

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 and wholegrain rice. 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) Import healthier ingredients into the Singapore market, or manufacture it within Singapore.
- c) Supply healthier ingredients directly or indirectly to qualifying F&B outlets in Singapore through distributors/wholesalers. For avoidance of doubt, sales of healthier ingredients to retail outlets such as supermarkets and minimarts do not qualify.
- d) Supply healthier ingredients which meet the technical specifications spelt out in (Annex A)

SECTION 3: Supportable items under HIDS

There are three supportable categories under 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. Each supportable categories must be filled up using a separate Section E of the Application Form.

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. Example include, but are not limited to, developing healthier cooking oil blends with better frying durability, developing noodle with higher wholegrain percentage and re-

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packaging of healthier ingredient products to improve shelf life. HPB may impose conditions as to what constitute a supportable product development, packaging, and certification activity.

To apply for this funding category, the Applicant is required to complete Section E of the Application Form (Proposal & Progress Report of Supportable Category) and submit the proposal with relevant supporting documents to HPB.

Each scheme participant must complete the approved project by the end of the one (1) year qualifying period. Scheme participant must submit quarterly progress reports, together with a comprehensive financial expenditure and supporting documents to prove activities conducted.

3.2 Marketing & Publicity

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

To apply for this funding category, the Applicant is required to complete Section E of the Application Form (Proposal & Progress Report of Supportable Category) and submit the proposal with relevant supporting documents to HPB.

Each scheme participant must complete the approved project by the end of the one (1) year qualifying period. Scheme participant must submit quarterly progress reports, together with a comprehensive financial expenditure and supporting documents to prove activities conducted.

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 healthier ingredients. Examples of qualifying trade promotions under this supportable category include, but are not limited to, bulk purchase rebates, customer loyalty benefits and product sampling, HPB may impose conditions as to what constitute a supportable trade promotions activity.

To apply for this funding category, the Applicant is required to complete Section E of the Application Form (Proposal & Progress Report of Supportable Category) and submit the proposal with relevant supporting documents to HPB.

Each scheme participant must complete the approved project by the end of the one (1) year qualifying period. Scheme participant must submit quarterly progress reports, together with a comprehensive financial expenditure and supporting documents to prove activities conducted.

3.4 Evaluation of proposals

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

- i) Comprehensiveness of proposal
- ii) Effectiveness in increasing uptake of healthier ingredient product(s) in qualifying F&B outlets
- iii) Cost-reasonableness

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- iv) Feasibility
- v) Track record

HPB's decision on the outcome of the evaluation of the proposals is final and conclusive and no appeals will be entertained.

3.5 Bonus Incentive

Upon completion of approved supportable activities mentioned in sections 3.1, 3.2 and/or 3.3, scheme participants will be eligible to receive bonus incentive for incremental sales of the healthier ingredient product(s) achieved in excess of a pre-determined baseline and which is pegged to the average sales volume of healthier ingredient product(s) over the one (1) year qualifying period.

3.6 Qualifying criteria

3.6.1 Qualifying products

Each Applicant may submit more than one product/brand 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 and wholegrain rice) may however be combined for the purpose of assessing the eligibility for the bonus incentive in the respective healthier ingredient type.

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

3.6.2 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 scheme participant to be eligible for the bonus incentive:

- a) Allows inspection officers appointed by HPB to enter into the F&B premises for random inspection at any time (without need for special security clearance), where rejection of audit by the F&B outlet may result in disqualification of the sales made by the scheme participant to such F&B outlet from being counted towards committed targets for the bonus incentive;
- b) Agrees to display HPB's decal or sticker on their storefront prominently;
- c) Serves "ready-to-eat meals";
- d) Has a permanent Singapore commercial address which is accessible to general public (home addresses for example, are not allowed);
- e) Has a storefront for sales transaction;
- f) Supported healthier ingredient product(s) must be used at the F&B premises itself; and
- g) Is physically located within Singapore main island, unless otherwise approved by HPB in writing.

Exceptions may be made for the following F&B types, evaluated strictly on a case by case basis guided by the following general guidelines:

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- a) Canteens, provided that
 - Access to the canteens by HPB's appointed inspection officers is not restricted due to security clearance or other reasons, has a permanent address (e.g. locations which typically do not meet criteria include foreign worker dormitories, construction site canteens, army camps, restricted staff canteens)
- b) Event caterers, provided that
 - They have an established catering business that is verifiable by documentary proof such as company registration documents, company websites, track records, etc.
- c) Central kitchens, provided that:
 - Food must be distributed to F&B outlets owned by the same parent company as the central kitchen, substantiated with documentary proof. Central kitchens that supply food to non-subsidiaries will not be covered under the scheme.
 - List and addresses of subsidiary outlets must be made known to HPB. Breakdown of sales to subsidiary outlets must be provided upon request.
- d) Hotel central kitchens, provided that:
 - The F&B outlet(s) supplied by the central kitchen within the hotel must be disclosed, along with usage amounts (with documentary proof if requested), and must meet the central kitchen criteria set out above.
- e) Mixed-use F&B operators, provided that:
 - Non-qualifying operations (e.g. food manufacturing) are clearly segregated or do not form more than 10% of total operations or such other percentages as determined solely in HPB's discretion.
- f) Other F&B outlet types that do not qualify for the supported healthier ingredient product(s) are listed here:
 - F&B outlets located within construction sites.

