

LCQ15: Research, Academic and Industry Sectors One-plus Scheme

Following is a question by Professor the Hon William Wong and a written reply by the Secretary for Innovation, Technology and Industry, Professor Sun Dong, in the Legislative Council today (November 20):

Question:

On October 18 last year, the Innovation and Technology Commission (ITC) officially launched the Research, Academic and Industry Sectors One-plus Scheme, providing funding support on a matching basis to at least 100 research teams from eight universities funded by the University Grants Committee which had good potential to become successful start-ups. The ITC announced subsequently on September 6 this year the launch of the second round of applications of the Scheme. There are views that quite a number of processes of the Scheme can be enhanced. In this connection, will the Government inform this Council:

- (1) whether the biannual application periods can be regularised to facilitate early preparation by applicants in seeking partnering enterprises and preparing necessary documents before clear deadlines;
- (2) as it has been reported that in the first round of applications of the Scheme, the funding amounts applied for some projects were significantly reduced, making it necessary for the applicants in question to amend their original application forms and re-enter into agreements with their partnering enterprises, whether the authorities have currently allowed sufficient time for applicants to amend their application forms;
- (3) of the authorities' time limit from the completion of application vetting and approval to the disbursement of funding; whether fixed deadlines would be set for vetting and approval as well as funding disbursement, thereby facilitating early arrangement by applicants for project implementation and liaison with partnering enterprises over the timing of fund transfers;
- (4) as it has been reported that while many partnering enterprises of the applicants under the Scheme are of Mainland origin, Mainland enterprises have difficulties in effecting cross-boundary fund transfers, and the 2024 Policy Address has proposed exploring the facilitation of cross-boundary fund transfers by Mainland enterprises settling in the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone, whether the authorities will extend the scope of exploration to include Mainland partnering enterprises of the applicants under the Scheme; and
- (5) as it has been reported that some project applications of the Scheme (e.g. in life science) have a prolonged research cycle which often spans over 10 years or more from conceptualisation to production, especially for those involving pharmaceutical research and development, hence making it difficult

to achieve productisation within the five years' project duration of the Scheme and thus, undermining the chance of successful application for such projects with a long research cycle under the Scheme, whether the authorities will consider drawing up separate terms and conditions for project applications with a prolonged research cycle?

Reply:

President,

Our reply to the question raised by Professor the Hon William Wong is as follows:

(1) The Innovation and Technology Commission (ITC) intends to invite applications twice every 12 months in respect of the Research, Academic and Industry Sectors One-plus (RAISE+) Scheme. With the experience gained from the implementation of the RAISE+ Scheme over the past year, the ITC intends to regularly launch a round of application in September or October each year to enable universities to carry out the preparatory work.

For the other round of application, it will depend on the progress of the follow-up work of the previous round of application as well as factors such as the manpower arrangement of the Secretariat. Should the Secretariat have the capacity to launch another round of application, the ITC will notify the universities of the arrangement as soon as possible so that they can prepare for the applications.

(2) The approved funding amounts for the first round of approved projects were confirmed after the Steering Committee of the RAISE+ Scheme had examined the information provided in the applications of the relevant projects, and taken into account factors such as the financial estimates of the projects, as well as the reasonableness and necessity of the relevant expenditures. These final decisions were also made in adherence to the principle of ensuring the proper use of public funds. For projects approved in the first round, two months were given by the ITC to the universities concerned to revise their original applications, and all the universities were able to submit their revised applications before the deadline. Requests for extra time to revise the original applications will be considered on a discretionary basis by the ITC subject to the actual circumstances and reasons set out by individual universities.

(3) The time between the completion of vetting and allocation of funds varies from case to case, depending on the completeness of the information submitted by the university, accuracy of the team's financial calculations for the project, and whether complicated issues that require further clarification are involved, etc. It is therefore difficult to set a fixed timeframe for the disbursement of funds. In general, if the application and documents submitted by the university are confirmed to be in order and in full compliance with the requirements of the RAISE+ Scheme after vetting, government funding can be disbursed within a short period of time. However, there were a number of first round applications of which the documents submitted by universities did not match the information contained in the applications. Such cases required

additional time for the ITC to communicate with the universities and their teams to clarify the issues and obtain further documents and explanations before the applications can be further processed, which may result in a longer vetting time.

(4) and (5) The RAISE+ Scheme aims to fund, on a matching basis, research teams from universities which have good potential to become successful start ups in order to promote the transformation and commercialisation of excellent deep technology research and development (R&D) outcomes. The ITC welcomes universities and research teams to attract funding from various parties and submit applications for projects in different technology areas. In fact, most of the applications submitted by universities can attract investments from outside Hong Kong (including the Mainland and overseas) with letters of intent for investment signed. In vetting the applications, the Steering Committee of the Scheme will consider not only the potential of the projects but will also suitably take into account the time and cycle(s) required for the projects in different technology areas. Among the first batch of 24 projects which have confirmed their participation in the Scheme, quite a number of them are under the area of life and health technology, including those engaging in the R&D of pharmaceutical products (Note).

As we take forward the RAISE+ Scheme, the ITC will continue to listen to stakeholders' views, consolidate experience and review the relevant arrangements of the Scheme in a timely manner, so as to make the vetting process in the future smoother. The ITC will improve the Scheme and promote collaboration among the industry, academic and research sectors for incentivising universities to transform and commercialise more of their excellent R&D outcomes, thereby promoting the co-ordinated development of the upstream, mid-stream and downstream.

Note: In terms of commercialisation, the RAISE+ Scheme only requires the projects to initiate the commercialisation of R&D outcomes in the second stage, without strictly requiring them to achieve mass production or productisation of the R&D outcomes within five years.