

*Professional Services
Development Assistance Scheme*

Commerce and Economic Development Bureau

The Government of the Hong Kong SAR

Background

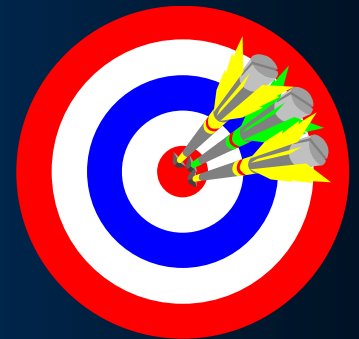
The Scheme:

- **The Chief Executive announced the establishment of the PSDAS in Policy Address, October 2001**
- **Approved by the Legislative Council in January 2002**
- **Launched in February 2002**

Objectives

The Scheme seeks to :

- **increase the external competitiveness of the professional service sector**
- **enhance the standard of professional services.**



Who are eligible?

- **Eligible professional sectors**
- **Eligible projects**
- **Eligible applicants**



Eligible professional service sectors

All those covered by WTO and TDC classifications:

- **Accounting-related services**
- **Legal services**
- **Engineering & infrastructure-related services**
- **Real estate services**
- **Medical & dental services (including Chinese medicine)**

Eligible professional service sectors (cont'd)

- **Veterinary services**
- **Paramedical services**
- **Design (graphic, product, interior and fashion design)**
- **Business consultancy services (including human resource management consultancy services, management consultancy services, information technology consultancy, financial consultancy services, etc)**
- **Waste management & environmental consultancy**

Eligible projects

- **Any projects which seek to achieve the objectives of the Scheme are eligible**
- **Projects must be non-profit-making in nature**
- **Examples: organising seminars, conferences, training courses, research studies and promotional events such as exhibitions**
- **Projects which are receiving or will receive financial support from other Government funding schemes will not be considered**

Ineligible projects

- **Organisation of general skill training courses (e.g. general language courses or software application training courses)**
- **Activities which are readily available in the market**
- **Seminars on general subjects targeting a general audience (e.g. seminars on corporate governance for business executives)**

Ineligible projects (cont'd)

- **Projects which are of a commercial nature, e.g. setting up development of an on-line purchasing system for certain products**
- **Development of an organisation's website**

Eligible Applicants

Any professional bodies, trade and industrial organisations and research institutes which are:

- **registered under the laws of HKSAR; and**
- **non-profit-distributing**

Eligible Applicants (cont'd)

Government-subsidized organisations are eligible but:

- **they must secure at least 10% cash sponsorship from non-subsidized organisations; and**
- **any grant approved must not be used to finance the manpower cost of existing staff**

How much is the grant?

- **We have a total allocation of HK\$100 million**
- **The maximum amount of grant for each project is \$2 million**
- **Given on a dollar-for-dollar matching basis**



General principles in preparing the budget for a project

- **Frugality and economy**
- **The Applicant should contribute as much as possible their existing resources (e.g. existing staff, equipment and newsletters)**
- **The need for each expenditure item should be well justified**

Allowable Costs

- **Costs of additional direct manpower and equipment required directly incurred for implementing the Project**
- **Other direct costs such as expenses for consumables, external consultancy fees, production and promotion costs of for disseminating project results,**
- **Travelling and hotel accommodation expenses of project team members**

Unallowable costs

- **Costs for setting up an office**
- **Entertainment (e.g. meals)**
- **Cash prizes for competitions**
- **Participation fees at study/trade missions for individuals/companies**
- **Cost for purchasing a notebook computer or a video camera for use at a seminar**
- **Any indirect costs**



A note about the matching contribution

- **The applicant has to contribute at least 50% of the project cost**
- **Contribution can be in cash or in kind (e.g. manpower contribution)**



A note about the matching contribution (Cont'd)

- **Expected income derived from the project, for example, sale of project deliverables can be counted as matching contribution, but -**
 - **the fees of these deliverables must be charged on a cost-recovery basis; and**
 - **the estimation must be realistic.**
- **Cash sponsorship from a third party can also be included as matching contribution.**