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. On top of the funding cap per category in each qualifying period, there will be a further overall cap of \$500,000 for the three (3) supportable categories.

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<i>Supportable Category</i>	<i>Maximum Grant Quantum per Qualifying Period</i>
<i>Product Development, Packaging, and Certification</i>	\$300,000
<i>Marketing & Publicity</i>	\$200,000
<i>Trade Promotions</i>	\$200,000

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;
- 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 Singapore¹;
- d) Sale of qualifying healthier ingredient product(s), directly or indirectly, by the Applicant 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 Applicant;
- f) Qualifying healthier ingredient product(s) sold in small pack sizes meant for retail settings and/or household use;
- g) Any GST, taxes or levies payable to the competent authorities; and
- 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 opt out via the acknowledgement receipt issued upon successful application; and
- d) Opportunity to participate in HPB's marketing campaigns.

¹ Scheme participants are encouraged to take all reasonable precautions in ensuring that the healthier ingredient which is the subject of its claim is not subsequently sold, distributed or exported to persons or entities outside of Singapore by its customers. It is the scheme participant's responsibility to ensure the accuracy of the Quarterly Sales Progress Reports which must include the scheme participant's downstream distribution network. Compliance of first tier downstream distributor(s)/wholesaler(s) will be at the sole responsibility of the scheme participants.

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SECTION 7: Application

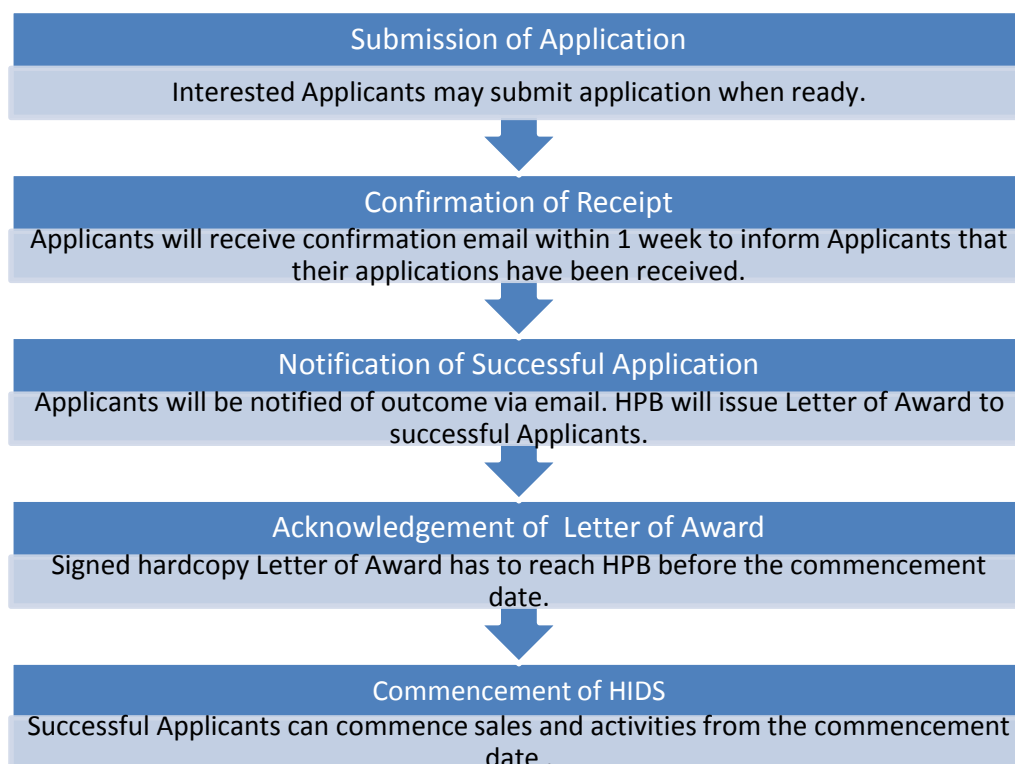
Application for each type of healthier ingredient (i.e. healthier oil, wholegrain noodle and wholegrain rice) must be a separate submission. For instance, if Applicant is applying for healthier oil and wholegrain rice ingredients, it is required to fill up two (2) separate application documents.

