

# Healthier Ingredient Development Scheme



*Thank you for your interest in the Healthier Ingredient Development Scheme. 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 Health Promotion Board (HPB) to better equip ingredient suppliers with the ability to develop and market healthier ingredients to the food service sector. Types of healthier ingredients under the scheme are healthier oil, wholegrain noodle, wholegrain rice, sugar-sweetened beverage, sauce and dessert. Each type of healthier ingredient must be a separate application.

## **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 import healthier ingredients into the Singapore market for Healthier Choice Symbol (HCS) certification, or manufacture it within Singapore.
- c) Intend to supply healthier ingredients directly or indirectly to qualifying F&B outlets and/or retailers in Singapore.
- d) Intend to supply healthier ingredients which meet the Healthier Choice Symbol nutritional technical specifications.
- e) Have been in business for at least 3 years.

## **SECTION 3: Supportable Categories under HIDS**

There are three supportable categories under the HIDS, namely: (1) Product Development, Packaging and Certification; (2) Marketing and Publicity; and (3) Trade Promotions. The Applicant may apply for any one or more of the supportable categories.

### **3.1 Product Development, Packaging, and Certification**

Under this component, 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 beverage using functional sugars. HPB may impose conditions as to what constitute a supportable product development, packaging, and certification activity.

Each scheme participant must complete the approved project by the end of the one (1) year qualifying period. However, the HIDS includes an option for scheme participants to extend the support for activities under this

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category to a two (2) year qualifying period. If the scheme participant chooses to exercise this option, he will not be able to apply for the other two supportable categories (Marketing & Publicity, Trade Promotion). The total grant supportable over the two years will still be capped at \$500,000. Scheme participants must submit quarterly progress and sales reports to provide updates on the activities conducted through the project year.

### 3.2 Marketing & Publicity

The HIDS encourages and supports continuous efforts made by scheme participants to market the newly-developed healthier ingredient to F&B operators in Singapore, so as to increase consumers' receptivity towards the healthier ingredients. Supportable items include, but are not limited to cost of designing and printing marketing collaterals and sample distribution to potential customers. HPB may impose conditions as to what constitute a supportable marketing & publicity activity.

### 3.3 Trade Promotions

Trade promotions will be supported to recognise scheme participants' active engagements to increase receptivity of Singapore's F&B operators towards the newly-developed healthier ingredients. Examples of qualifying trade promotions under this supportable category include, but are not limited to, bulk purchase rebates and customer loyalty benefits. HPB may impose conditions as to what constitute a supportable trade promotions activity.

### 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) & Return of Investment (ROI)
- 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 HIDS must be reformulated to meet the with the Healthier Choice Symbol nutritional technical specifications by the end of the qualifying period and from the following categories:

- 1) Fats and Oils
  - Edible oil (only food service)
- 2) Cereals
  - Rice (unpolished)
  - Mixed rice
  - Wholegrains
  - Oriental noodles (Dry)
  - Oriental noodles (Fresh)
  - Pasta
- 3) Beverages
  - Malted or chocolate drink
  - 3-in-1 or 2-in-1 coffee/tea beverages

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- Sweetened drinks
- 4) Sauces
  - Asian sweet sauce
  - Dark soy sauce
  - Soy sauce (Others) and Marinades
  - Sweetened syrups
  - Tomato/chilli sauces
  - Asian Recipe Mixes
  - Asian Savoury sauces
  - Light soy sauce
  - Oyster/Vegetarian oyster sauces
  - Other Sauces (Western) e.g. BBQ, steak, mustard sauce
  - Pasta sauces
  - Soup and broth
- 5) Desserts
  - Local and seasonal cakes
  - Ice cream (includes sorbet)
  - Frozen yogurt
  - Local clear soup desserts
  - Soup/Paste desserts (with dairy/cream)
  - Ice shaving desserts
  - Jellies
  - Pudding
  - Western cakes/ Muffins

Kindly refer to [www.hpb.gov.sg/food-beverage/healthier-choice-symbol](http://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.

