

Typical Factors/Components to be Taken Into Account
in the Assessment Framework for Innovation and Technology Support Programme Projects

Component	Elaboration
<i>(1) Scientific component</i>	
(a) Whether the project pertains to applied research;	Upstream research will not be accorded priority since this is more within the ambit of RGC funding. However, if funding by RGC has taken a project from the stage of foundation research to the stage of applied research, we can consider funding under ITF. This will provide continued support to the R&D activity as well as better interface between the two key funding sources.
(b) Nature of the project – (i) whether it has novelty (global/regional/Hong Kong); (ii) whether it will enhance quality (e.g. capacity, reliability and speed); and (iii) whether it will render cost more competitive;	We will not always require rocket science research, but will consider in the overall sense if the R&D can bring about benefit to Hong Kong.

(2) <i>Technical capability</i>	
<p>(a) Quality of technical submission; and</p> <p>(b) Competence of technical team;</p>	<p>This refers to ability to instil confidence that the applicant and his team will be able to deliver fully on the technical side (e.g. background and experience of the research team and feasibility of the R&D work plan.)</p>
(3) <i>Financial considerations</i>	
<p>(a) Proposed financial contribution to the project cost; and</p>	<p>The minimum remains to be 10% for platform projects and 50% for collaborative projects. But in general, the higher degree of contribution, the stronger industry interest in the project and hence the greater chance of success to commercialisation.</p> <p>Apart from contribution from the industry, we will extend this to other sources such as universities, personal contribution by applicants (i.e. professors), venture capital, charitable organisations, etc.</p>
<p>(b) Quality of financial submission</p>	<p>This refers to whether the budget and project expenditure items are reasonable (e.g. size of the manpower budget and income projection.)</p> <p>Regarding equipment procured under the project, we will take into account expected usage rate, mode of acquisition (purchase vs. rental), future use/divestment (e.g. for teaching/research purposes at universities and shared-use at Science Park.)</p>

(4) Existence of a holistic plan to realisation/commercialisation

To enhance the chance of realisation, the applicant should provide information such as:

- at what stage the R&D project is (from concept inception to realisation);
- future positioning of the technology/product in the market and potential market winner;
- what will be the exact deliverables/milestones (both qualitative and quantitative) and at what time frame;
- whether ITF funding will be required for a further phase of research work;
- whether there are associated/complementary technology development projects which will add to chance of realisation i.e. the proposed cluster project approach; and
- whether there are competitors and analysis of their strengths/weaknesses.

For R&D projects aiming at pilot use in the public sector (e.g. Government departments and quangos), the applicant should where appropriate supply letter(s) of support; plan for trial schemes, etc.

For R&D projects aiming at commercialisation, the applicant should where appropriate supply letter(s) of support from:

- company(ies) interested to license the research outcome for further development; and

- manufacturer(s) interested to produce the product in large scale.

It will not always be necessary to prove that the product will reach the open market. Just pushing it step(s) down the process of realisation will be acceptable.

(5) Relevance with Government policies or in overall interest of the community

Apart from serving the industry, we will be interested in technologies that will dovetail Government policies bringing benefit to the community at large, e.g.:

- R&D that can support important Government initiatives e.g. environmental protection and healthcare;
- R&D that can bring great social benefit e.g. creating devices to help track Alzheimer patients to relieve stress of family members;
- R&D that can contribute to upgrading of industry e.g. cleaner method of production;
- R&D that can provide opportunities for training of local scientific personnel;
- R&D that can foster close collaboration among key stakeholders (官產學研); and
- R&D that can enhance the image of Hong Kong internationally.

For R&D projects that will involve activities/expenditure outside Hong Kong (e.g. the Mainland), the applicant should demonstrate the Hong Kong angle i.e. the benefits that will be enjoyed by the Hong Kong community.

(6) Proposal on IP rights and benefit sharing

Whilst seeking a reasonable financial return from commercialisation, we will allow the necessary flexibility to motivate various stakeholders. In fact, it should be stressed that the ITF is set up to fulfil the public mission of promoting innovation and technology, monetary return is only a secondary consideration.

The applicant will be required to provide information on:

- whether the R&D result will be ‘patentable’ and its plan;
- whether there is any plan for spin off in due course and if so, the details;
- the proposed formula of benefit sharing among all parties concerned (licence fee and royalty), and the likelihood of acceptance by all; and
- whether it will provide the unrestricted use of the technology by Government departments/quangos. This is to avoid ITF funding R&D projects which in the end though successful, are precluded from use by Government due to an unreasonably high price.

<p><i>(7) Management capability</i></p>	<p>This pertains to whether the applicant and his entire ‘backup’ can instil confidence in the ability to bring the whole project to realisation. This is wider than criteria (2) above pertaining to ‘Technical Capability’. Apart from the commitment of the applicant himself, we will be interested in whether he has a wider network of support e.g. Technology Transfer Office of universities and research partners with successful record or good international experience.</p> <p>We will also where appropriate review the track records to see if the applicant has delivered in previous applications.</p>
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