Please visit <http://www.hpb.gov.sg/HIDS> to 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 **hand deliver** the hardcopy documents to:

Attention: HPB Healthier Ingredient Development Scheme (HIDS) team
Health Promotion Board
3 Second Hospital Avenue
Singapore 168937
Level 4
Healthy Food & Dining
Obesity Prevention & Management Division

7.1 Application process



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SECTION 8: Monitoring of Scheme

HPB will conduct regular random inspections and laboratory tests to ensure that the healthier ingredient product(s) reach the F&B outlets and that all terms and conditions of HIDS are strictly adhered to. Participants that have been found to have deviated from the scheme's terms and conditions without a valid explanation may face suspension and/or forfeiture of reimbursement of the claims and/or termination of the Grant.

Scheme participants must submit the following progress reports 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 2017 by 31 Oct 2017).

1. Quarterly Sales Progress Report.

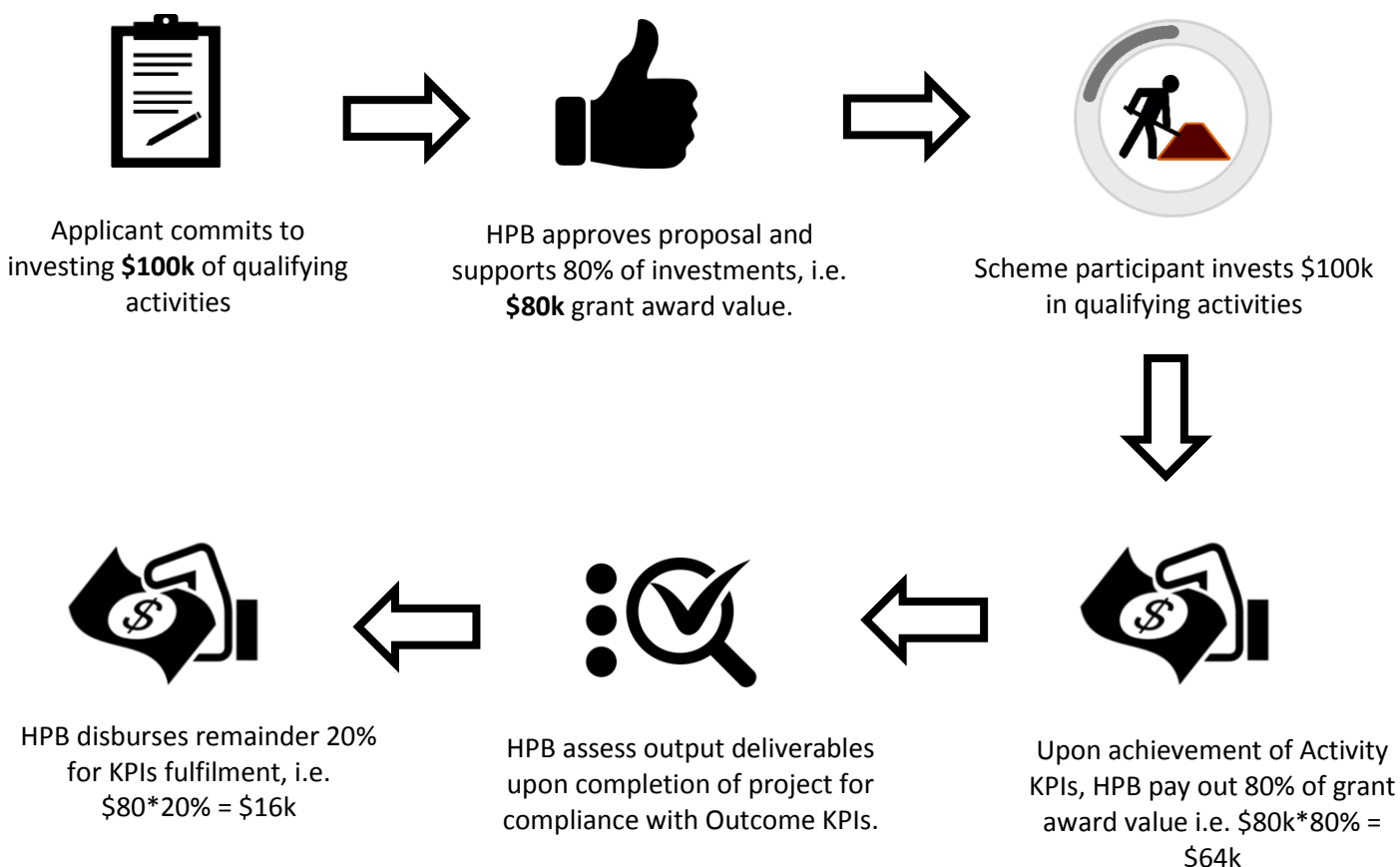
- Scheme participants must use the excel spreadsheet template provided by HPB. Kindly adhere to the business type categorisations in the drop-down list. Definition of business types is also included in the excel spreadsheet.
- Sales Progress Report must reflect monthly sales to each scheme participants' 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, together with comprehensive supporting documents (e.g. financial expenditures, artworks, lab test reports, etc.).