Each Applicant may submit more than one product per ingredient type in its application. Each product will be assessed independently for eligibility. The committed sales volume of a scheme participant’s qualifying products in each type of healthier ingredient (i.e. healthier oil, wholegrain noodle, wholegrain rice, sugar-sweetened beverage, sauce and dessert) may however be combined for the purpose of evaluating the proposal and during quarterly sales reports.

For instance, Supplier A has healthier oil A, healthier oil B, wholegrain noodle C and wholegrain noodle D that have been approved by HPB. Sales for the healthier oil category will be based on combined sales volumes of healthier oil blends A and B. Likewise, sales for the wholegrain noodle category will be based on combined sales volumes of wholegrain noodles C and D.

### **3.5.2 Qualifying F&B Outlets**

F&B outlets which the scheme participant supplies the healthier ingredients to must meet all the following criteria in order for the F&B outlet to be classified as a qualifying F&B 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 premises itself; and

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- 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 outlets<sup>1</sup> 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;
    - 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

HIDS 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 \$500,000** for the three (3) supportable categories. Scheme participants have the flexibility to distribute the \$500,000 across the three supportable categories. Scheme participants do not have to apply for all Supportable Categories.

<i>Supportable Category</i>	<i>Maximum Grant Quantum per Qualifying Period</i>
<i>Product Development, Packaging, and Certification</i>	\$500,000
<i>Marketing &amp; Publicity</i>	
<i>Trade Promotions</i>	

### SECTION 5: Unsupportable items under HIDS

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

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<sup>1</sup> 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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- 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 (with the exception of claims under Ingredient Thematic Promotion Category which is on behalf of and under the directions of HPB)
- 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 HIDS 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;
- 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, sugar-sweetened beverage, sauce and dessert) 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](mailto:HPB_HIDS@hpb.gov.sg) and send the hardcopy documents to:

Health Promotion Board  
3 Second Hospital Avenue  
Singapore 168937  
Level 4 Healthy Food & Dining Division

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### 7.1 Application process



### SECTION 8: Monitoring of Scheme

Scheme participants must submit the following progress reports (in **both hardcopy and softcopy**) to **HPB one (1) month after the end of each quarter** (i.e. Applicants have to submit progress reports of sales and activities conducted from 1 July – 30 Sept 2019 by 31 Nov 2019).

