurement should be made on an open and competitive basis and only from suppliers who are not their associates or associated persons, unless FSTB has otherwise approved in writing. The partner organisations are required to make a declaration/undertaking with DOs to declare their interests. HAD will prepare guidelines for the NPOs, etc, to follow.

40. Consultants for the works components of the SPS projects should be appointed from the Lists of Consultants maintained by the AACSB or the EACSB as appropriate. Contractors should be appointed from the Lists of Approved Contractors maintained by DEVB.

41. Hiring of NCSC staff should be based on project needs. Parties concerned should observe the principles of openness, fairness and competitiveness when hiring NCSC staff.

42. For non-works components of the projects, DOs and the partner organisations involved should in general make reference to a list of permissible items¹ of expenditure. Expenditure ceiling should be set for certain permissible items, e.g. an amount of not more than 25% of the approved project fund may be used by partner organisations to cover cost for employing project staff. There are also requirements governing invitations for tenders or written quotations in procurement of goods and services. Procurement of non-permissible items of expenditure would be subject to consideration by HAD on a case-by-case basis.

(C) Payment of expenditure

43. Payments to partner organisations for capital expenditures will generally be made on a reimbursement basis. All claims should be supported by invoices, bills or receipts certified by the related organisations, where appropriate. DOs will be responsible for vetting claims and processing payments. Key milestones would be established in the agreements entered into between DOs and the partner organisations to facilitate measurement of the achievements by and subsequent payments to the organisations.

44. If the agreement entered with a partner organisation stipulates that some of the recurrent expenditure and running costs could be covered by the \$100 million funding within the first two years after project commissioning, the payments will be made to the partner organisation on a reimbursement basis at quarterly intervals or according to a schedule as determined by the Government.

45. Similarly, payments to partner organisations for non-works projects will generally be made on a reimbursement basis. All claims should be supported by invoices, bills or receipts certified by the partner organisations and their consultants, where appropriate. HAD will discuss with FSTB and seek its advice on other payment arrangements having regard to the operation needs of the non-works projects. For non-recurrent components implemented by government departments, the

¹ These include employment of project staff; central administrative overheads; procurement of capitalised equipment; hire of transport and venue; procurement of postage and stationery; payment fees to performers; purchase of beverages, light refreshments, souvenirs and prizes; expenses of hiring services from a certified public accountant (practising); hire of contractors for providing services for campaigns organised or sponsored by DCs, etc.

disbursement of funds will be subject to relevant government regulations.

46. HAD will prepare detailed guidelines on payment arrangements under the SPS.

(D) Accounts and operating incomes

47. Business organisations engaged in SPS projects are required to form an NPO with independent management and accounts. Other partnering organisations, such as NPOs and statutory bodies, should maintain separate books of accounts and records for the SPS projects, which shall be available for inspection and auditing. They will also be required to submit bi-monthly progress reports and annual audited accounts for scrutiny.

48. Partner organisations must keep separate interest-bearing Hong Kong Dollar account with a bank licensed in Hong Kong solely and exclusively for processing all receipts and payments of the projects.

49. For projects delivered by partner organisations, all operating income generated from the projects should stay with the project. Any operating surplus arising from the operation of the project should be ploughed back to the project in accordance with the objective(s) stated in the proposal. The relevant provisions should be included in the agreement to be entered with the partner organisations.

50. The partner organisations should identify their own auditors. If the agreement stipulates that the organisations concerned may claim the expenses during the implementation or within two years after project commissioning, the extra cost (in terms of auditors' remuneration) incurred from the auditing of the project may be claimed on a reimbursement basis.

51. If a project ceases operation, the Government reserves the rights for prior claim to any sales or other proceeds arising from its cessation, with the exact amount to be determined up to the maximum level of the total reimbursement made for capital expenditure and recurrent expenditure up to two years after the project comes into operation.

Relevant provisions should be included in the agreements to be entered with the NPOs/business organisations/statutory bodies.

Monitoring and Evaluation Mechanism

52. DHA, as the Vote Controller, has the Authority to monitor and evaluate the projects.

53. DCs and their partners should submit to DHA a master programme and bi-monthly progress reports with reference to the master programme.

54. DCs should monitor the implementation of the projects and the related progress, expenditure and achievements. Partner organisations involved are required to permit DCs, the Government and all persons authorised by the Government at all times to enter the project sites for inspection.

55. The partner organisations should submit to DHA annual evaluation reports, which should contain audited accounts and the Auditor's Reports. In addition, project completion reports with final evaluation should also be submitted to DHA within three months after completion of a project.

56. Where appropriate, a partner organisation should submit a three-year plan for the agreement of the Government at least 12 months before the operation of a relevant project.

57. Where appropriate, the partner organisation should commence operation or service within three months from the completion of the works or facility, unless otherwise approved by the Government in consultation with DC or the Government at its own discretion.

58. Where appropriate, if a partner organisation is not operating a project to the satisfaction of the Government, the Government in consultation with the DC or the Government at its own discretion may request the partner organisation to rectify the situation. In the event that the partner organisation fails to accede to the request, the Government

may terminate the agreement and take re-possession of the project site. In any circumstance, no compensation will be made to the partner organisation. Relevant provisions should be included in the agreement to be entered with the partner organisation.

Home Affairs Department
January 2013