

Healthier Ingredient Development Scheme: Healthier Choice Symbol Development Scheme



Thank you for your interest in the Healthier Choice Symbol Development Scheme (HDS). Please read this document carefully before applying. You are advised to be as comprehensive as possible in your application.

We wish you success with your application.

SECTION 1: Background

The Healthier Ingredient Development Scheme (HIDS) is an initiative by the Health Promotion Board (HPB) to encourage food ingredient suppliers/manufacturers to innovate and develop a wider variety of healthier ingredients, as well as support the industry in promoting the uptake of healthier ingredients in Singapore's food service. HIDS will support healthier cooking oil, wholegrain rice, wholegrain noodle, other wholegrain products, sugar-sweetened beverage, sauce, dessert and table salt/salt blends.

HIDS consists of 2 sub-schemes: the Healthier Choice Development Scheme (HDS) and the Go-to-Market Scheme (GTMS).

The HDS is one of the grant schemes under the HIDS, which specifically supports the innovation and development of a wider variety of healthier ingredients by food ingredient suppliers/manufacturers.

SECTION 2: Eligibility Criteria

The Applicant must fulfil the following conditions:

- a) Be a business entity registered with ACRA as a sole-proprietorship, partnership or company and physically present in Singapore. For the entire duration of the qualifying period, HPB shall be informed of any change in the sole proprietorship, partner(s) of the partnership or shareholding in the company.
- b) Intend to develop healthier products of the above mentioned ingredient categories, which meet the Healthier Choice Symbol nutritional technical specifications.
- c) Intend to supply the developed healthier ingredients directly or indirectly to qualifying F&B outlets and/or retailers in Singapore.
- d) Have been in business for at least 3 years.

SECTION 3: Supportable Categories under HDS

The Supportable Category under the HDS is Product Development, Packaging, and Certification, with a grant cap of \$200,000.

Under this Category, scheme participants will be supported to conduct innovations and developments of the healthier ingredient to be sold in Singapore. Examples include, but are not limited to, developing healthier cooking oil blends with better frying durability, developing noodle with higher wholegrain percentage and developing a lower-sugar dessert/sauce using functional sugars. HPB may impose conditions as to what constitutes a supportable product development, packaging and certification activity.

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Each scheme participant must complete the approved project by the end of the two (2) year qualifying period. Scheme participants must submit quarterly (every 3 months) progress reports to provide updates on the activities conducted and status of KPI achievement.

3.4 Evaluation of proposals

All proposals will be evaluated based on criteria which include, but are not limited to:

- i) Cost of Investment (COI)
- ii) Impact
- iii) Cost-Effectiveness
- iv) Feasibility & Track Record

HPB's decision on the outcome of the evaluation of the proposals is final and conclusive.

3.5 Qualifying criteria

3.5.1 Qualifying products

All ingredient products under the HDS must be reformulated to meet the with the Healthier Choice Symbol nutritional technical specifications by the end of the qualifying period and be from the following categories:

- 1) Fats and Oils
 - Edible oil (only food service)
- 2) Wholegrain Rice
 - Rice (unpolished)
 - Mixed rice
- 3) Wholegrain Noodles
 - Oriental noodles (Dry)
 - Oriental noodles (Fresh)
 - Pasta
- 4) Other Wholegrain Products
 - Breads/Buns (only food service)
 - Pau/Mantou
 - Flour
 - Wholegrain convenience meals
- 5) Beverages
 - Sweetened drinks
- 6) Sauces
 - Asian sweet sauce
 - Asian savoury sauce
 - Oyster/vegetarian oyster sauces
 - Dark soy sauce
 - Soy sauce (Others) and marinades
 - Light soy sauce
 - Asian recipe mixes
 - Tomato/chili sauce
 - Other sauces (Western) e.g. BBQ, steak, mustard sauce
 - Pasta sauce
 - Soup and broth
- 7) Desserts
 - Local and seasonal cakes

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- Ice cream (includes sorbet)
 - Frozen Yogurt
 - Local clear soup desserts
 - Local soup/paste desserts (with dairy/cream)
 - Jellies
 - Pudding
 - Cakes & Pastries (incl. muffins, swiss rolls, pound cakes, waffles, tarts, croissants etc.)
- 8) Sweet Spreads (e.g. kaya, peanut butter, jams)
- 9) Table Salt

Kindly refer to www.hpb.gov.sg/food-beverage/healthier-choice-symbol for the latest “Healthier Choice Symbol Nutrition Guidelines”- the technical specifications to be met and more information on the eligible products.

Separate applications should be submitted for each different Qualifying Ingredient Category, but more than one product per ingredient type may be included in a single application of the same Qualifying Ingredient Category. Each product will be assessed independently for eligibility.

For instance, Supplier A intends to develop healthier oil A, healthier oil B, wholegrain noodle C and wholegrain noodle D. A single application should be submitted for healthier oil A and B together, and another application submitted for wholegrain noodles C and D together. Each Supplier is only allowed to have 1 HCS Development Project from each Qualifying Ingredient Category running at a single time (e.g. can have 1 Desserts and 1 Sauces project running simultaneously, but not 2 Dessert Projects).

