NOTE FOR FINANCE COMMITTEE

E-Textbook Market Development Scheme

PURPOSE

This paper informs Members of the modified implementation details of the E-Textbook Market Development Scheme (EMADS) to be adopted in the second phase to be launched shortly.

BACKGROUND

2.   EMADS aims to encourage potential and aspiring e-textbook developers to develop a diverse range of e-textbooks in line with our local curricula, as well as to facilitate the trying out of a quality vetting and assurance mechanism for e-textbooks with a view to progressively drawing up a full-fledged Recommended Textbook List for e-textbooks similar to that for printed textbooks. All entities whose organisation, enterprise, academic institute or society is registered under the law are eligible to participate in EMADS. To support interested non-profit making developers[1] in entering the e-textbook market, a commitment of $50 million has been created with the approval of the Finance Committee of the Legislative Council vide FCR(2012-13)35 for provision of seeding grants to successful non-profit making applicants under EMADS.

UPDATE OF LATEST SITUATION

3.   Upon the close of the three-month application period on 24 September 2012, the Education Bureau (EDB) received a total of 86 applications for the development of e-textbooks under EMADS. A total of 30 applications were approved in late November 2012. Out of these 30 applications, 20[2] have entered into project agreement including eight applications from four non-profit making applicants and 12 applications from six other applicants.

4.   The 20 approved applications cover 16 subject sets[3] out of the 32 subject sets originally intended by FCR(2012-13)35 as shown in Enclosure 1.

Encl. 1

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[1] Non-profit making organisations refer to approved charitable institutions or trusts of a public character exempted from tax under section 88 of the Inland Revenue Ordinance (Cap. 112).

[2] Excluding seven approved applications which have been subsequently withdrawn out of business consideration (including four from non-profit-making applicants and three from other applicants) and three approved applications from other applicants from which confirmation on the signing of the project agreement is still pending.

[3] One subject for one key stage constitutes one subject set.

Of the 20 successful applications, 15 cover subject sets at the primary level and five cover subject sets at the junior secondary level. As part of the quality assurance process, these e-textbooks are being tried out by partner primary and secondary schools for a period of around 15 months until the first quarter of 2014.

5.   The feedback so far collected from participating schools is positive. Teachers and students consider that e-textbooks contribute to promoting better learning and teaching in classrooms, enhancing students' interest in learning and facilitating interaction between teachers and students and among the students.

LAUNCH OF SECOND PHASE OF THE EMADS

6.   As stated in FCR(2012-13)35, EMADS is intended to cover a total of 32 subject sets in Key Stage 1 (lower primary), Key Stage 2 (upper primary) and Key Stage 3 (junior secondary). At present, the 20 approved e-textbook projects only cover 16 subject sets. Having consulted the Steering Committee of EMADS (terms of reference and membership at Enclosure 2), we will launch the second phase of EMADS (applications to be invited in early August 2013) with a view to covering more subjects (especially those without any approved application in the first phase such as Science, History and Computer Literacy) and drawing in more potential players. Similar as the first phase, the e-textbooks developed under the second phase will undergo field-testing in partner schools for about 10 hours so as to better test out the quality vetting and assurance mechanism for e-textbooks.

Encl. 2

7.   Having the above objectives in mind, some of the implementation details of the second phase of EMADS will be modified with reasons as follows –

(a)   Key Stage 4 (senior secondary) was not covered when the EMADS was first launched because the New Senior Secondary (NSS) school curriculum was still in its initial stage of implementation at the time (see paragraph 5 of FCR(2012-13)35). Since the NSS curriculum and assessment has completed the first phase of review, we will extend EMADS to cover six NSS subjects with more stable curricula[4].

(b)   In the first phase of EMADS, each applicant could submit applications on no more than four subject sets (see paragraph 6 of FCR(2012-13)35). In order to encourage the development of e-textbooks for non-major subjects[5] which took up only 10 of the 20 approved applications in the first phase, we will not set any limit on the number of applications that can be submitted by a single

/applicant …..

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[4] Six NSS Subjects to be covered are English Language, Biology, Chemistry, Physics, Geography and History.

[5] English Language, Chinese Language and Mathematics are major subjects and others are non-major subjects.

applicant on <u>non-major subjects</u> in the second phase. Meanwhile, the limit on major subjects will be maintained. The number of applications that can be submitted by applicants will be counted afresh in the second phase, i.e. an applicant which has submitted four applications in the first phase can submit a maximum of four applications on major subject sets and unlimited number of applications on non-major subject sets in the second phase.

In addition, applicants which have been granted seeding grants for certain subject sets in the first phase should not be provided with grants in those same subject sets again in the second phase.

(c) The initial implementation plan of EMADS was that the Steering Committee would approve no more than two applications for each subject set (see paragraph 10 of FCR(2012-13)35). In light of the need to encourage the development of e-textbooks on non-major subjects, the Steering Committee advised lifting the quota of two approved applications for each non-major subject set and it would exercise its discretion in determining the number of approved applications for the non-major subject sets. The Steering Committee will take into account various factors in determining the number of approved applications for non-major subject sets, including the number of quality applications received, the need to encourage more aspiring developers with good capability to join the e-textbook market, the objective of gearing up a healthier and more sustainable e-textbook market and the need to induce e-textbook developers into developing e-textbooks for non-major subjects.

FINANCIAL IMPLICATIONS

8.   The total amount of seeding grant approved in the first phase is about $19 million. The remaining uncommitted balance of the commitment ($31 million) should be sufficient for providing seeding grant, capped at $4 million per application, to successful non-profit making applicants in the second phase. No additional funding is required.

9.   Members are invited to note this paper.

Education Bureau
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