

**For Information
on 15 March 2011**

Legislative Council Panel on Commerce and Industry

**Progress on Improving the Innovation and Technology Fund
and Promotion of Use of Innovation and Technology in the Public Sector**

PURPOSE

This paper briefs Members on –

- (a) the latest progress on making improvements to the Innovation and Technology Fund (ITF) mechanism; and
- (b) measures taken to promote the use of innovation and technology in the public sector.

BACKGROUND

2. At the Panel meeting on 16 November 2010, Members supported our proposed strategy to provide a more conducive ecological environment to facilitate the realization of Research and Development (R&D) results in Hong Kong. In particular, we would need to make improvements to the scope and processing mechanism of the Innovation and Technology Fund as well as to facilitate greater use of our R&D results in the public sector (including Government departments, public bodies and trade associations).

3. This paper reports progress hitherto.

IMPROVEMENTS TO THE ITF MECHANISM

4. A list of the measures proposed in the last panel paper (ref LC Paper No. CB(1)389/10-11(05)) as well as progress made is as follows :

Proposed Measure	Progress Made
<p>(a) <i>To extend the scope of ITF funding to cover production of tools/prototypes/samples and conducting of trial schemes in the public sector.</i></p>	<p>In progress. However, there are certain technical issues such as which party should bear the liability should problems arise in connection with the prototypes / samples produced and conducting of trial schemes in due course. We are seeking legal advice as well as discussing with public bodies such as the Hospital Authority.</p>
<p>(b) <i>To provide “follow-on” funding</i> so that the applicants can submit a bid for a follow-on of the project provided that the milestones set for the project have been fully met (say, six months before project completion).</p> <p>(c) <i>To extend the scope of ITF to provide synergy and enhance impact</i> by allowing a cluster project funding approach.</p> <p>(d) <i>To refine the current ITF project vetting criteria to give greater emphasis to relevant factors apart from scientific / technical considerations</i> e.g. existence of a holistic plan to realization / commercialization, relevance with Government policies or in overall interest of the community etc.</p> <p>(e) <i>To review the existing industry contribution models</i> so as to encourage a higher level of financial contribution where possible.</p>	<p>Completed. Already incorporated into the ITF mechanism. Before doing so, we have gauged the views of stakeholders as follows :</p> <ul style="list-style-type: none"> - the proposed new ITF form reflecting the changes (as well as the guide to filling in the form) was uploaded to ITC’s website on 31 January 2011 for comment; - we have conducted discussions with organizations/personalities in different sectors (government/industry/academia/research) to solicit their views; - on 18 February 2011, we held a seminar at the Charles K. Kao Auditorium at the Hong Kong Science Park to explain to participants our proposal to create a favourable ecological environment to facilitate the realization of R&D results, the ITF reform and the philosophy behind it, as well as the new ITF application form. The seminar was well attended with a total over 300. <p>Upon collection of all views, we have made further refinements and finalized the relevant documents. On 1 March 2011, the new form as well as the guide were uploaded to ITC’s website. Applications are invited in parallel for the next round of ITF applications. For details please refer to ITF website http://www.itf.gov.hk/1-eng/forms.asp</p>

Proposed Measure	Progress Made
(f) <i>To make greater use of the General Support Programme (GSP) to promote an innovation and technology culture in Hong Kong.</i>	Review of GSP mechanism underway. The current system will be improved to provide greater flexibility and motivate more quality applications. The proposal will be submitted to the General Support Programme Vetting Committee before summer.
(g) <i>To shorten the ITF process.</i>	Will be incorporated under the new system. In future we aim to introduce two rounds of applications each year for non-centre projects (for R&D Centres, applications are received throughout the year). This will improve the current situation to a large extent.
(h) <i>To align the ITF to meet long term development goals.</i>	Already done. For instance, Partner State Key Laboratories (SKLs) will be given higher markings under the assessment criteria ‘Technical Capability’; testing and certification also features prominently in the new ITF application form.
(i) <i>To facilitate negotiations on IP rights and sharing to promote more R&D.</i>	To tackle this complex matter, a Steering Committee on Review of Intellectual Property Issues in the Innovation and Technology Sector has been formed under the chairmanship of Mr Andrew LIAO, QC. The Committee held its first meeting on 21 January 2011. It aims to complete the review around the end of the year.

5. As mentioned above, invitation for applications for next round of ITF projects was launched on 1 March 2011 (closing on 30 April 2011). We will review the situation after the first or second round and make improvements where necessary.

PROMOTION OF USE OF INNOVATION AND TECHNOLOGY IN THE PUBLIC SECTOR

6. In the past months, ITC has organized a series of networking events under different themes to promote co-operation in innovation and technology among the Government, industry, academia and research (官產學研) sectors, in particular with a view to trial use the ‘products’ in Government departments and public bodies in due course.

