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Annual Report 2





ANNUAL REPORT 2022

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https://www.youtube.com/channel/UCzh8_4WJN3EyN8RbIJSDSIQ

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The National Innovation Agency

The National Innovation Agency (NIA) was established as mandated by ACT, No. 22 of 2019 with the specific aim of promoting a better understanding on innovations in the fields of social, science and technology, defense, environment and service, and their impact on the economy of the country.

The National Innovation Agency (NIA) is a national public entity that serves as the key institutional intervention to bridge the innovation gap between research and development from higher education institutions, science councils, public entities, and private sector, and commercialisation. In other words, its aim is to accelerate innovation, driven by close collaboration between industry, academia and government, and facilitated by a platform for dialogue between all three sectors. 'Innovation' is making things happen creatively and economically, and is not confined only to science, as public sector innovation, social innovation, frugal innovation, open innovation etc. being important examples.

There has to be the ability to activate this cross- institutionally to ensure the process of innovation actually happens. The NIA has to be innovating in its management process too to realize rapid results and thus public sector service innovation would be an important element too.

For Sri Lanka to improve its economy to bring prosperity to its people and establish itself as a Global Innovation Hub, the NIA would function as a core entity in coordinating, networking and

partnering different organizations from various fields such as industry, technology, finance or investment and education, and would mainly focus on utilizing knowledge management to achieve innovation, particularly to induce “Innovation on Cluster Platform” which uses innovation as the principal tool in improving the quality of life and as a driving tool for competitive economics.

The National Innovation Agency is governed by a Steering Council, which has an inter-ministerial structure and chaired by the Secretary to the President. It consists of ex-officio members as well as individual innovators/entrepreneurs serving as appointed members, the latter being appointed by the President of the Democratic Socialist Republic of Sri Lanka.



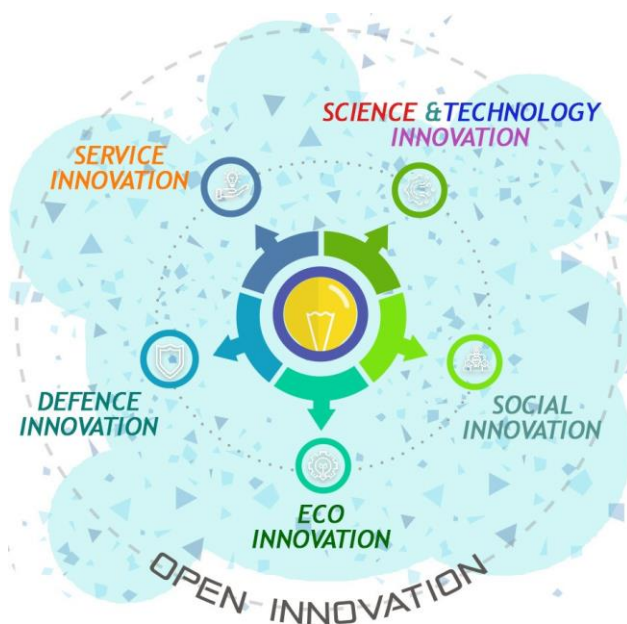
**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**NATIONAL INNOVATION AGENCY
ACT, No. 22 OF 2019**

[Certified on 15th of November, 2019]

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The objectives of the Agency as mandated by Act No. 22 of 2019

- Working on social innovation, science and technology innovation, defence innovation, eco-innovation and service innovation, to make an impact on the economy;
- formulating national policies in respect of innovation;
- ensuring national research is aligned with and contributes to the economy;
- coordinating innovators and initiatives to foster impact;
- identifying any obstacles in the public and private sectors that hamper innovation;
- establishing a vibrant national innovation ecosystem, partnering with the private sector.

The functions and duties of the Agency shall be to: –

- (a) liaise with the public and private sector institutions relevant to important aspects of the objects of the Agency;
- (b) make recommendations to the government to initiate and fund National Innovation Programmes in order to support a creative economy;
- (c) to develop and sustain a national innovation ecosystem in keeping with the Sri Lanka Innovation and Entrepreneurship Strategy as approved by the Cabinet of Ministers;
- (d) support the National Innovation and Entrepreneurship Strategy objectives through the facilitation of hi-tech enterprises stemming from research and technology transfer;
- (e) monitor and evaluate the effectiveness of investment, policies and strategies on innovation and entrepreneurship;
- (f) coordinate and harmonize international activities in innovation with the relevant Ministries, Departments and other innovation institutions in Sri Lanka and with international institutions to encourage commercialization of the outputs of innovation activities;
- (g) drive the progress of Sri Lanka upward through the ranking of global innovation indices to ensure a resilient economic standing, subject to the Sri Lanka Innovation and Entrepreneurship Strategy as approved by the Cabinet of Ministers;
- (h) receive, collate, evaluate and publish the Sri Lankan Annual Innovation and entrepreneurship reports covering the eco system taking into consideration the international linkage and presence;
- (i) to purchase any movable or immovable property which may be required for the Agency, hold, take or give on lease or hire, mortgage, pledge or sell or otherwise dispose of, any movable or immovable property belonging to the Agency as may be deemed expedient with a view to promote the objects of the Agency;
- (j) subject to any applicable written law, to open and maintain current, savings or other deposit accounts in any State bank or banks and to close such accounts;
- (k) subject to any applicable written law, to accept and receive, gifts, grants, loans, donations and bequests both movable and immovable, from sources in or outside Sri Lanka for the use of the Agency: Provided that, the Agency shall obtain prior written approval of the Ministry of Finance in respect of all foreign grants, donations or bequests made to the Agency;
- (l) deposit in any bank account or accounts of the Agency, the funds of the Agency which are not required immediately for the purposes of the Agency;
- (m) make rules in respect of matters pertaining to the administration of affairs of the Agency;
- (n) outsource for appropriate payments in compliance with the relevant financial regulations, research, data collating or any other activities necessary for the smooth and efficient discharge of the duties and functions of the Agency. The Agency shall have the ownership

of all research, any material or data collected by any person for the purposes of this Act, and be responsible for the protection of such research, material or data;

- (o) with the approval of the Cabinet of Ministers to enter into agreements, with any local or foreign persons or institutions in respect of the objects of the Agency;
- (p) coordinate and facilitate joint ventures with the private sector with the approval of the Minister in order to achieve the objects of the Agency; and
- (q) generally, do such acts and things for the achievement of the objects of the Agency.

From the Chairperson



It is with great pleasure I present to you my message for the 2022 Annual Report of the National Innovation Agency (NIA) of Sri Lanka. As we reflect on the past year, I am proud to say that the NIA has made significant strides in fostering innovation and driving positive change in the field of innovation in Sri Lanka.

The NIA has contributed in creating a supportive platform for startups and small and medium enterprises in the country. Since it is our firm belief that these entrepreneurial ventures are the engines of economic growth, we have launched a myriad of programmes to offer mentorship to aspiring entrepreneurs in order to assist them in converting their ideas into viable businesses. The success stories of the startup businesses we have facilitated bear testaments to the untapped potential of Sri Lankan entrepreneurs.

Looking ahead, the NIA remains steadfast in its commitment to driving innovation and steering Sri Lanka towards a prosperous future. We recognize that the challenges we face are complex, and the road to innovation is not without hurdles. However, we firmly believe that by fostering collaboration, embracing diversity, and investing in the power of ideas, we can overcome any obstacle and unlock the full potential of our nation.

I would like to express my gratitude to the dedicated team at the NIA, whose passion, expertise, and efforts contribute in successfully facilitating innovation in Sri Lanka. I also extend my appreciation to our valuable stakeholders, partners, and the Members of the Steering Council, whose support further strengthens us.

Together, let us continue to nurture an ecosystem of innovation that propels Sri Lanka towards sustainable development, economic prosperity, and a better future for all.

Thank you.

EMSB Ekanayake,
Secretary to the President
Chairperson, National Innovation Agency - Sri Lanka
June 9, 2023

From the Chief Innovation Officer



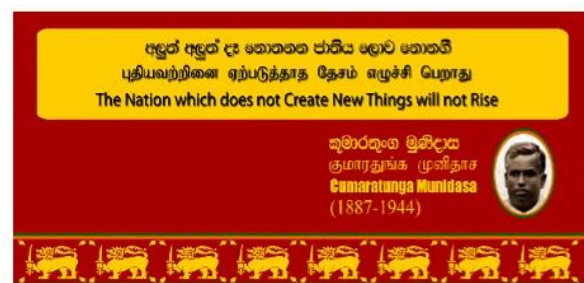
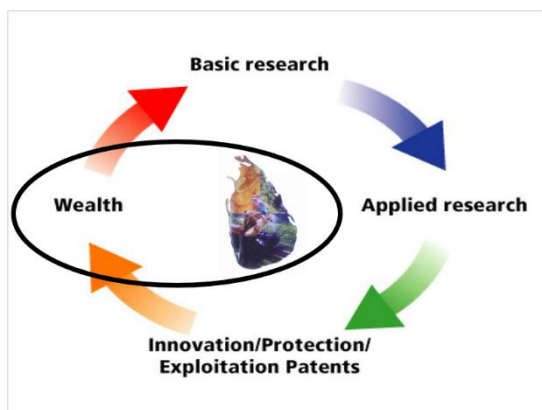
A National Innovation Agency is born!

It is with pride and humility that we publish this first annual report of the National Innovation Agency, which captures its first year as an institution. January 01, 2022 witnessed the launch of the Institution after the inaugural board meeting on November 29, 2021 with the approval of the Cabinet. Of course, the journey to this position had been through multiple hearings and cabinet meetings. The NIA was, in a way, an institutional transformation of COSTI (Coordinating Secretariat for Science, Technology and Innovation), a project developed and executed by the Senior Ministers' Secretariat under Prof. Tissa Vitarana. Consequently, a new institution had been added to the public sector institutions in Sri Lanka.

The NIA is an agency to deal with innovation as comprehensively as possible – a task not quite easy but really important and relevant for the country today. The NIA came live at a time of extreme complexity with the country having experienced a pandemic and currently going through an economic situation akin to sitting on a cinder box. The economy and its subjects owe a lot to the outside but own much less and that is quite unfortunate. On the other hand, such are the times really for innovation as standard answers and responses do not exist or are not relevant. The NIA emerges with the operating national canvas full of issues and definitely would be tested from day one. During the year some time was spent on getting the organizational structure activated and positioning and this is still on-going. However, we are happy to record that these issues did not deter the team from getting on with innovation as the credo of the NIA is 'where only innovation matters!'. The record of activities would bear testimony to the fact.