Disbursement & Reports

- **Grant not exceeding HK\$200,000 or implementation period within 1 year**
 - **one-off lump sum disbursement**
 - **progress report required on a need-basis**

Disbursement & Reports

- **Grant exceeding HK\$200,000 and implementation period exceeding 1 year**
 - **by 2 installments**
 - **progress report and audited account 2 months before the second installment**

Disbursement & Reports (Cont'd)

- **For all projects:**
 - **Project report & final audited account within 3 months from completion of project**



Administrative Details

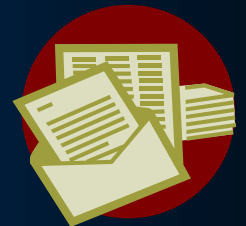
- **Successful applicant is required to sign an Agreement**
- **A separate savings account to handle all transactions in relation to the Project**
- **Residual funds – to be returned to the Government**

Administrative Details (Cont'd)

- **Title to equipment - Normally rests with the applicant**
- **IPR - Owned by the applicant but the Government may exploit the IPRs in any manner provided it is for educational or non-profit-making purpose**

To apply

- **At most 10 applications in each year**
- **Applications submitted by post, in person or email (with e-cert)**
- **Deadline for this round: 30 September 2009**
- **Announcement of results: December 2009**



Application Cycles

Application Period	Tentative Time for Vetting Committee Meeting
July – September 2009	November 2009
October – December 2009	February 2010
January – March 2010	May 2010
April – June 2010	August 2010

Assessment

- **Vetting Committee**
- **Vetting Criteria**

Projects must be non-profit-making in nature. The major assessment criteria are as follows :

✓ *Value of Project*

- **whether the Project has the potential to help increase the competitiveness of the professional service sector(s) concerned in the Mainland or overseas markets, or to enhance the standard of local professional services;**

Assessment (cont'd)

- **whether the result of the Project is of practical use to the professional service sector(s) concerned;**

✓ *Cost-effectiveness*

- **whether the Project can benefit a large number of professionals in the professional service sector(s) concerned or whether the Project can benefit the society significantly through the profession;**
- **whether the cost of the Project is broadly commensurate with the expected results;**

Assessment (cont'd)

✓ *Project Implementation*

- **whether the project management capabilities of the Applicant are good, taking into account the Applicant's experience, qualifications, track record and the resources available for the Project.**
- **whether the implementation schedule of the Project is properly planned;**
- **whether the proposed budget is reasonable and realistic;**

Assessment (cont'd)

- **whether the Project can be completed in 2 years. If not, the Applicant should demonstrate the Project's sustainability upon the cessation of funding support from the scheme;**
- **whether there is/will be any duplication in terms of work of other institutions/organisations;**

Assessment (cont'd)

✓ *Other factors*

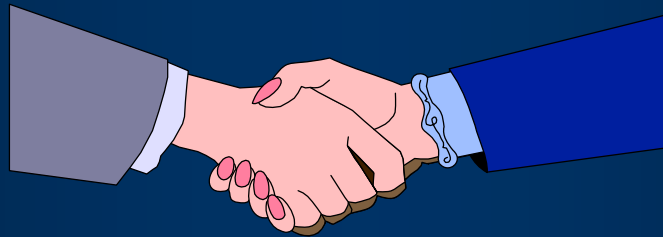
- **whether the Project may be delivered by the Applicant as part of its normal business activities without PSDAS funding; and**
- **in determining the level of funding support for a Project, whether beneficiaries of the Project can reasonably contribute to the cost of the Project.**

Professional Services Development Assistance Scheme

- **PSDAS Website:**
www.cedb.gov.hk/citb/psdas
- **Application Form**
- **Sample Application Form**
- **Application Procedures**
- **Frequently Asked Questions**
- **Information on Approved Projects**

Help Desk Service

- **The Secretariat will provide PSDAS Help Desk Service from now to 30 September 2009**
- **Please call 2918 7593 for any enquiry**



Thank you