3.5.2 Qualifying F&B/Retail Outlets

F&B/Retail outlets which the scheme participant supplies the healthier ingredients to must meet all the following criteria in order for the F&B/retail outlet to be classified as a qualifying outlet:

- i. Has a **permanent Singapore commercial address** which is **accessible to general public** (home addresses for example, are not allowed);
- ii. Supported healthier ingredient product(s) must be used at the F&B premise itself; and
- iii. Is physically located within Singapore main island, unless otherwise approved by HPB in writing.
- iv. The Qualifying Product(s) should be sold via the following Qualifying Sales Channel(s) only:
 - a) for Qualifying Product(s) made of healthier oil:
 - Indirect sales to qualifying F&B outlets¹ that meet HPB’s F&B outlet criteria via distributors with sales to such F&B outlets; and/or
 - Direct sales to qualifying F&B outlets that meet HPB’s F&B outlet criteria; and
 - b) for Qualifying Product(s) made of wholegrain rice, wholegrain noodles, sauces, sugar-sweetened beverages and/or desserts:
 - Indirect sales to qualifying F&B outlets that meet HPB’s F&B outlet criteria via distributors with sales to such F&B outlets;

¹ Qualifying F&B outlets for grant support include hawkers/ coffee shops/ eating houses/ food courts/ canteens/ restaurants / caterers / central kitchens / restaurants / quick-service restaurants / fast foods / café / kiosk / specialty shop in Singapore. These F&B outlets will be verified by HPB’s inspectors (exact addresses must be provided).

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- Direct sales to qualifying F&B outlets that meet HPB's F&B outlet criteria; and/or
- Direct sales to supermarkets or retailers

HPB's decision on the eligibility of an F&B outlet being included for the assessment of the bonus incentive is final and conclusive and no appeals will be entertained.

SECTION 4: Funding Quantum

HDS will fund **up to 80%** of total qualifying project investment, and scheme participants will **co-pay 20%** of the remaining project cost. There will be an **overall cap of \$200,000** for Product Development, Packaging and Certification category for each ingredient category. Each Supplier is only allowed to have 1 HCS Development Project from each Qualifying Ingredient Category running at a single time (e.g. can have 1 Desserts and 1 Sauces project running simultaneously, but not 2 Dessert Projects).

<i>Supportable Category</i>	<i>Maximum Grant Quantum per Qualifying Period</i>
<i>Product Development, Packaging and Certification</i>	\$200,000

SECTION 5: Unsupportable items under HDS

Funding will not be extended to:

- a) Activities and sales of qualifying healthier ingredient product(s) conducted outside the one (1) year qualifying period of the grant
- b) Activities that will bring HPB to disrepute
- c) Direct or indirect sale, distribution or export of qualifying healthier ingredient product(s) to persons or entities outside of Singapore
- d) Sale of qualifying healthier ingredient product(s), directly or indirectly, by the Organisation to its related companies (as defined in the Companies Act (Cap. 50))
- e) Project activities and ingredients receiving other sources of government funding either directly or indirectly by the parent company, subsidiary or associate company of the Organisation
- f) Any GST, taxes or levies payable to the competent authorities
- g) Any late payment charges incurred by the grant applicant
- h) Any other unsupportable items as determined by HPB in its sole discretion

SECTION 6: Support from HPB

Upon approval of the HDS application, scheme participants are entitled to:

- a) Having their products endorsed with HPB's Healthier Choice logo;
- b) Having their downstream F&B outlets endorsed with HPB's decals;

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- c) Listing on HPB's website and other publicity platforms. If scheme participants do not wish to have their and/or distributors' contact details published on HPB's web portal, please inform HPB; and
- d) Opportunity to participate in HPB's marketing campaigns.

SECTION 7: Application

Application for each type of healthier ingredient (i.e. healthier oil, wholegrain noodle, wholegrain rice, other wholegrain products, sugar-sweetened beverage, sauce, dessert and table salt/salt blends) must be a **separate submission**. For instance, if Applicant is applying for healthier oil and wholegrain rice ingredients, it is required to fill up two (2) separate application documents.

Please download the Application Form and other necessary templates. Take note that all applications must be typewritten and incomplete application (e.g. missing supporting documents, incomplete information etc.) will not be processed and will be rejected.