To reiterate, the NIA is not a spur-of-the-moment development. It has been a development over time. Sri Lanka had COSTI – The Coordinating Secretariat for Science Technology and Innovation since 2013. The NIA represents the exit of COSTI and its institutionalization. The transformation was not easy though the relevance was quite clear and most certainly a number of individuals deserve credit for ensuring this establishment who understood the importance of the targeted mandate to the nation. More than the history at this stage what is important to understand is its mandate. The NIA has to deliver and this must be another instance where failure is not an option – we keep the Apollo 13 statement at our office entrance now to remind the team of the challenge they have! Much may be expected by the few who supported and the fact to be understood is that the success here means serious progress for many.

The NIA is an agency responsible for innovation and it is the first time an institution has been established specifically with such a mandate. Considering that there is a gross misunderstanding of nomenclature from research, invention, and innovation, by the way, this topic is discussed, maybe the following provides a quite succinct explanation – research is when money is used to generate knowledge and innovation is when the knowledge so developed is used to generate money. An invention is similar to research where inputs are carried out in developing something novel – again an expenditure. This process of turning knowledge or inventions into cash had been almost nonexistent as we learn and depart and the rest simply engage in following set routines, and there are no real positive returns on the investments to the national economy – definitely for some external economies there are returns at quite low costs. Inventors, we all know and hear mostly exist with serious lamentations over issues in translation. The late Muidasa Cumarathunga's comment is thus most apt in showcasing the problem we have had for decades – A country that does not produce new things will not rise and this 'new things' is completed only when the step of innovation has taken place. Look around in any developed economy and it is the creative changes moved across the society that had resulted in growth. When you play with Harvard's Atlas of Economic Complexity you soon realize what we have failed to do as we traverse 75 years of the export basket of Sri Lanka. As you change to countries like Vietnam you realize the folly of our decision making.

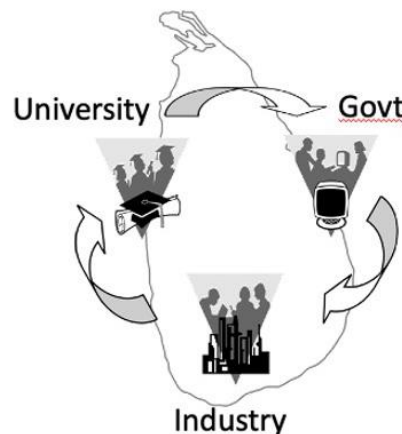


**Creative enterprises and individuals
Research into Rupees**

The presence of the institution does not necessarily mean that the value of innovation has been accepted across decision-making and that our pathway is clear, precise and ready to accelerate. There are still significant mindset issues to be addressed by the young institute. With the tagline 'Where only innovation matters', the NIA indeed has its work cut out in pushing this message. Advocacy cannot occupy its attention all the time. Innovation is made possible through the innovation ecosystem. There is the immediate imperative of identification of all stakeholders and energizing the eco-system. The model for innovation is part of the NIA logo – Triple Helix Model (University, Industry, and Government). Innovation ecosystem productivity should be constantly addressed and the system catalyzed with new tools and mechanisms. Sri Lanka does not lack institutes. What is mostly absent is working together with a common purpose. Innovation is a result of purpose.



Triple Helix Model of Innovation



The objectives, as well as functions and duties of the NIA as detailed in the Act (Act No 22 of 2019) have been listed in the report. As you see the NIA has a lot on its plate to fulfill but you will agree that they are tasks much needed.

NIA expects to work on innovation through five pillars for each of which it expects to partner with a domain agency or institute. Partnerships are key to making progress as innovation is a team sport whereas invention and research could be work in solitude. The five pillars of NIA are Science & Technology Innovation, Service Innovation, Social Innovation, Eco-innovation, and Defence innovation. Science and Technology innovation expects knowledge both developed and acquired to infuse with resources as an important first step. It is all about moving away from commodities to value-added competitive products – fusing resources and knowledge. Service innovation immediately embraces digitalization and understands the importance of creative destruction. Archaic practices and processes have stalled our society and social innovations are to improve the quality of life. Not all innovations should be carried out with the purpose of return on investments. Eco innovations understand that the current planetary health demands a higher level of understanding when innovating; transforming linear economies to circular economies, nature-based entrepreneurship, blue-green economic pathways, and biomimicry learning from the biodiversity hot spot that Sri Lanka is. So much untapped potential awaits in this segment. Finally, defense is not always “guns and bullets” with “men and orders”. Singapore is showing Total Defense and that is innovating the concept itself. With the innovation pillars and coupling the synergy, it is possible to see huge opportunities. The wealth generated in this manner truly would be national wealth. In our first year we have spent time building the innovation eco-system reaching out and connecting to actors of importance.

Looking around it is evident that innovation is the central driver for economic growth, development, and better jobs is an accepted philosophy. An institutional example that we observe across many countries from India, and Israel to Kenya is having innovation agencies facilitating this. Countries like India and China consider the GII (Global Innovation Index) evaluation quite seriously as a useful framework for internal planning. International development

agencies have enabled established innovation agencies in countries too – eg Serbia. The logic for another State-Owned Enterprise is clear but logic alone would not result in translation. Munidasa Cumarathunga's philosophy embedded in his poem has been missing in our policies and practice for quite a time, but then we have to accept the truth of what Paul Kagame has stated for Rwanda – "We cannot turn our clock back, but we have the power to determine the future".

Ajith de Alwis

Senior Professor in Chemical and Process Engineering,
Dean, Faculty of Graduate Studies, University of Moratuwa
Chief Innovation Officer (Actg.) - NIA

NIA Steering Council (01-01-2022 to 31-12-2022)

Chairperson – Secretary to the President

Mr. Gamini Sedara Senarath (January – July 2022)

Mr E M S B Ekanayake (July 2022 – to date)

Members:

Dr Sankalpa Gamwarige

Mr Manju Gunawardana

Dr Hans Wijayasuriya

Dr Harsha Subasinghe

Eng. Udaya Dampage

Prof. Rohan Munasinghe

Mr P.L. Pathmakumara

Mr T.B.M. Atapattu

Mr E. A. Rathnaseela

Mr K.R. Pathmapriya (January – October 2022)

Dr Naresh Handagama

Ms Sanjeewani Weerasekera (January – October 2022)

Mrs B.M.S. Bandara

Mrs Geethanjali R. Ranawaka

Mr G.L. Gnanatheva

Prof. N.M.S. Sirimuthu

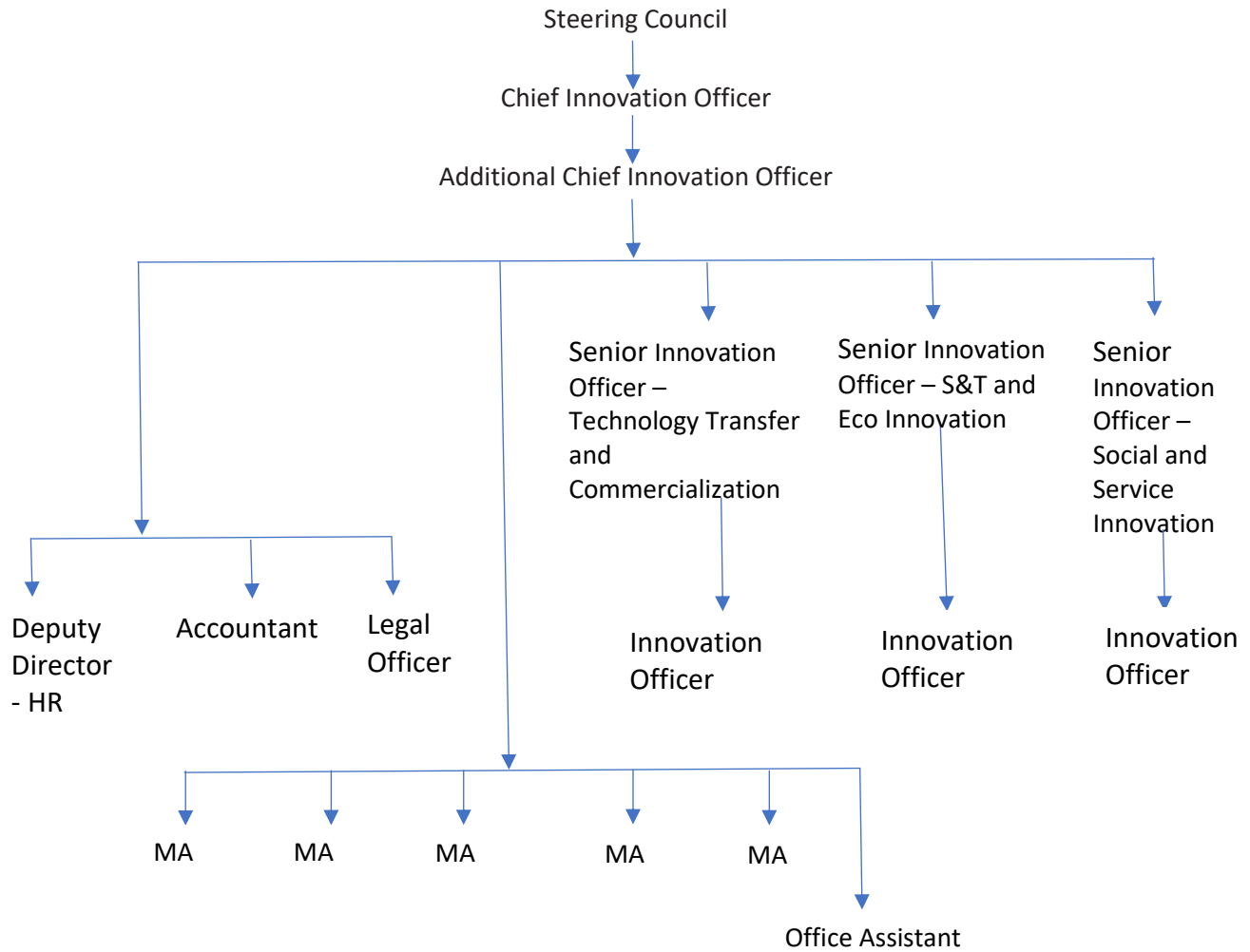
Ms Nadeeka Wataliyadda (October – December 2022)

Mr HCDL Silva (October 2022 -to date)

Number of Meetings of the Steering Council held in 2022: **06**

	Meeting Number	Date
01	01-2022	18 March 2022
02	02-2022	29 April 2022
03	03-2022	27 May 2022
04	04-2022	21 October 2022
05	05-2022	25 November 2022
06	06-2022	21 December 2022

Organisational Structure (Approved by the Department of Management Services)



Staff as at 31 December 2022

Prof. Ajith de Alwis – Chief Innovation Officer (Actg.)