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.

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HPB will process the reimbursement claim upon receipt of all the following duly completed supporting documents. All documents (hardcopy and softcopy) have to be submitted within one (1) month from the end of the claim cycle.

- a) Quarterly Sales Progress Report showing all sales since start of scheme (use HPB's excel template);
- b) Quarterly Progress Report/Final Report for each supportable category;
- c) Special Purpose Audit Report by External Auditor;
- d) HPB's prescribed claim form;
- e) Documents to prove expenses or activities conducted under each supportable category;
- f) Attendance lists of activities (if applicable);
- g) Photographs of activities (if applicable);
- h) Completed Interbank GIRO form (applicable only for 1st claim or if there is any change in bank detail);
and
- i) 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

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

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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 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 Grant amount will be credited to the bank account via interbank GIRO as provided by the Company 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 information

For further information, please email to: HPB_HIDS@hpb.gov.sg , or visit our website at www.hpb.gov.sg/HIDS

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ANNEX A – Technical Specifications for Healthier Oil, Wholegrain Rice and Wholegrain Noodle

HEALTHIER OIL

<i>Nutritional Specifications</i>	<i>(AOCS Ce 1h-05)</i>
<i>Saturated fat</i>	$\leq 35\text{g}/100\text{g}$
<i>Trans fat</i>	$\leq 0.5\text{g}/100\text{g}$

<i>Quality Parameters³</i>	<i>Limit</i>
<i>Moisture and insoluble impurities (AOCS Ca 2c-25, 2009, & AOCS Ca 3a-46, 2009)</i>	$\leq 0.10\%$
<i>Peroxide Value (AOCS Cd 8b-90, 2011)</i>	$\leq 5 \text{ meq}/\text{kg}$
<i>Oil Stability Index (AOCS Cd 12b-92, 2013)</i>	$\geq 14 \text{ hrs at } 110^\circ\text{C}$

WHOLEGRAIN RICE

Sub-Category	Energy (kcal/ serving)	Fat (g/100g)	Saturated Fat (g/100g)	Trans Fat (g/100g)	Sodium (mg/100g)	Dietary fibre (g/100g)	Total Sugar (g/100g)	% of Whole- grains*
Whole-grains								
• Rice (unpolished)								100
• Mixed rice ¹								≥ 20
• Wholegrains ¹								100

³ Quality parameters will be assessed upon manufacture. Deterioration upon storage will be taken into consideration during the random sampling and checks on ingredients.

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WHOLEGRAIN NOODLE

Sub-Categories	Current guidelines	Revised guidelines ⁴
1. Oriental noodles (Dry)		
a. Wheat noodles ^{Revised}		
- Fat (g/100g)	≤ 2	≤ 2
- Sodium (mg/100g)	≤ 180	≤ 180
- Dietary fibre (g/100g) ^{Revised #}	≥ 2	≥ 2 [#]
- % of Whole-grains*	≥ 10	≥ 15
b. Rice-based noodles (Eg- Rice spaghetti, other forms of thicker rice based noodles) ^{NEW}		
- Fat (g/100g)	-	≤ 2
- Sodium (mg/100g)	-	≤ 180
- Dietary fibre (g/100g) ^{Revised #}	-	≥ 2 [#]
- % of Whole-grains*	-	≥ 15
2. Oriental noodles (Fresh)		
a. Wheat-based noodles (E.g. Hokkien Yellow Noodles) ^{Revised}		
- Fat (g/100g)	≤ 5	≤ 5
- Sodium (mg/100g)	≤ 400	≤ 500
- Dietary fibre (g/100g) ^{Revised #}	-	≥ 2 [#]
- % of Whole-grains*	≥ 8	≥ 15
b. Rice-based noodles (E.g. Kuay Teow, Laksa Bee Hoon) ^{Revised}		
- Fat (g/100g)	≤ 5	≤ 5
- Sodium (mg/100g)	≤ 400	≤ 400
- Dietary fibre (g/100g) ^{Revised #}	-	≥ 2 [#]

⁴ For Applicants interested in applying for R&D support for wholegrain noodles, the wholegrain noodles to be developed will need to comply with new guidelines in order to qualify for support.

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	- % of Whole-grains*	≥ 8	≥ 15
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if the wholegrain criteria is met, the dietary fibre criteria will be an elective criteria.