Kindly submit both **softcopy (Microsoft format and not PDF) and hardcopy** of the completed Application Form, proposal and relevant supporting documents. Please email the softcopy to HPB_HIDS@hpb.gov.sg and send the hardcopy documents to:

Health Promotion Board
Healthy Food & Dining Division
3 Second Hospital Avenue
Singapore 168937

7.1 Application process



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SECTION 8: Monitoring of Scheme

Scheme participants must submit a Quarterly (every 3 months) Progress report (in **both hardcopy and softcopy**) to **HPB 1 month after the end of each quarter** (i.e. Applicants have to submit progress reports of sales and activities conducted from 1 Jan – 31 Mar 2020 by 30 Apr 2020). Quarterly Progress Reports have to be submitted up till the final full quarter before the Project Outcome KPI is achieved (e.g. for a Project starting on 1 Jan 2020, if Outcome KPI is achieved by August 2020, Quarterly Progress Reports are only required for Jan-Mar 20, Apr-Jun 20. Progress Reports for the months of July and August is not required as Outcome KPI has been achieved before the next full quarter). The Progress Report should detail the project progress of activities completed, the status of KPI achievement and any new capabilities developed.

SECTION 9: Grant Disbursement

The approved Grant will be disbursed on a reimbursement basis, upon achievement of the key performance indicators (KPIs) as submitted in the relevant proposal(s) and approved by HPB. The Applicant is required to indicate two types of KPIs in each proposal: (i) **Activity KPI(s)**; and (ii) **Outcome KPI(s)**.

HPB will only reimburse up to **80%** of the Actual Qualifying Investments **subject to the cap** granted by HPB for the particular project as stipulated in the Grant Award Letter, provided that the Scheme Participant fulfils the Activity KPIs and Outcome KPIs for the Supportable Category for each applicable Qualifying Ingredient to the absolute satisfaction of HPB.

Disbursements will be made on a **6-month** reimbursement basis upon application by the Scheme Participant. The last claim will have to be submitted by latest **2 months** after the end of the **2 year** Qualifying Period. The amount disbursed pursuant to the Grant will be based on the satisfactory fulfilment of the KPIs (consisting of the Activity KPIs and Outcome KPIs) for the applicable Qualifying Ingredient(s), subject to the cap granted by HPB for the particular project.

Upon HPB's approval, the total Grant will be disbursed in the following manner:

- i. **80%** of Actual Qualifying Investments **if the Outcome KPI is met**; OR
- ii. **64%** of the Actual Qualifying Investments **if the Outcome KPI has not been met**

Please note that the HDS is taxable and hence ineligible for tax exemption. Scheme participants are required to check with the tax authority on any taxation issues pertaining to the grant received. For the avoidance of doubt, the award of the grant does not absolve the scheme participants from compliance with any requirements of the tax laws and regulations in Singapore which are applicable to the scheme participants.

HPB will process the reimbursement claim upon receipt of the complete and error- free set of documents mentioned below. All the following documents (in **hardcopy**) have to be submitted within **2 months from the end of the Claim Period**.

- a) All Quarterly Progress Reports, up till the latest full quarter before Outcome KPI is achieved
- b) HCS License Agreement as proof of Outcome KPI achievement
- c) Images of newly developed HCS product or packaging design artwork
- d) Special Purpose Audit Report by External Auditor;

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- e) HPB's prescribed claim form;
- f) Statement of claims showing a summary of all the cost items that the scheme participant is claiming for; and
- g) Any other documents required by HPB

The special purpose audit shall be conducted by an independent certified public accountant, registered with ACRA, in a public accounting corporation, accounting firm or accounting LLPs². The external auditor shall express their independence and compliance with ethical requirements for the special purpose audit on the face of the report to be submitted to HPB. External auditors will be engaged by scheme participants at the **scheme participants' own costs**.

The independent certified public accountant firm engaged by the Company to conduct the claims audit should be changed out (i.e. engage a different firm) at least once every 5 years.

In the event that irregularities are found in any of the submitted documents, HPB reserves the right to seek explanation from scheme participants. It is the scheme participants' responsibility to ensure that all information, including the information of current downstream distribution network (i.e. list of F&B outlets receiving the healthier ingredient products) provided is accurate and true. Failure to cooperate or to provide reasonable explanation may result in the claim being rejected by HPB and/or the subsequent suspensions of claims related to the scheme participants' customer(s) in question.

HPB will disburse the claim within **3 months** upon receipt of full and error-free set of claim documents. HPB may withhold its approval of the reimbursement claim, if HPB requires further clarification or explanation from the scheme participant with regard to the information furnished in the supporting documents or if HPB, in its sole discretion, deems the supporting documents to be inadequate and/or inaccurate and/or unsatisfactory and/or if the supporting documents are not submitted within the stipulated time. Failure to cooperate or to provide reasonable explanation may result in the claims being rejected by HPB and/or the subsequent suspensions of claims (partial or in full) and/or termination of the Grant.

The approved claim amount will be credited to the bank account as provided by the Organisation upon HPB's approval of the reimbursement claim.

HPB reserves the right to use information provided by the scheme participants for its marketing, publicity and campaign purposes and to verify the scheme participants' compliance with the terms and conditions and guidelines of the Scheme.

SECTION 10: Further Enquiries

For enquiries, please email HPB_HIDS@hpb.gov.sg

² Please refer to the Accountants Act (Chapter 2) for definition of public accountant and public accounting corporation, accounting firm or accounting LLPs.