Dr Sachie Panawala – Additional Chief Innovation Officer

Ms Vindya Wijesinghe – Senior Innovation Officer (Technology Transfer and Commercialization)

Ms Navodi Wickremasinghe – Senior Innovation Officer (Service and Social Innovation)

Ms Thidasi Dahanayake – Senior Innovation Officer (Science, Technology and Eco Innovation)

Ms Pooja Malavisooriya – Deputy Director (Human Resources)

Ms Vagira Perera – Advice of the Department of Management Services is awaited for the position

Mr Shanika Abeyratne – Advice of the Department of Management Services is awaited for the position

Mr Chamikara de Silva – Advice of the Department of Management Services is awaited for the position

Mr Lasitha Kumara (Office Assistant)

Ms Ganesha Wijesinghe – Accountant (Actg.), Ministry of Education

Performance of the NIA in 2022

Developing digital platforms for efficient connectivity

Discussions with ICTA to develop a National Technology and Innovations Platform

The NIA and the ICTA had an initial discussion to work collaboratively in developing a digital platform for the innovation and technology ecosystem.

The Information and Communication Technology Agency of Sri Lanka (ICTA) with the mission of achieving the Digital Sri Lanka goal, implementation of a National level technology-oriented platform to create connectivity, support innovation, and collaborative initiatives, is trying to develop a 'National Technology and Innovations Platform' to pave the way for an effective digital transformation in Sri Lanka.

Already NIA has developed the National Innovation Dash Board, and Business2People (B2P) Platform to connect the Science and technology space and to connect inventors and investors respectively. presently these two platforms are in the process of upgrading. This meeting with ICTA will provide the path to both institutes to work together in digitally connecting the innovation and technology ecosystem of Sri Lanka.



Labnet.lk

With the expectation to be the World Wide Web based gateway for the Sri Lankan researchers to locate the Research and Development equipment available, connecting over 20 research institutes and universities throughout the country, the Labnet.LK was developed as a collaborative work of SLINTEC, COSTI, and e-Class. The SLINTEC handed over its operations to NIA

officially on 16 March 2022. A Memorandum of Understanding was signed between the NIA, SLINTEC and e-Class at SLINTEC, in view of this initiative.

A tri-partite Memorandum of Understanding (MOU) was also signed between SLINTEC, NIA and e-Class Solutions to formulate the operational workflow of Labnet.lk in the future. Accordingly, NIA was to operate and maintain Labnet.lk with relevant stakeholders.



Development of policy documents for recommendation

Drafting the Equipment Sharing Policy

A policy document was prepared on equipment sharing in the academia and institutes in the public sector that receive government funding to purchase equipment. This was carried-out in collaboration with Sri Lanka Institute of Nanotechnology (SLINTEC) and the draft was forwarded to the National Science and Technology Commission (NASTEC) for further action.

Improving Sri Lanka country status in the Global Indices

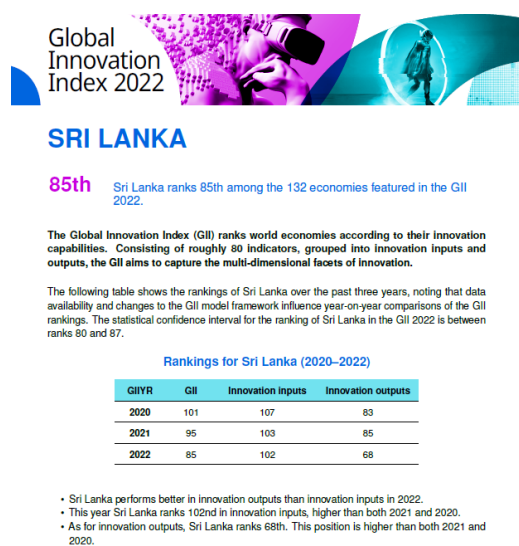
Prioritizing Innovation in Sri Lanka's Economic Recovery

National Launch of Global Innovation Index (GII) – Sri Lanka

The Global Innovation Index (GII) tracks the most recent global innovation trends and reveals the most innovative economies in the world, ranking the innovation performance of around 132 economies while highlighting innovation strengths and weaknesses. Envisioned to capture as complete a picture of innovation as possible, the Index comprises around 80 indicators, including measures on the political environment, education, infrastructure and knowledge creation of each economy. The

different metrics that the GII offers help to monitor performance and benchmark developments against economies within the same region or income group.

On 29th September, 2022 the 15th Global Innovation Index (GII) was launched by the World Intellectual Property Organization (WIPO), and according to that, Sri Lanka has been ranked at 85th position in the GII 2022 among 132 world economies. As this is a leap of 10 positions from the 95th in GII 2021, the National Innovation Agency (NIA), the mandated government institute of the country to bring forward Sri Lanka in Global indices organized a country launch at National level, along with the Centre for a Smart Future and the WIPO on 7th October 2022 at the TRACE Expert City, Colombo 10 as a hybrid event.



(Clock-wise: Dr Susil Premajayantha, Dr. Sacha Wunsch- Vincent, Mr. Ranil Vitharana and Prof. Soumitra Dutta)

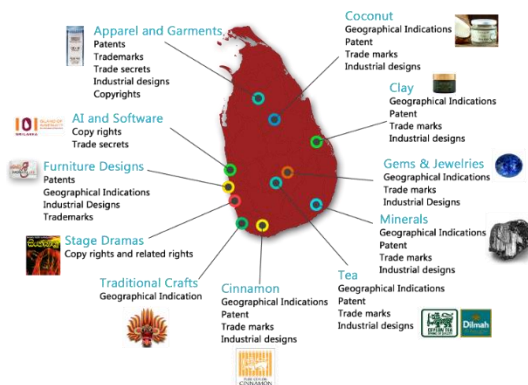
The Hon. Minister of Education, Dr Susil Premajayantha graced the occasion as the Chief Guest, along with Dr. Sacha Wunsch- Vincent, Head of Section, Economics and Statistics Division/co-editor of The Global Innovation Index (GII), World Intellectual Property Organization (WIPO) and Prof. Soumitra Dutta, Dean, Oxford Said Business School and Founder/Author of the GII made the key-note address.

Chief Innovation Officer of NIA Prof. Ajith de Alwis, Ms Vindya Wijesinghe, Innovation Officer at NIA, Eng. Heminda Jayaweera, Director Planning and Operations, Sri Lanka Technology Campus and Board Member of Trace City, Mr. Ranil Vitharana, Chief Innovation Officer of MAS Holdings, and Mr Anushka Wijesinha, Economist and Co-founder, Centre for a Smart Future also expressed their views. Mr Anushka Wijesingha moderated the proceedings.

One Village One brand

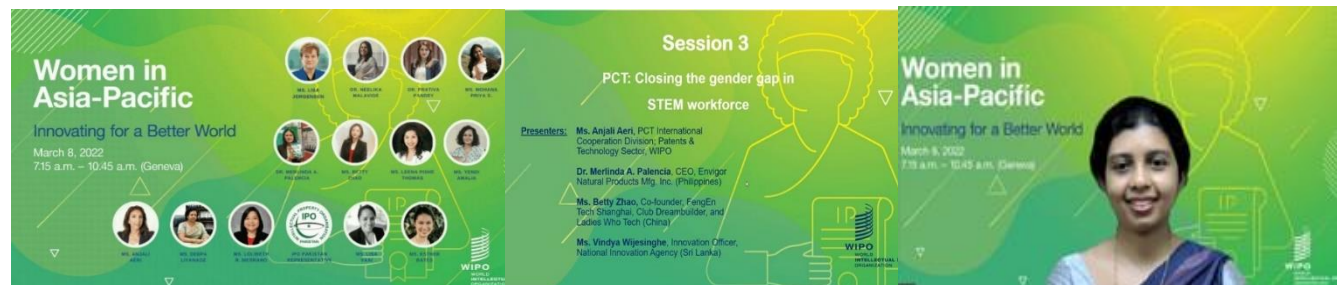
In support of the Community Innovation Project under the National Innovation Mission, NIA initiated one village one brand programme. The programme concept mainly includes the identification of unique technologies at the Village / District/ Provincial level, analysing the commercialization potential through mentoring programmes, making linkages with necessary technical experts, and research and development institutes in Sri Lanka to fulfil the commercialization gaps. The programme will facilitate a service of expertise on providing technical assistance, exploring and penetrating local and international markets by facilitating intellectual property management and technology transfer, as well as relevant business strategies. TISC@ NIA will act as the IP and tech transfer supporting arm for the programme. It is expected to uplift the livelihood and to address the imperatives in the provincial level, through the Programme.

NIA will utilize the knowledge and experience gained from the Korean Appropriate Technology development and IP sharing Project and the Timber Innovation Project COSTI carried out in managing this program.



NIA initiated the discussions with the State Ministry of Rattan, Brass, Pottery, Furniture and Rural Industrial Promotion as they are working with the Sri Lankan Cottage Industries (6.4.8 Budget speech, 2022).

Women's Day Celebrations 2022



National Innovation Agency was the coordinator for Sri Lanka for WIPO International Women's day celebration held on 8th March 2022 with the theme "Women in Asia-Pacific: Innovating for Better World". It was a virtual conference organized by WIPO and three distinguished speakers represented Sri Lanka at the event. Ms. Vindya Wijesinghe, Senior Innovation officer from NIA was a panelist for the session on "Closing the gender-gap in STEM workforce". Ms. Wijesinghe highlighted the current innovation status in Sri Lanka and how NIA will act to uplift the status giving special attention to close the gender-gap in innovation. Ms. Deepa Liyanage, Secretary to State Ministry of Skills Development, Vocational Education, Research and Innovation spoke about the "Wise Women" initiative under "the Best Practices in the region" session and Prof. Neelika Malavige of the Faculty of Medical Sciences, University of Sri Jayawardhanapura spoke about the "Gaps in Sri Lankan IP system".