Examples of such events are at [Annex A](#).

7. At the networking events mentioned above, ITC has encouraged representatives from various sectors to discuss/collaborate on possible R&D projects as well as trial use in the public sector. As a result, a number of projects are currently being explored. Some examples are at Annex B.

Way Forward

8. On the front of making improvements to the ITF mechanism, we will review the situation after the first or second rounds of project invitation to see if improvements need to be made.

9. On the front of promoting the use of innovation and technology in the public sector, we will sort out technical details (e.g. issue of indemnity) as well as further facilitate discussion/ exploration among parties concerned to come up with possible projects bringing benefit to the community.

Innovation and Technology Commission
March 2011

**Examples of Events to Enhance
Use of Innovation & Technology in the Public Sector**

Event	Date	Attendance
Networking Seminar / dinner on “Use of Innovation & Technology in the Healthcare and Welfare Sectors”	7 October 2010	Around 110 including Chairman / Elderly Commission, Chairman / ASTRI, Chairman / Housing Society, CE / Hong Kong Council of Social Service, Commissioner for Rehabilitation, representatives from Housing Authority, Tung Wah Group of Hospitals, Yan Chai Hospitals, Chairman Hong Kong Medical and Healthcare Device Industries Association, universities, R&D Centres, etc.
Site Visit to United Christian Hospital, Hospital Authority	15 November 2010	Around 40 including Member of Legislative Council, Dr Hon Samson Tam, Chairman / Hong Kong Council for Testing and Certification, representatives from HKU, CUHK, HKUST, PolyU and relevant R&D Centres.
Networking Seminar / dinner on “Use of Innovation and Technology in Environmental Protection and Testing”	19 January 2011	Around 110 including Permanent Secretary for Environment, Permanent Secretary for Development (Works), Director of Electrical & Mechanical Services and representatives from Government Logistics Department, Housing Department, Drainage Services Department, InvestHK, universities and R&D Centres.

**Examples of Projects Being
Explored for Use in Public Sector**

Projects being explored by various R&D Centres	Details	Partner organization(s)
<p>ASTRI</p> <p>Handy device for community nurses during home visits</p>	<p>The objective is to facilitate data gathering and wireless communication among community nurses on the road, patients at home and doctors in the hospital.</p> <p>It is hoped that a prototype portable device with wireless communication, data security measures and physiological data gathering capabilities can be developed together with a prototype server to simulate field conditions.</p>	<p>United Christian Hospital of Hospital Authority</p>
<p>LED streetlamp deployment on public roads of Hong Kong</p>	<p>The objective is to adopt new, energy efficient technology in street lighting. LED streetlamps will be tested/evaluated at the depot of HyD.</p>	<p>Highways Department</p>
<p>Ultimate e-Book for e-Learning</p>	<p>The objective is to provide e-learning systems tailored for HK schools.</p> <p>Two winning school clusters (EDB e-learning pilot) have been engaged to provide eLearning total solutions. Pilot production of device samples is aimed by mid 2011. HK eBook specifications will be circulated to publishers for review.</p>	<p>Education Bureau</p>

Projects being explored by various R&D Centres	Details	Partner organization(s)
<p>APAS</p> <p>Modified electric vehicle with enhanced battery management system</p>	<p>The objective is to improve upon the performance of electric vehicles by increasing their range of operation. APAS is modifying one electric vehicle with its battery management system for testing in CSD's facilities.</p>	<p>Correctional Services Department</p>
<p>LSCM</p> <p>E-Lock-based enabling technology for monitoring the container cargo transshipment process</p>	<p>The objective is to enhance customs control security and operations at boundary crossings. User requirement study and analysis has commenced in January. C&ED's e-lock specifications and associated equipment testing needs are being worked upon.</p>	<p>Customs and Excise Department</p>
<p>HKRITA</p> <p>Multi-functional odour-control uniform for Food and Environmental Hygiene Department</p>	<p>The objective is to develop better protective clothing for operational staff of dead removal teams. Multi-function technologies will be applied on uniform of dead removal teams. Important features will include odour-control, anti-bacteria, and water-soil-blood-repellent.</p>	<p>Food and Environmental Hygiene Department, Hong Kong Polytechnic University</p>
<p>NAMI</p> <p>Enhanced ductility and service life of galvanized structural steel members</p>	<p>The objective is to improve upon the properties of galvanized steel through special treatment. Treated galvanized steel samples with enhanced corrosion resistance are being tested at WSD's facilities.</p>	<p>Water Supplies Department</p>