

## **CreateSmart Initiative**

### **Frequently Asked Questions (FAQs) for non-design-related projects**

Note: The CreateSmart Initiative accepts applications for both design-related and non-design-related projects. The questions and answers below apply to non-design-related projects; for FAQs of design-related projects, please refer to [CreateSmart Initiative Design Support](#) webpage.

#### **1. What does CreateSmart Initiative (CSI) support?**

The CSI was launched in 2009 to provide funding support to projects conducive to the development of creative industries in Hong Kong. As various funding schemes such as the DesignSmart Initiative (DSI) and the Film Development Fund were already functioning, the CSI excluded applications eligible under those pre-existing schemes to avoid overlap. To rationalise funding arrangements for the creative sector and enable resources to be used in a more co-ordinated manner, the CSI and the DSI were consolidated by phases commencing June 2011, and the Design-Business Collaboration Scheme (DBCS) was placed under the CSI with effect from 24 May 2013. Applications under the DBCS received on or after 24 May 2013 are funded under the CSI.

#### **2. Is there any quota on the number of projects to be supported by CSI?**

There is no such quota. Each application will be assessed on its own merits.

### **3. How to apply?**

For non-design-related projects, applications are made through the computerised application system (<https://www2.createsmart.csi.gov.hk/menu.asp>). Please submit your application by following the instructions set out in the “Guidelines on Application” of the Application Form. For assistance regarding filling in the application form, please contact the CSI Secretariat at (852) 2294 2774.

No application fee will be charged.

### **4. Should the applicant and the proposed project be non-profit making for it to be eligible for application?**

The applicant should normally be a locally registered institution / organization, which include the following: local academic institutes, industry support organizations, trade and industry associations, professional bodies, research institutes and local companies established or incorporated under the Hong Kong laws including the Companies Ordinance (Cap. 32). It should also have substantial connection to Hong Kong, i.e. it must have a significant proportion of its research, design, development, production, management or general activities located in Hong Kong. Although the applicant itself needs not be non-profit making, the proposed project should be essentially non-profit making

### **5. Can a single applicant submit more than one application at any one time?**

There is no restriction on the number of application submitted by an applicant at any one time. In assessing each application, we will consider the capability of the applicant to deploy adequate resources to complete the project, taking into account the number of projects the same applicant is currently undertaking.

**6. What is the funding procedure for applications of non design-related projects under the CSI?**

In general, upon receipt of an application, the Secretariat will first examine the application to determine if the applicants meet the eligibility criteria and whether the information in the application is clear and sufficient. In case more information is required, the Secretariat will request the applicants to provide supplementary information. The applicants should undertake to provide the information as requested by the Secretariat. The applicants run the risk of delay in the processing if they fail to respond promptly.

After screening, the Secretariat will submit the application and recommendations to the CSI Vetting Committee for consideration.

**7. What is the function of the CSI Vetting Committee?**

Comprising professionals, representatives from the private sectors, academics and other relevant members of the public, CSI Vetting Committee assesses applications for projects that are non design-related, makes recommendations, and monitors and reviews approved projects. For the membership list, please refer to CreateSmart Initiative Vetting Committee at:

[http://www.createhk.gov.hk/en/services/files/CSI\\_VetCom\\_e.pdf](http://www.createhk.gov.hk/en/services/files/CSI_VetCom_e.pdf)

**8. What factors will be considered by the CSI Vetting Committee in assessing an application?**

In assessing an application, the CSI Vetting Committee will give due consideration to the following factors wherever applicable:

(a) the potential of the project in promoting and speeding up the development of creative industries in Hong Kong, in fostering a conducive environment in Hong Kong to facilitate creative industries development, and in developing Hong Kong into a regional creative capital;

(b) whether benefits accrued from the project can serve the interests of individual creative sectors or the creative industries as a whole, and not just for the interests of individual private companies or consortia;

(c) whether the project is essentially non-profit making. Special consideration may be given for projects that can ultimately be self-financing;

(d) whether the objectives of the project are in line with our strategic directions to drive the development of the creative industries;

(e) whether there is a genuine need of the project, or value can be added to the project with the CSI funding support;

(f) whether the project is duplicating or likely to duplicate the work carried out by other institutions;

(g) the overall planning, organizational structure and duration of the project;

(h) the capability of the project team, including its expertise, experience, qualifications, track record and resources available for the project;

(i) whether the project is cost-effective and the proposed budget is reasonable and realistic, and whether the project has been funded or should be funded by other sources; and

(j) other special factors which are relevant.

The above assessment criteria are also available at the CSI Guide at [http://www.createhk.gov.hk/en/service\\_createsmart.htm](http://www.createhk.gov.hk/en/service_createsmart.htm).

**9. Can individual companies be taken as target beneficiaries for the proposed project?**

In assessing an application, the CSI Vetting Committee will consider whether benefits accrued from the project can serve the interests of individual creative sectors or the creative industries as a whole, and not just for the interests of individual private companies or consortia.

**10. Can funding support from both CreateHK and other government departments be applied in respect of the same project?**

To avoid double subsidy, project elements which will receive or have received funding from other government sources will not

receive further funding from the CSI.