Develop a National Technology Transfer System

WIPO Enabling Innovation Environment Project - Sri Lanka

The Enabling Innovation Environment (EIE) Project is a global initiative of the World Intellectual Property Organization (WIPO) for developing countries to promote IP based research/technology commercialization. The project was initiated in Sri Lanka in the year of 2016 with the objective of developing technology transfer professionals and implementation of proper technology transfer set-up in the country's key R & D institutes/ Universities. The project was implemented using a network following a Hub & Spoke model. The National IP Office (NIPO) is working as the Project Secretariat and NIA (Former COSTI) is working as the hub. Selected Research Institutes and Universities participated in the project as spokes since its initiation. Currently, NIA with the acknowledgement of WIPO, is connecting more universities and R & D institutes into the project with the objective on enhancing their TT (Technology Transfer) setup.

EIE Remote Mentoring Programme (2021-2022)

The research commercialization mentorship programme under the WIPO EIE project provides special commercialization evaluation and assistance for commercial potential technologies. The programme is conducted by technology transfer experts appointed by WIPO through a virtual platform on an annual basis with a 6-month timeline. The technologies which are submitted through the Technology Transfer Office (TTO) of the institute/university are shortlisted and guided to develop a proper commercialization strategy. The process includes conducting technical and market assessments, characterizing the invention's commercialization potential, technology marking, developing a licensing strategy, etc. For non-EIE institutions, the mentoring

support was extended to submit their potential technologies through Technology Innovation Support Centre (TISC) at NIA. TISC at NIA works as the proxy TTO of the programme and collaboratively works with the appointed mentor to support the selected technologies in its commercialization process. Further, TISC@ NIA guides the institute for setting up proper technology commercialization mechanisms in the institute by establishing a Technology transfer office, implementing relevant policies and SOPs, and developing necessary human resource skills. Twenty (20) technologies of 14 Universities and R & D Institutes were mentored with the coordination of the National Innovation Agency. The Technology Transfer Offices of these institutions benefitted from the development of their tech commercialization processes with the mentorship support of international technology transfer experts facilitated by the World Intellectual Property Organization.

EIE Institutional IP Policy Development

The Institutional Intellectual Property Development programme was started to assist institutions to develop or upgrade institutional- specific IP policies. Experts appointed by WIPO are working with selected institutions to support the policy developments or amendments. University of Jaffna, Kothalawala Defense University (KDU), Rubber Research Institute, and National Institute of Post-Harvest Management are participating in the programme. TISC at NIA is coordinating and supporting the institutes in the IP policy development process.

EIE Annual Survey on Technology Transfer Activities

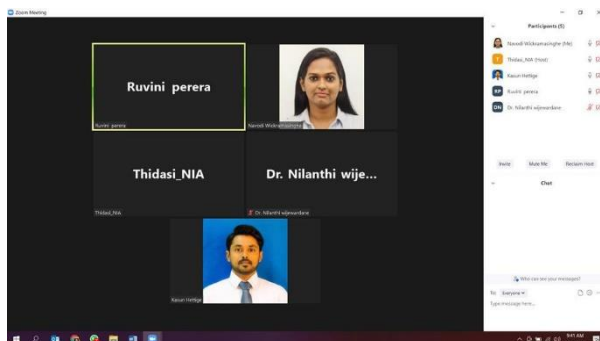
The Annual Survey on Technology Transfer was conducted for the implementation of appropriate monitoring mechanism of the research commercialization system of Sri Lanka. The survey approach was based on internationally recognized surveys, such as the Annual Licensing Activity Survey of the Association of University Technology Managers (AUTM), etc. The Survey has been approved by the Ministry of Education and the University Grants Commission (UGC). The National Innovation Agency coordinated the survey in collaboration with the Lanka Association of Technology Transfer Offices (LATTO) of universities, with the support of the UGC and the World Intellectual Property Organization (WIPO).

Web based platform is being developed to carry out the survey annually. Statistical data of research commercialization activities will be collected, including the details of research expenditure, Intellectual Property, technology licensing, start-up incorporation, product commercialization, etc. The collected data will be used to communicate the value of Technology Transfer activities and quantify the technology transfer impact to the national economy.

Commercialization and Mentoring

Discussions were held with the confectionary manufacturers and ice cream manufacturers regarding the technologies developed by the National Institute of Post-Harvest Management. These technologies were mentored by WIPO commercialization experts under the WIPO EIE program. NIA

was working as proxy TTO for the NIPHM and was supporting the institute to develop their own TTO.



PERA TECH-DISRUPT 2K22

A national-level innovation pitching challenge was organized by the Business Linkage, Innovation, Incubation, and Technology Transfer Office (BLII- TTO) of the University of Peradeniya in collaboration with the International Finance Corporation (IFC). The main objective of this initiative was to promote technology transfer and entrepreneurship culture among inventors/ innovators from Universities, Higher Educational Institutes, Research Institutes, and Business Communities. The initiative was held as a hybrid event (with online and physical activities) with interactive opportunities to connect, learn, and promote innovations, tech transfer, and start-ups with a series of workshops, a final pitching event, and an awarding ceremony.

National Innovation Agency joined the programme as an ecosystem partner and supported in the development of innovation evaluation criteria, and guided the applicants in relevant IP management and tech transfer process. The event was launched on the 29th of June.

ASPAC women innovators and entrepreneurs programme: from handholding to empowering

National Innovation Agency joined hands with Division for Asia and the Pacific (ASPAC), World Intellectual Property Organization as the country's focal point for ASPAC Women innovators and entrepreneurs programme. This programme will take participants through the different phases in a typical innovative/entrepreneurial journey through the lens of intellectual property right from the ideation to experimentation to the launch, development and growth of their innovative ideas- with easy-to-digest, practical information. As the first step, each Wednesday starting from 1st June 2022 till 3rd August 2022 interactive one-hour virtual sessions will serve as a knowledge-sharing forum to include speed mentoring, matchmaking activities, networking and workshops with experts from WIPO and the region. Thirty (30) women entrepreneurs and innovators joined this programme representing Sri Lanka.

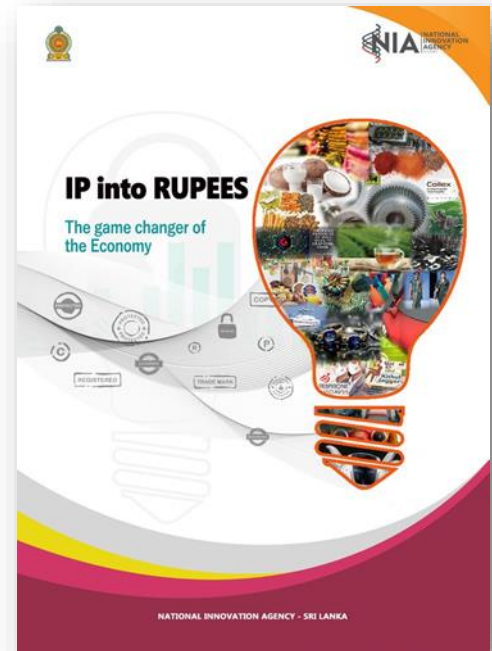
Valorization of intellectual property (IP into Rupees)

IP into RUPEES

The first ISBN publication of the National Innovation Agency, IP into Rupees - *The Game Changer of the Economy* was launched in June 2022.

The report visualizes the potential of intellectual property as an intangible asset to boost the country's economy and introduces the concept of "Sri Lankan Design" to augment value addition to the country's creativity and inventiveness. Further, it gives insight into how the developed nations utilize the intangible assets to boost their economies Sri Lanka has developed various kinds of IP assets with a global reputation.

However, most of them are not recognized as intangible assets to boost the SL economy. The government needs to play a major role in promoting IP-intensive industries to support the economy by identifying its potential.



To fuel the economy with the intangible assets of the innovation process, the National Innovation Agency (NIA) has identified and developed a potential IP asset map and Innovation canvas. Effectively driving the elements of the map and the canvas will support harvesting the IP assets and escape from the middle-income trap.

Importantly the report visualizes the concept of capturing the Sri Lankan intangible assets into Rupees by introducing the "SRI LANKAN DESIGN" concept to the world.



Meeting with the Governor of Central Bank Sri Lanka

Investment in intangible assets is increasing in most developed countries. Accordingly, the major players in the global economic situation have made a new focus on policy changes and their support to help the accumulation of intangible assets for support novel sources of growth for the

economy. This may depend on the financing of investment in intangible assets of the country. Furthermore, this will focus on economies where policymakers are seeking to develop the intangible assets necessary to be successful in high-value-added activities.

In this backdrop, the NIA Team handed over the report on intangible assets “IP into rupees” to Governor of Central Bank Sri Lanka Dr Nandalal Weerasinghe and initial discussion was held to consider intangible assets as an economic indicator for an innovation-driven economy. The Team also drew his attention to the Global Innovation Index which can be used to thrive the innovation ecosystem in Sri Lanka.



(From left to right: Prof. Ajith de Alwis, Dr Nandalal Weerasinghe, Ms Thidasi Dahanayake, Ms Vindya Wijesinghe and Ms Navodi Wickremasinghe)

NIA IP day celebrations

In parallel to World IP day celebration National Innovation Agency organized a Webinar on 28th April 2022 under the theme “IP and Youth innovating for a Better Future - SL youth are you ready?”. National Intellectual Property Office (NIPO), Enterprise/University Business Linkage Cell of University of Moratuwa and Division of Asia and Pacific of World Intellectual Property Organization (WIPO) partnered with NIA for this event. Prof. Ajith de Alwis, Chief Innovation Officer National Innovation Agency, Mr Andrew Michael Ong, Director, Division for Asia and the Pacific, World Intellectual Property Organization, Ms Geethanjali Ranawaka, Director General, National Intellectual Property Office, Dr. Ajith Pasqual, Director/ Enterprise, University Business Linkage Cell, University of Moratuwa, Mr. Heminda Jayaweera, Serial Innovator and Entrepreneur, Co-Founder of Thuru and Ushani Hewage, Senior Executive - Design and Innovation, Hayleys Fabric PLC were the distinguish panelists.



IP day event at Andhra University, India:

National Innovation Agency was a co- organizer at World Intellectual Property Day celebration event organized by Andhra University, India on 26th April 2022. Prof Ajith de Alwis, Chief Innovation Officer of NIA was a guest speaker at this event.



DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, MINISTRY OF COMMERCE & INDUSTRY, GOVERNMENT OF INDIA

uspto UNITED STATES PATENT AND TRADEMARK OFFICE

VIZAG INDUSTRIAL SCAN WWW.VISCAN.IN

JOINTLY ORGANISES ON THE OCCASION OF WORLD IP DAY 26TH APRIL 2022, 4PM TO 6PM IST

AN INTERNATIONAL WEBINAR ON IP AND YOUTH: INNOVATING FOR A BETTER FUTURE

WEBLINK: <https://andhrauniversity-webex.com/andhrauniversity/j.php>

 Prof. PVGD Prasad Reddy VICE CHANCELLOR ANDHRA UNIVERSITY	 Prof. K. Samtha RECTOR ANDHRA UNIVERSITY	 Prof. V. Krishna Mohan REGISTRAR ANDHRA UNIVERSITY	 Prof. H. Purushotham DPIT-IPR CHAIR ANDHRA UNIVERSITY
 SHRI V. Vijayaseel Reddy CHIEF GUEST MP RAJYA SABHA & CHAIRMAN OF PARLIAMENTARY STANDING COMMITTEE ON COMMERCE AND REVIEW COMMITTEE ON IPR REGIME IN INDIA		 Mr. Aditya Sabharwal MODERATOR CEO VIZAG INDUSTRIAL SCAN	
 Mr. David Simmons COUNSELOR AT WORLD INTELLECTUAL PROPERTY ORGANIZATION GENEVA, SWITZERLAND	 Mr. John Cabeca UNITED STATES INTELLECTUAL PROPERTY COUNSELOR FOR SOUTH ASIA, USPTO US EMBASSY, NEW DELHI, INDIA	 Prof. Ajith de Alwis CHIEF INNOVATION OFFICER NIA, SRI LANKA RSVP: CONTACT Prof. H. Purushotham, Mobile: 9599229277	

Formulation of relevant Policies and strategies for strengthening the National Innovation ecosystem

NIA series of fora to support Sri Lanka in overcoming the present crises

Sri Lanka in 2022 faced one of its worst economic crises, paving the way, to many other problems regarding energy, transportation, fuel, food security and health. As an attempt to find solutions to overcome the situation through innovation, the National Innovation Agency decided to have a series of forums on each of these major problems, inviting experts, activists, stakeholders and other interested parties to share their views and ideas.

Accordingly, a successful forum on Biogas was held with the active participation of many interested personnel, virtually.

NIA - Biogas Forum

This was the first episode of the series of the NIA fora. With the present economic and energy crises citizens are looking for alternatives for LP gas. Biogas has gained vast interest from the public. Biogas Forum was convened to provide a sustainable economic solution for the widespread gas issue. The Identified vital stakeholders from the R&D, Regulatory Authorities, Industries and Manufacturers, Banking and Financing, Architects and Designers, and Inventors participated virtually in the forum. Biogas manufacturers talked about the current situation and issues that have been created due to the forex limitation of the country. Several technical issues and standardization and regulatory issues were raised and discussed. The banking sector expressed its willingness to promotional activities. Twenty-five actionable points were identified and NIA is looking forward to addressing these innovatively. Consequently, NIA initiated the discussion with CEA to get proper approvals for the release of chemical barrels and the discussions progressed successfully. Now it is at the final stage of being Implemented.

In the meantime, the **DFCC Bank** understanding the potential of this technology for sustainable energy generation, as well as a good source of organic fertilizer, signed an MOU with NIA to support and promote the biogas usage of the country. The pilot project will target the farmer communities in the Thambuththegama and Naththandiya areas. Additionally, for the first-time, urban city dwellers may have the option of using credit card purchases of biogas units with a zero-interest payment scheme.



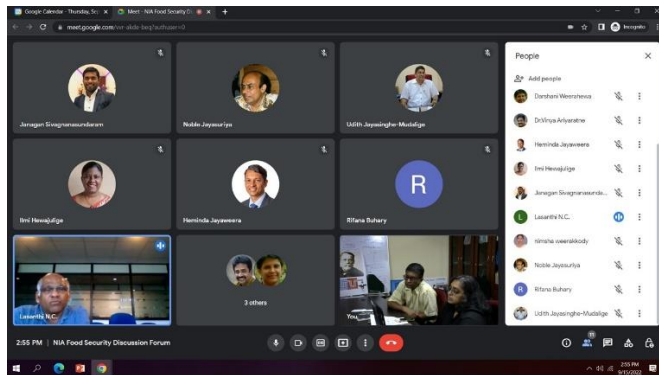
L-R (DFCC Staff) - Mr. Senaka Jayasinghe, Assistant Vice President - Sustainability, Mr. Chandana Wanigasena - Assistant Vice President - MSME & Mr. Anton Arumugam, Senior Vice President - Offshore Banking, Remittances and Business Development, (NIA Staff) Prof. Ajith de Alwis - Chief Innovation officer (Actg.), Dr Sachie Panawala – Additional Chief Innovation Officer, Navodi Wickramasinghe – Senior Innovation Officer

NIA - Biodiesel Forum

The NIA conducted a similar forum virtually on Biodiesel as well with the participation of many stakeholders. As a result, the Sri Lanka Standards Institute (SLSI) was requested to formulate standards for biodiesel which was identified as lacking in the system.

NIA – Food Security Forum

The Food Security virtual forum was conducted by the NIA with the participation of stakeholders, policy makers and experts on the subject.



Partnering with local and international Institutions

MOU with the National Innovation Agency and the Centre for a Smart Future

A Memorandum of Understanding was signed between the National Innovation Agency and the Centre for a Smart Future to collaborate to develop and strengthen the National Innovation Ecosystem System (NIES).

Centre for a Smart Future is a virtual think tank headquartered in Colombo that focuses primarily on five key thematic areas, namely Economic growth and competitiveness, Science and Technology, Environmental sustainability, Urbanization and Cities and International Trade.



Prof. Ajith de Alwis and Mr Anushka Wijesinha signing the MoU

Through this collaboration, National Innovation Agency is planning to strengthen the activities related to activating the Innovation and Entrepreneur strategy and positioning Sri Lanka in Global Indices, especially in the Global Innovation Index (GII).

Mr Anushka Wijesinha Co-founder of Centre for a Smart Future and Prof Ajith de Alwis Chief Innovation Officer of NIA were signatories to this MOU on behalf of their organizations.

Collaboration with NEDA to empower women entrepreneurs

National Innovation Agency joined hands with National Enterprise Development Authority (NEDA) Sri Lanka to promote the SMEconnect a Digital platform (www.smeconnect.lk) to empower women entrepreneurs.

SMEconnect has been developed by the Asian Development Bank (ADB) under its 'Small and Medium-Sized Enterprise Line of Credit' project. The purview of the platform was assigned to the NEDA with the auspices of the Ministry of Industries as per the directives of the Secretary to the Treasury to empower Women Entrepreneurs by enhancing their knowledge of the financial and business procedures as well as to acquaint them with the innovative productions etc. The platform is open to all entrepreneurs but with a special focus on women entrepreneurs, providing support in terms of Learning, Mentoring, and Networking.

NIA wishes to collaborate with this platform under the purview of its Social Innovation pillar and Women Innovation and Entrepreneurship programme which is to be launched with WIPO.

Citra meeting with NIA

Team NIA and Citra Social Innovation Lab conducted a design thinking session to take the activities of the Social Innovation Pillar of NIA forward.

Citra is Sri Lanka's first Social Innovation Lab established as a joint initiative between the Ministry of Science, Technology and Research, and the United Nations Development Programme (UNDP), in Sri Lanka. It uses human-centred design and foresight and innovation tools to prototype and test development solutions to ensure they are agile and holistic before nation-wide implementation. Citra facilitates conducive environments to approach problems from different perspectives and delivers comprehensive and sustainable development solutions.

Coordinate and Harmonize International liaisons relevant to Innovation

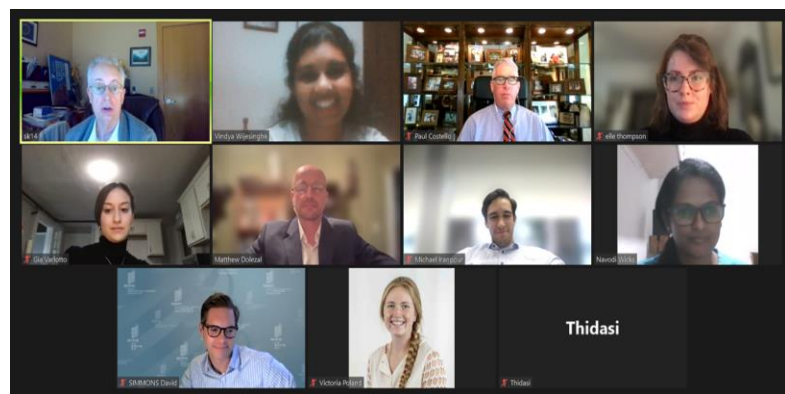
“Strategic Action Plan for Innovation-Driven Development in Sri Lanka: A Blueprint for the Future.”

“The world is in turmoil. This should be obvious to anyone who follows the news. A combination of global challenges is converging in this century — armed conflict, failed states, climate change, pandemics, and mass migrations. Among the principal drivers of these challenges is a chronic failure of developing countries to diversify their economies from commodities, tourism, and low-end manufacturing to science, technology, and innovation; they are essentially stuck in a post-colonial quagmire. Sri Lanka is now a case study, having become a fragile state teetering on failed state status; a catastrophic and precipitous economic implosion has occurred, with political and social reverberations intensifying daily.” says Prof. Stan Kowalski from *Franklin Pierce School of Law, the University of New Hampshire*.

He along with his group of six students will work together to research the situation in Sri Lanka to formulate a “Strategic Action Plan for Innovation-Driven Development in Sri Lanka: A Blueprint for the Future” under their university programme; “International Technology Transfer Institute Clinic (ITTI)”. The National Innovation Agency will be the country’s focal point for this study, whilst the Asia & Pacific Division of World Intellectual Property Organization will be the facilitator for this project.



Prof. Stan Kowalski



According to Prof. Stanley country has wasted many years without identifying the importance of serious investment in strategic capacity building in science, technology, and innovation. Therefore, the proposed strategic action plan for innovation will address this reality and navigate and accelerate the development in the country. The key features of this plan will be intellectual property law, practice and management, and best practices in technology transfer as applicable to Sri Lanka’s current stage of development.