#### 1. Quarterly Sales Progress Report.

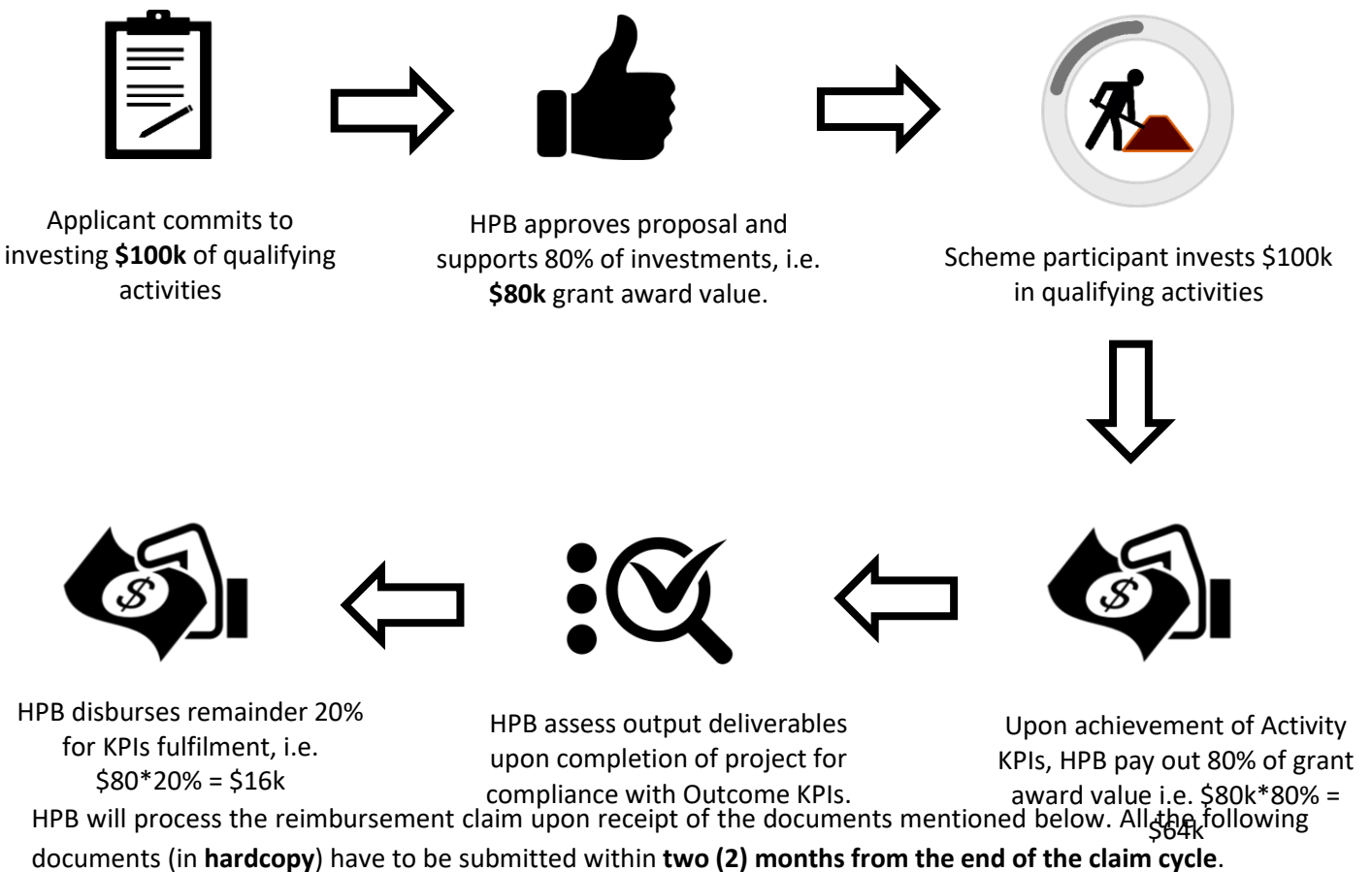
- Scheme participants must use the excel spreadsheet template provided by HPB. Kindly adhere to the business type categorisations in the drop-down list. Definition of business types is also included in the excel spreadsheet.
- Sales Progress Report must reflect monthly sales to each scheme participants' direct customers (distributors/wholesalers) and their downstream F&B outlets (ultimate recipients of the healthier ingredient products).
- Scheme participant's first tier downstream distributor(s)/wholesaler(s) may separately send HPB the list of F&B outlets to which they have supplied the healthier ingredient product(s) to. Do note that this list must reach HPB by the deadline. Downstream distributor(s)/wholesaler(s) have to inform HPB of the scheme participant which it is purchasing the healthier ingredient product(s) from.
- Compliance of the first tier downstream distributor(s)/wholesaler(s) will be at the sole responsibility of the scheme participant.

#### 2. Quarterly Progress Report of qualifying activity in supportable categories

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### 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)**. For milestones completed in the first six (6) months of the qualifying period, scheme participants will be able to claim up to 64% of the cost of each approved activity under the Activity KPI(s). The remaining 16% of the cost of each approved activity under the Activity KPI(s) will be disbursed at the end of the one (1) year qualifying period upon satisfactory fulfilment of the Outcome KPI(s). Please note that the HIDS 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.



- All Quarterly Sales and Progress Reports, including Distributor Reports
- Special Purpose Audit Report by External Auditor;
- HPB's prescribed claim form;
- Statement of claims showing a summary of all the cost items that the scheme participant is claiming for; and
- Any other documents required by HPB

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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 LLPs<sup>2</sup>. 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**.

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](mailto:HPB_HIDS@hpb.gov.sg)

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