**11. Is the proposed project required to have secured industrial/commercial sponsorship to help meet part of its expenses?**

Although project applicants are not required under the CSI to have secured industrial/commercial sponsorship to help meet part of their expenses, the availability of such sponsorship can demonstrate industry support to the project and would possibly be a positive factor in getting funding approval from the CSI Vetting Committee. The applicant is required to list in the application form the industrial/commercial sponsorship that it has secured for the project.

**12. What kind of expenses cannot be covered by CSI?**

In general, funds granted should only be used to cover the project-related expenses in accordance with the budget set out in the approved project proposal. In addition, there are some costs that are unallowable for funding under CSI. Please refer to Chapter XI of the CSI Guide at [http://www.createhk.gov.hk/en/service\\_createsmart.htm](http://www.createhk.gov.hk/en/service_createsmart.htm) for more details.

**13. If the application is rejected, can the applicant re-submit the application?**

A declined application may be re-submitted only if it has been

revised substantially or if it has been able to produce additional information to address the comments made by the Assessment Panel of the CSI Vetting Committee in its earlier review. The applicant should set out clearly the differences of the re-submitted application vis-à-vis the previous one. Subject to the circumstances of the case, it will be put up to the Assessment Panel for re-consideration.

**14. Can the applicant submit an application for the re-run of a project which was previously funded by the Design Smart Initiative (DSI) or the CSI?**

To provide flexibility for applicants to develop projects with a longer-term vision for the benefit of the industry, applications for re-run of previous projects are allowed. Such repeated applications however should be submitted on a project-by-project basis, and assessment will be made on individual merit.

That said, repeated projects will normally be subject to a two-control rule, i.e. funding approved has to meet at least one of the following two controls –

(1) funding approved should not exceed the previous funding approved in absolute dollar terms;

(2) funding approved should not exceed the previous funding approved in percentage share of public funding to project cost.

Since a repeated project must have earned the support of industry

lest it will not be repeated, it should have the capability to obtain some financial support from the commercial and industrial sector. We trust that the above controls will help the sustainable development of the project concerned, and at the same time leave more resources for other new projects to benefit the creative sector at large.

*Example :*

*Assuming a CSI-funded “Project 2011” will be re-run in 2012 and this “Project 2012” will seek CSI funding –*

*Scenario 1 – project approved with funding not exceeding the previous funding approved in absolute dollar terms*

Project Title	Total Project Cost	Amount of Sponsorship and Income	Amount of CSI Funding Granted
Project 2011	\$1,500,000	\$500,000	\$1,000,000 (66%)
Project 2012	\$1,400,000	\$450,000	<b>\$950,000 (68%)</b>

*Scenario 2 - project approved with funding not exceeding the previous funding approved in percentage share of public funding to project cost*

Project Title	Total Project Cost	Amount of Sponsorship and	Amount of CSI Funding Granted
---------------	--------------------	---------------------------	-------------------------------



		Income	
Project 2011	\$1,500,000	\$300,000	\$1,200,000 (80%)
Project 2012	\$2,000,000	\$700,000	<b>\$1,300,000 (65%)</b>

The above examples are for illustration only. The Government has no guarantee of granting funding from the CSI to a project similar to the above example. Each project will be assessed on its own merit.

Exceptions will only be considered with full justifications.

#### **15. What criteria constitute a repeated project?**

The followings are criteria which constitute a repeated project:

- (a) Projects by the same or largely the same project name are repeated projects.
- (b) If a different project name is used but the project nature is similar to a previous CSI project run by the same applicant, the Secretariat will review its content and objectives to see if it is in fact a repeated project.
- (c) This notwithstanding, re-run of the same project but in a different geographical location may not be treated as a repeated project.
- (d) The final decision of whether a project is a repeated project will be subject to the approval of the Controlling Officer on recommendation of the CSI Assessment Panel.

**16. What should the fund recipient do if some variations are foreseen during the project implementation period?**

An approved project is required to be carried out strictly in accordance with the proposal. Any modification, amendment or addition to the project, including change of the project commencement or completion dates, key project staff or key equipment, scope, methodology, project deliverables in terms of nature and scale, budget (except for excess less than 15% in individual approved budgeted items, see Q17 below), sponsorship, income, cash flow projection etc. will require prior written approval by the CSI Secretariat. All variation should be well justified.

**17. If there are savings in some budgeted items, can the fund recipient have budget virement to re-allocate funding from the under-spent items to over-spent ones?**

Fund recipient is allowed to re-allocate funding from under-spent items set out in the approved budget to over-spent ones provided that the sum re-allocated does not exceed 15% of the approved budgeted expenditure for that item and the re-allocation does not result in any increase in total project cost and the CSI funding granted for the project.

For re-allocation in excess of 15%, fund recipient is required to seek prior written approval from the CSI Secretariat with full justifications. If no prior approval has been sought, fund recipient is required to bear the amount exceeding the 15% variation allowance.

**18. If there are savings in some budgeted items, can the fund recipient use them for some unbudgeted items?**

Savings cannot be used for unbudgeted items, unless prior written approval is obtained from the CSI Secretariat. Fund recipient is required to bear all expenditures related to unbudgeted items if no prior approval has been sought.

---