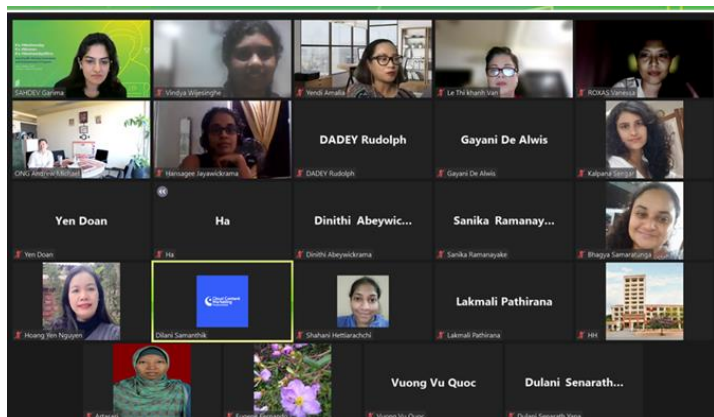
Prof. Stanley also stated that “intangible intellectual assets make up the bulk of value in international trade and transactions, exceeding that of tangible goods, services, and commodities. It is but a short leap to understand that this requires highly sophisticated skill in communicating across cultures, whether it pertains to negotiations, licensing, R&D collaborations, or technology transfer. In order to recover (and survive in this century), Sri Lanka urgently needs to build the human capital and institutional infrastructure to connect to this globalized innovation marketplace.”

The National Innovation Agency hopes that the outcome of this study will open up the eyes of country’s decision and policy makers to identify, access, absorb, adapt, and assemble technological components which then become critical innovations in health, agriculture, energy and production. This will generate prosperity, wellbeing, and hope for a brighter future.

Asia and Pacific Women Innovators and Entrepreneurs programme by WIPO

Asia and Pacific Division of the World Intellectual Property Organization concluded the series of webinars to train women entrepreneurs on design thinking, Intellectual property management, digital marketing, commercialization etc. from June to August 2022 as the 1st phase under the “Asia and Pacific Women Innovators and Entrepreneurs programme”. Thirty (30) participants from Sri Lanka along with participants from India, Vietnam and Malesia were present at this event. NIA was the country's focal point for this programme.

As the 2nd phase of this programme country-focus “Innovation and Entrepreneurship Mentoring programme for Sri Lankan Women Entrepreneurs” will commence in the first week of November. A group of 10-15 Women entrepreneurs selected from the 1st phase of the programme will participate this event. This will be a one-to-one mentoring session conducted by WIPO and local expert consultants in the field of innovation and entrepreneurship.



Data-for-Policy Platform: A community of policymakers for learning and action

UNDP together with The Rockefeller Foundation launched the Data-for-Policy Platform on 17th October 2022, anchored by the Regional Innovation Centre. Policymakers across Asia-Pacific including National Innovation Agency - Sri Lanka had been invited to share their learning journeys on Data-for-Policy experiments.

Dr Sachie Panawala of the National Innovation Agency took part in the dialogue representing Sri Lanka.



Launching the NIA Circle

Networking and collaboration are key components in building the innovation ecosystem. The NIA Circle was formed to connect experts around the world, and who are willing to support Sri Lanka's innovation mission.

The National Innovation Agency Circle (NIA Circle) welcomes individuals and organizations (local & international) with expertise in innovation and entrepreneurship to join its efforts to promote innovation in Sri Lanka. Joining the NIA Circle can provide an opportunity to connect with like-minded individuals and organizations, and to contribute to the development of the innovation ecosystem in the country.



Blending Sri Lankan flavour with Wisdom



National Innovation Agency in collaboration with MJF Charitable Foundation, Commercial Bank of Ceylon PLC and Dilmah Tea opened up Sri Lanka's first "Math Cafe" to people to commemorate "World Science Day" under the theme "Basic Science for Sustainable Development".

This is a novel concept where you can enjoy a cup of tea while engaging in a Mathematical game at Swashakthi Bakery and Tea Room, Katubadda.

"MathCafe" is a new initiative launched to stimulate and develop the mathematical and analytical skills of school children in Sri Lanka. Inspired by the results achieved by the 'Math Lab' concept pioneered at the Miyanakandura government school, Passara, by former teacher and innovative learning materials designer H. A. Dharmasiri, the initiative began with a pilot project involving 4,500 students at four government schools and a home for differently-abled children.

The Math Cafes are designed to create a sustainable impact on the way the subject is taught and learned in our school system, by using the tools and methods developed by the pioneer of the concept.

Designed to provide students with the environment, instruments and stimulus to unleash their logical and analytical thinking power by learning difficult theories through 70 interactive mathematical games, game tools and interesting activities, the MathCafe uses simple and enjoyable mathematical activities to help students comprehend what the practical math problems actually mean, and to understand complicated calculations and formulae. The programme guides and trains the students to practice amazingly simple techniques to solve mathematical problems.



Celebrating Science Week

Science, Technology and Innovation for Sustainable Development

The National Innovation Agency team was at the Big Focus live programme telecast by Ada Derana 24 in parallel to celebrating the National Science Week. The importance of basic sciences in the pathway of innovation, science communication and the role of media in popularising science, science literacy and the role of NIA in filling the gap between invention, innovation and commercialization were discussed.



Biotechnology and Entrepreneurship

NIA initiated a webinar series under the theme "High-Technology based Techno-Entrepreneurship opportunities for Sri Lanka's economic recovery and resilience", as a stemming up from the GEW, and successfully held the first webinar on "Biotechnology and Entrepreneurship" in collaboration with the Sri Lanka Institute of Biotechnology (SLIBTEC).

It had a very distinguished panel representing Biotech-industry and Academia in Sri Lanka starting with;

- Mr Samudith Kumarasinghe, Director of Nature's Beauty Creations Ltd
- Prof Gamini Seneviratne, National Institute of Fundamental Studies
- Dr Chandanamali Punchihewa, CEO, Genelabs Medical (Pvt) Ltd
- Mr Dilip de Silva CEO, Serendib Horticulture Technologies (Pvt) Ltd
- Dr Thilini Ariyadasa, Senior lecturer, University of Moratuwa

Ms Amali Ranasinghe, COO, Sri Lanka Institute of Biotechnology moderated the session.



The Innovation Eye – Quarterly Newsletter of the National Innovation Agency

The NIA publishes a quarterly Newsletter named Innovation Eye, that captures the salient activities and events that took place during the relevant three months. As a result, it published four issues of the Innovation Eye during 2022.



Establishing collaborations with the Ministry of Plantation Industries

Institutional Business Linkage Cells (IBLC) is a concept developed by the NIA adopting the method of UBL cells which is already set up in all 17 state universities in Sri Lanka. According to the idea, NIA is planning to set up IBLC to nearly 60 research institutes in the country starting from the year 2023. In line with that, the NIA team had a very promising discussion with Mr Janaka Dharmakeerthi, the Secretary to the Ministry of Plantations and his team on proper Technology transfer, Commercialization, Innovation and IPR management for the research institutes under the preview of the ministry.

It was proposed to set up Institutional Business Linkage Cells (IBLC) as technology transfer units for all the research institutes under the Ministry of Plantations. Special attention was given to protecting Geographical Indications (GI) for other untapped crops under the plantation industries. This initiation is expected to open a new door to the plantation industry in the country for better value addition with proper protection.



Youth leaders for an Innovative future

Under the WIPO IP & Youth programme National Innovation Agency was able to coordinate featuring young entrepreneurs as case studies on WIPO website and in the WIPO Asia Pacific Newsletter in 2022. The young entrepreneurs showcased were Mater Nethila Nimsath Gamage, Eng. Keerthi Kodithuwakku, Ms Haily Senevirathne, Joint Agri Products Ceylon (Pvt) Ltd (JAPC), Ms Senuri Gamage and Dr Himesh Fernando.

Their success stories can be viewed on WIPO Website through the given links.

Master Nethila Gamage

Promising Kidpreneur Teaches Children Entrepreneurship Skills

Machine Translation: English

About the company

Nethila Nimsath is nothing like a regular teenager. He just turned 13 but already has an entrepreneur's career. With the support of his father, he developed a large following on LinkedIn, is interviewing successful entrepreneurs on his YouTube Channel, and created a business academy for children and teenage candidate entrepreneurs.

When Nethila was 10, his father, Amithe Gamage, a branding strategist regularly hosting live shows on Facebook, asked him to participate in short videos. Nethila would ask a question and Amithe would provide a long answer.

"My father thought people would be amazed to see a child talking about business," Nethila said. He was offered 500 rupees per show. "I gladly accepted. I was 10 years old; I could not decline such an offer!" That was the start of Nethila's career.



In 2019, one of Amithe's friends who has a book club asked if Nethila would present a book to an adult audience. "I was a little bit nervous," said Nethila "because I was doing the presentation physically." Amithe realized that not only his precocious child was at ease in front of a camera, but also in front of people. "I did the presentation very well and my dad took me for a pizza as a treat after that," said a smiling Nethila.

<https://www.wipo.int/ipadvantage/en/details.jsp?id=12474>

Eng. Keerthi Kodithuwakku

Jendo – Heart Disease Prediction using Machine Learning

Machine Translation: English

About the company

Preventing Cardiovascular Diseases with an AI-Powered Rapid Diagnostic Test

Keerthi Kodithuwakku is a biomedical engineer, the co-founder and CEO of **Jendo Innovations**, a bio-medical startup delivering patented healthcare solutions detecting abnormalities in the cardiovascular system and seeking to prevent the risk of cardiovascular diseases.

His strong passion for biomedical engineering resisted adverse advice from some senior advisors in the healthcare industry about the lack of prospects in biomedical engineering in Sri Lanka. Along with a like-minded group of engineers, he followed his dream of providing a solution to help solve medical conditions. In their research and entrepreneurial journey, Keerthi said that he found strength and motivation through the strong support of his wife, family, friends, and coworkers in overcoming the obstacles faced when developing Jendo Innovations.

"We went through a lot of medical problems and we identified a new technology to detect endothelial dysfunction which is an early detection of cardiovascular diseases," he recalled. The endothelium describes the deepest cell layers of blood vessels. It was just a concept at that time, Keerthi said, "but going through the literature, we realized cardiovascular diseases (CVDs) are a huge health issue, and the technology would apply to all people in the world." "We were inspired by that, and that was the original idea of Jendo." According to the World Health Organization, (CVDs) are the leading cause of death globally and claim millions of lives a year.



<https://www.wipo.int/ipadvantage/en/details.jsp?id=12463>

Joint Agri Products

Joint Agri Products Ceylon's Organic Spices

Machine Translation: English

About the company

What is life without a little spice? Vernon Abeyratne, CEO of Joint Agri Products Ceylon (Pvt) Ltd (JAPC) could not agree more. The company is one of the largest exporters of Sri Lankan spices to the European and North American markets. Among its lead products, Ceylon cinnamon has gained worldwide recognition with a certification mark and has become a geographical indication in Europe.

