



An introduction to the Pilot Scheme under the Sustainable Agricultural Development Fund

Objectives of the Scheme

- To further facilitate agricultural modernisation and to satisfy the development needs of the industry, the Agriculture, Fisheries and Conservation Department (AFCD) will launch a Pilot Scheme (the Scheme) with the aim of promoting the application of modern agricultural techniques, technologies or practices under the existing mechanism of the Sustainable Agricultural Development Fund (SADF) for providing financial support to projects with commercial elements¹. The Scheme will focus on subsidising the industry to: (i) apply modern equipment and techniques to its business model for verification of their technical and commercial feasibility and effectiveness; and (ii) transfer the relevant knowledge, experience and results to other shareholders in the industry to create a demonstration and leading effect on a larger scale.
- Techniques or technologies which are not yet extensively applied in Hong Kong and are in line with the Government's policies or the AFCD's promotion direction, including the research and development results of projects funded by the SADF or new techniques that are widely applied in other places, meet the objectives of the Scheme. Members of the industry may apply to the SADF for further testing and verification of the local application and commercial feasibility of the relevant techniques or technologies. Applicant organisations must also specify how the results and relevant knowledge/experience of the projects can be shared with and transferred to other shareholders in the industry².

Details of the Scheme

(I) “Project Themes” Covered under the Scheme

- There are three “**project themes**” under the Scheme, namely hydroponic production technology, smart farm management and advanced livestock waste treatment technology. Under each “project theme”, **3 quotas** are available.

¹ SADF provides financial support to projects with commercial elements on a “dollar-for-dollar” matching basis.

² The Scheme is not intended to support operation models which have been applied extensively in the industry.

- Consideration will only be given to project applications applying modern technologies in their production under the “project themes”. Those involving ordinary agricultural production or adopting technologies that are old-fashioned or have been extensively applied locally will not be considered by the AFCD.

(II) Eligibility

The following organisations are eligible to apply:

- where applications are made by legal entities, the entity concerned should be a company incorporated in Hong Kong under the Companies Ordinance (Cap. 622) and has substantial connection to Hong Kong or a body corporate incorporated in Hong Kong under other Ordinances of the Hong Kong Special Administrative Region, and having demonstrated a close connection with the agricultural industry in Hong Kong. These include local registered agricultural co-operatives, non-profit-making agricultural organisations, non-governmental organisations or social enterprises; and
- academic and research institutions in Hong Kong.

(III) Grant Ceiling

- The ceiling of the total amount of grant to be approved under the Scheme is \$135 million³.
- In case the number of successful applications under a “project theme” has reached the quota limit, the AFCD will cease accepting or processing applications under that particular “project theme”.
- To ensure fair use of funding and to enable more members of the industry to benefit from the Scheme, each eligible organisation is allowed to submit only 1 application under the Scheme.

(IV) Assessment Criteria

- In addition to the assessment criteria currently adopted for general applications⁴, the following factors will also be taken into consideration:

³ Assuming that the grant ceiling for each project is \$15 million, the grant ceiling for each project theme is \$45 million and the ceiling of the total amount of grant to be approved under the Scheme is \$135 million. Applications for grants of \$15 million or below will be subject to the approval of the Director of Agriculture, Fisheries and Conservation, on the recommendations of the SADF Advisory Committee. Applications for grants exceeding \$15 million will be subject to the approval of the Finance Committee of the Legislative Council.

⁴ Please refer to paragraph 3 of the SADF Application Guidelines.

- (i) the project results should benefit the local industry as a whole rather than merely support individual farms/companies/organisations;
 - (ii) the project should promote the transfer of knowledge and share the experiences and results with the industry through effective means, such as seminars, site visits, compilation and circulation of handbooks on operation procedures for the project, or more innovative means for effective transfer of knowledge, so as to deepen the industry's understanding of the project results; and
 - (iii) priority will be given to projects that can engage and benefit more members of the industry and promote intensification of the industry.
- Upon approval of a project, the grant agreement between the Government and the successful applicant will prescribe in detail each party's rights and obligations, and involvement in the project, including the Government's entitlement to the intellectual property rights underlying the technology. The Government may decide and impose any additional conditions in the agreement as it deems appropriate to benefit the industry.

(V) Monitoring Mechanism

- According to the current “dollar-for-dollar” matching fund mechanism for projects involving commercial elements, successful applicants are required to provide capital goods of the project or floating charge as collateral for the grant and any related monies owed to the Government.
- The grantee is required to submit reports, audited accounts and financial statements regularly according to the current monitoring mechanism, as well as recoup the grants to the Government according to the terms and conditions of the grant agreement for the purpose of safeguarding the Government's interest.

Submission of Application

- The application period lasts for 2 years, from 18 February 2022 to 17 February 2024.
- An applicant should complete an application form⁵ and send it together with the required supporting documents (collectively referred to as “application form”) through email: sadf@afcd.gov.hk or by post to the SADF Secretariat.

⁵ The application forms can be downloaded from the Sustainable Agricultural Development Fund Website: <https://www.afcd.gov.hk/english/agriculture/sadf/sadf.html>

- Before submitting a formal application, interested applicants may seek assistance from the Secretariat or technical team of the AFCD in relation to the application procedures and the project contents where necessary. Applicants may also request the Secretariat to arrange individual consultation meetings for seeking appropriate advice.

Enquires

- For enquiries, please contact the Secretariat during office hours at:

Address: The Sustainable Agricultural Development Fund Secretariat,
5/F, Cheung Sha Wan Government Offices,
303 Cheung Sha Wan Road, Kowloon, Hong Kong

Telephone: (852) 2150 6829
Fax: (852) 2736 5393
Email: sadf@afcd.gov.hk

The Agriculture, Fisheries, Conservation Department
February 2022