For most of his career, Vernon worked for private export companies as well as for the Sri Lanka state Trading Consolidated Exports Corporation as a senior export executive. As such, he traveled to many countries and participated in trade fairs in Europe and the United States.

In 1993, he decided to start his own company. With the help of a trusted and faithful client who provided his first steady stream of orders and the support of local suppliers who agreed to provide credit facilities. He gathered six shareholders to bring up some seed funding, and after four months started exporting spices and expanding the business.

From his modest start with five employees, Vernon, the Managing Director and Chairman of the company runs the business with his son and provides work to over 200 permanent staff. Joint Agri Products Ceylon (Pvt) Ltd (JAPC) exports products for a value over US\$ 10 million per year. The company has become over the years the largest organic exporter of Ceylon Cinnamon with 600 MTons to the world market.



<https://www.wipo.int/ipadvantage/en/details.jsp?id=12653>

Ms Senuri Gamage

Savour Route Pure Ceylon Cinnamon

Machine Translation: English

About the company

Traditional Knowledge Preserved the Unique Taste and Quality of True Ceylon Cinnamon

Ceylon Cinnamon has been known for centuries and is thought to have been used as far back as ancient Egypt for its preservative and medicinal properties. Sri Lanka is the largest global exporter of cinnamon and hosts several SMEs producing the spice following traditional methods. Savour Route is one of them, headed by Senuri Gamage, a young entrepreneur, who combines ancestral methods of producing high-quality Ceylon Cinnamon, with a highly qualified staff, and her determination to provide jobs to women.

After graduating with a Bachelor's in International Business in Malaysia, Senuri was not really attracted by the idea of a 9-5 job. She always planned to start her own business.

She started by conducting extensive market research on cinnamon. "During my research, I fell in love with the processing of cinnamon," she said. "I was amazed to see how complicated it is, and how beautiful it is." "I wanted to tell the world because not many people know the technicalities involved in that process and how much skill is needed to make a small cinnamon stick."



Senuri also found that even though Sri Lanka is the largest exporter of Cinnamon, there was a gap in quality. She decided that she would favor a small production, with high quality, aroma, and flavor. "I wanted to be an advocate, to increase cinnamon's value," she explained. She founded Savour Route in January 2020, at the brink of the Covid-19 pandemic, which prevented any exports until October.

<https://www.wipo.int/ipadvantage/en/details.jsp?id=12639>

Ms Haily Senevirathne

Fortigrains Lanka Fortified Rice - a Solution to World Hunger

Machine Translation: English

About the company

New Fortified Rice in Sri Lanka Could Offer Worldwide Relief for Micronutrient-Depleted Populations

Haily Senevirathne was always interested in science and as a child dreamed of working in a research laboratory. Some years later, she is a researcher and the co-inventor of a patented process able to fortify rice with vitamins, minerals, and micronutrients, and has the potential to help the malnutrition plague in the world.

With a master's in science and technology, Haily went on to study nutrition for her master's and, passionate about her subject, started her own small research lab at her home after her study to do independent research and development for the industry. She later joined the Wayaba University of Sri Lanka as a Lecturer.



Rice is a staple food in Sri Lanka and many developing countries. Half of the world's population relies on rice, she said. However, rice loses most of its nutritional value during processing, in particular when the bran layer is removed during polishing to satisfy the market demands for white rice. What remains, Haily said, is mainly starch without many nutritional benefits, and developing country populations usually suffer from acute micronutrient deficiency of essential vitamins and minerals such as vitamin A, Vitamin B6, iron, and Zinc. When it comes to rice fortification, Haily explained, there are different technologies: bio-fortification, which involves gene modification, pre-harvest fortification, and

<https://www.wipo.int/ipadvantage/en/details.jsp?id=12636>

Dr Himesh Fernando

Chakra Suthra Zero-Waste Solutions

Machine Translation: English

About the company

Bringing Homes and Businesses in Sri Lanka to Zero-Waste Production

Most of the packaging in Sri Lanka ends up in landfills, polluting the earth and water. Himesh Fernando, the founder, and CEO of Chakra Suthra is set on reversing the trend and driving homes and businesses in the country towards a zero-waste practice.

The name of the company comes from Sanskrit: Chakra (circular), and Suthra (formula); the circular solution.

Himesh is a native of Matara, a coastal city in the South of the island where he grew up. Coming from a scientific family with a pediatrician father and a mother who was a nurse, he was always fascinated by science. "We always talked about science, and at one point I wanted to be a doctor, but that did not happen."

He chose to study molecular biology and biochemistry at the University of Colombo before going to the United Kingdom on a scholarship to follow a Ph.D. program in genetics and molecular biology.

After his Ph.D. he worked for some biotech companies in Oxford, concentrating first on research, and further focusing on the business side of science. Some ten years ago, he came back to Sri Lanka to work on the commercialization of innovation.



In 2018 Himesh was selected for a three months Eisenhower Fellowship for Innovation and traveled to the United States to work on a social impact-related project. This fellowship was an opportunity to

<https://www.wipo.int/ipadvantage/en/details.jsp?id=12537>



Research into Rupees!

**NATIONAL INNOVATION
AGENCY**

**FINANCIAL STATEMENT
2022**

MINISTRY OF EDUCATION

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NATIONAL INNOVATION AGENCY

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	NOTE	<u>2022 (Rs.)</u>
REVENUE		
Treasury Grants	01	12,863,900
In-kind Assets Transfers		4,885,627
		<u>17,749,527</u>
EXPENDITURES		
Personal Emoluments	02	8,894,495
Board Directors' Allowances	03	324,000
Traveling Expenses	04	69,973
Supplies & Consumables used	05	139,140
Maintenance Expenses	06	23,500
Contractual Services	07	543,533
Depreciation	08	1,148,525
Bank Charges		8,020
		<u>11,151,186</u>
		-
NET SURPLUS (DEFICIT)		<u>6,598,340</u>

The Accounting Policies & Notes form an integral part of these Financial Statements

NATIONAL INNOVATION AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

DESCRIPTION	NOTE	-	<u>2022 (Rs.)</u>
ASSETS			
Non-Current Assets			
Property Plant and Equipment	08		3,737,102
Intangible Assets	09	—	<u>95,000</u>
			3,832,102
Current Assets			
Prepayments	10		2,917
Cash and Cash Equivalents	11	—	<u>3,200,022</u>
			3,202,938
TOTAL ASSETS			<u>7,035,040</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated Fund			<u>6,598,340</u>
			6,598,340
Current Liabilities			
Other Payables	12	—	<u>436,700</u>
			436,700
TOTAL LIABILITIES			<u>7,035,040</u>

Signed for and on behalf of the National Innovation Agency

Prof. Ajith de Alwis
Chief Innovation Officer

W.A.G.P.Wijesinghe
Accountant (Acting)

"The Board of Directors are responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Steering Council of the National Innovation Agency

E.M.S.B.Ekanayake
Chairperson, Steering Council of NIA

H.D.C.L.Silva
Member, Steering Council of NIA
Chairman, AMC of NIA

NATIONAL INNOVATION AGENCY

**STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2022**

	Accumulated Fund (Rs.)	Total (Rs.)
Balance as at 01.01.2022	-	-
Opening balance Adjustment		
Transfer of Asset	-	-
Surplus/Deficit during the year	6,598,340	6,598,340
Prior Year Adjustment	-	-
Rounding up transaction		
Balance as at 31.12.2022	6,598,340	6,598,340

NATIONAL INNOVATION AGENCY

CASH FLOWS STATEMENT THE YEAR ENDED ON 31ST DECEMBER 2022

	<u>2022 (Rs.)</u>
NET OPERATING SURPLUS /(DEFICIT) FOR THE YEAR	
Surplus (Deficit) from Ordinary Activities	6,598,340
ADJUSTMENT OF NON-CASH MOVEMENTS	-
Depreciation	1,148,525
Assets Transferred from the Line Ministry	- 4,885,627
	- 3,737,102
OPERATING SURPLUS /(DEFICIT) BEFORE WORKING CAPITAL CHANGES	2,861,239
Increase/Decrease in Receivables	- 2,917
Increase/Decrease in Other Payables	436,700
	433,783
NET CASH IN OPERATING ACTIVITIES	3,295,022
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>	
Acquisition of property, Plant and Equipment/Intangible Assets	- 95,000
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	- 95,000
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>	
Grants Received	-
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	-
Net Increase/(Decrease) in Cash and Cash Equivalents	3,200,022
Cash and Cash Equivalents at the beginning of the year	-
NET CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	3,200,022

ACCOUNTING POLICIES

01. GENERAL

1.1. The Accounting Convention of the National Innovation Agency is prepared under the historical cost convention. Financial Statements are prepared in accordance with the Sri Lanka Public Sector Accounting standards. The financial statements are prepared in Sri Lanka Rupees (Rs).

1.2 Post Balance Sheet Events

All material Post Balance Sheet events have been considered and appropriate adjustments made to or disclosures have been made in the Financial Statements.

1.3 Comparative Information

Financial Statements prepared for Year 2022 present the First Financial Statements prepared for the National Innovation Agency and therefore comparative figures of the past year were not presented in the current year's financial statements.

02. DEPRECIATION POLICY

Classes of Assets and depreciation rates were as follows

ASSETS	RATE
01. Computer and Accessories	25%
06. Electrical Equipment	20%
07. Furniture and Fittings	20%
08. Office Equipment	25%
09. Computer Software	25%

03. LIABILITIES AND PROVISIONS

All material commitments and contingent liabilities have been considered and where necessary adjustments or disclosures have been made in these financial statements.

04. FINANCIAL PERFORMANCE

4.1. Both Recurrent and Capital Treasury Grants received from the Government have been accounted for in the Statement of Financial Performance

4.2 The Deficit/ (Surplus) of the Revenue over Expenditure has been arrived at after making provision for all known and quantifiable liabilities if not otherwise mentioned in the Notes and Discoursers to Financial Statements.

4.3 All costs incurred in operation and maintaining capital assets have been charged to the Statement of Comprehensive Income.

4.4 Value of Inventory items that cannot be capitalized with short life and non-material in nature has been charged to the Statement of Financial Performance.

NATIONAL INNOVATION AGENCY

NOTES FOR THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED ON 31ST DECEMBER 2022

	<u>2022 (Rs.)</u>
01 Treasury Grants	
Treasury Grants -Recurrent	10,863,900
Treasury Grants - Capital	2,000,000
	<u>12,863,900</u>
02 Personal Emoluments	
Salaries and Wages	4,546,625
Other Allowances	2,451,578
EPF Contribution	736,165
ETF Contribution	184,041
Overtime and Holiday Pay	27,135
CIO Allowance	948,949
	<u>8,894,495</u>
03 Board Directors Allowances	
Honorarium for Council Members	324,000
	<u>324,000</u>
04 Traveling Expenses	
Domestic	69,973
	<u>69,973</u>
05 Supplies and Consumables used	
Stationery and Other Office Requirements	50,784
Transport Expenses	77,797
Postage and Communication	4,820
Refreshment Expenses	5,739
	<u>139,140</u>
06 Maintenance Expenses	
Computer Maintenance	23,500
	<u>23,500</u>
07 Contractual Services	
Telecommunication	511,450
Web Hosting Fee	32,083
	<u>543,533</u>

NATIONAL INNOVATION AGENCY

NOTES FOR THE STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

08 Property , Plant and Equipment

		COST				
		<u>01.01.2022</u>	<u>Transfer</u>	<u>Addition</u>	<u>Disposal</u>	<u>31.12.2022</u>
Computer and Accessories		-	2,948,653	-	-	2,948,653
Electrical Equipment		-	363,360	-	-	363,360
Furniture and Fittings		-	1,094,271	-	-	1,094,271
Office Equipment		-	479,343	-	-	479,343
		-	4,885,627	-	-	4,885,627

DEPPRECIATION						
	Rate	<u>01.01.2022</u>	<u>Transfer</u>	<u>For the Year</u>	<u>Disposal</u>	<u>31.12.2022</u>
Computer and Accessories	25%	-	-	737,163	-	737,163
Electrical Equipment	20%	-	-	72,672	-	72,672
Furniture and Fittings	20%	-	-	218,854	-	218,854
Office Equipment	25%	-	-	119,836	-	119,836
		-	-	1,148,525	-	1,148,525
		-				3,737,102

09 Intangible Assets

Website	95,000
	<u>95,000</u>

10 Prepayments

Prepaid Expenses-Lanka Host	2,917
	<u>2,917</u>

11 Cash and Cash Equivalents

Cash	3,200,022
	<u>3,200,022</u>

12 Other Payables

EPF Payable	1,434
ETF Payable	215
Payable to Harmony Fund	42,000
Payable to UDA	6,200
Payable to Dept of Social Services	4,240
OT Payable	4,047
Payable - SLT	30,246
APIT Payable	20,788
Payable -Personnel Emoluments	327,529
	<u>436,700</u>

DISCLOSURE OF THE FINANCIAL STATEMENTS

1. Property Plant and Equipment

The existing physical resource of the Coordinating Secretariat for Science Technology and Innovation (COSTI) amounting to Rs 4,885,627 was transferred to the National Innovation Agency (NIA) on the date of 26th October 2022. This value of Assets has been recorded under Property Plant and Equipment in the current year's financial statement.

2. Intangible Assets

Official Website was developed for NIA (www.nia.gov.lk) during the year and it is recorded under the Intangible Assets.

3. Revenue from Non- exchange Transaction

As per SLPSAS 11, Assets transferred from the line Ministry are recognized as Revenue and Assets in the general-purpose financial statements since no performance obligation is attached to this transfer.

4. Personnel Emoluments

This includes Salaries and Allowances for the National Innovation Agency staff and the Chief Innovation Officer's allowance. Up to 20th October 2022, the COSTI Salary scale was paid to the whole staff who are actively engaged in NIA operations and permanent appointments were issued to six staff members in December 2022 with effect from the 21st October 2022. Salary arrears computed according to the NIA Salary scale were paid to five staff members in December 2022. Provision has been made in current year financials to pay salary arrears entitled for the other staff member as the releasement document is pending and the Chief Innovation Officer's December allowance as the appointment's extension letter is pending.

5. Events Occurring After the Balance Sheet Date

On 27th January 2023, the Steering Council of NIA has decided that the date of appointment to the National Innovation Agency for the existing staff of COSTI at 31.12.2021 should be 01.01.2022 and any arrears payments to the staff can be made if provisions are available in the NIA budget allocation for 2023. This liability has not been recognized in the current year's financial plan as budget allocation availability in 2023 is yet to be finalised.

A guideline was issued by the Inland Revenue Department to deduct Advance Personal IncomeTax (APIT) with effect from 2023.01.01 from Employment Income.



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

IMT/D/NIA/1/22/87

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

25 May 2023

Chief Innovation Officer
National Innovation Agency

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Innovation Agency for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the **National Innovation Agency** for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 **December 2022**, and of its financial performance and its cash flows for the year then ended in accordance with **Sri Lanka Public Sector Accounting Standards**.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other information included in the Agency's 2022 Annual Report.

The other information comprises the information included in the Agency's 2022 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Agency's 2022 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with **Sri Lanka Public Sector Accounting Standards**, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Agency is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Agency.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Agency as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention.

2.2.1 to state that any member of the governing body of the Agency has any direct or indirect interest in any contract entered into by the Agency which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018

2.2.2 to state that the Agency has not complied with any applicable written law, general and special directions issued by the governing body of the Agency as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018, except for;

<i>Reference to law/ direction</i>	<i>Observations</i>
(a) Section 6.6 of the Operational Manual for State-Owned Enterprises issued by the Department of Public Enterprises, Ministry of Finance, dated 16 November 2021, numbered 2021/01	A draft of the Annual Report has not been submitted with the Financial Statements Pack.
(b) Code of Financial Regulations of the Democratic Republic of Sri Lanka Financial Regulation 104	According to the report of the Goods Survey for the year 2022, although there was a shortage of one laptop and an iron chair, the reasons for the loss were not mentioned and were not dealt with in accordance with Financial Regulation 104.
2.2.3 to state that the Agency has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.	
2.2.4 to state that the resources of the Agency had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.	

2.3 **Other Matters**

- (a) The Ministry of Skill Development Vocational Education and Innovations had given Rs. 4,885,627 non-monetary assets of the Coordinating Secretariat for the Science Technology Innovation (COSTI) to the Agency on January 1, 2022. The institute has an approved cadre of 17 and an actual staff of 11. It was also observed that the staff of the institute had surplus laptops, desktops and chairs and that they were underutilized.
- (b) The General Treasury has awarded the National Innovation Agency Rs. 12,863,900 for the year 2022 for recurring and capital expenditures. Of those revenues Rs. 11,151,186 had been spent by December 31, 2022, but no suitable background had been set out to meet the objectives mentioned in the Act.

W.P.C. Wickramaratne
Auditor General

NIA Feedback on Auditor General's Report 2022

2.2.2. observations	Feedback
(a) A draft of the Annual Report has not been submitted with the Financial Statements Pack.	Agree. The Annual Reports mainly present the performance of the institute and the year 2022 is the first year the institute commenced operations. During that year, there was a strong focus on administrative matters related to the permanent establishment of the institution. I would like to draw your attention to the fact that those activities outside the control of the institution were too delayed due to the chaotic situation prevailing in the country that year. However, it was noted that the 2022 report would be submitted as soon as possible and to submit drafts of the annual report as required from the year 2023 onwards.
(b) According to the report of the Goods Survey for the year 2022, although there was a shortage of one laptop and an iron chair, the reasons for the loss were not mentioned and were not dealt with in accordance with Financial Regulation 104.	We do not agree. These deficiencies were revealed in COSTI's Goods Survey Report for the year 2018 and explanations have been provided by COSTI to the Accounts Division of the Ministry on 22.02.2021. Copies of the relevant letter have been handed over to the National Audit Office on May 22, 2023. Further, as confirmed and decided at the Audit and Management Committee meeting held on 19th May 2013 with the observation of an officer of the National Audit Office, these losses are the liabilities of COSTI and as per the relevant Cabinet Memorandum, NIA did not take any liabilities held by COSTI, other than the resources (human, financial and physical) when transforming COSTI and establishing as the National Innovation Agency. Therefore, it is hereby informed that the National Innovation Agency will not take any liability in this regard. (A report of the relevant meeting has been submitted to that officer.)

2.3 Other facts	Feedback
(a) The Ministry of Skill Development Vocational Education and Innovations had given Rs. 4,885,627 non-monetary assets of the Coordinating Secretariat for the Science Technology Innovation (COSTI) to the Agency on January 1 2022. The institute has an approved cadre of 17 and an actual staff of 11. It was also observed that the staff of the institute had surplus laptops, desktops and chairs and that they were underutilized.	<u>Under Usage: Laptop Computers and Desktop Computers</u> Agree. COSTI owned 56 laptops. Of these, 13 have been returned to the Ministry on 29.03.2019 and another 17 laptops have been handed over to the Ministry on 13.10.2022. Thirteen of the remaining 26 laptops are in need of repair and the repair has been suspended due to the high cost of computer components at current market prices and the inability to manage the amount in the budget allocations. However , requests have been made to recruit officers for the vacant posts and accordingly, if there are computers that can be repaired and reused, they are meant to be provided to the relevant officers and action will be taken to condemn the non-usable items by following the relevant procedures. <u>Under usage: The chairs.</u> We do not agree. It was COSTI that has been transformed into the National Innovation Agency (NIA) and established as a permanent agency. (Copies of the Cabinet Paper that has ordered to use the human, financial and physical resources held by COSTI in setting up the NIA have been furnished to the National Audit Office on 22nd May 2023). COSTI's staff consisted of 41 personnel and there was furniture for them, including tables and chairs as well as a meeting table and chairs for that. During the conversion of COSTI to NIA, a cadre of same number of 41 was submitted for approval, but the Department of Management Services approved only a staff equal to the number of staff working in COSTI by the year 2021. However, since the NIA has

	a wider scope of responsibilities and services than it had when it was COSTI, the NIA expects to have a staff of 41 or more approved in the near future. Accordingly, the officers recruited for the vacancies arising will have to be given the same chairs that are currently owned by the NIA . Then the government does not need to spend extra money. Furthermore, since the NIA is an entity where outsiders and those involved in the innovation process visit frequently, it is essential to hold meetings, discussions etc with them. In some cases, there will be discussions taking place simultaneously. In this case, it is necessary to use the chairs mentioned in number 7. Therefore, it is not possible to agree with the view that the chairs owned by COSTI and given to the NIA remain surplus and under-utilized.
(b) The General Treasury has awarded the National Innovation Agency Rs. 12,863,900 for the year 2022 for recurring and capital expenditures. Of those revenues Rs. 11,151,186 had been spent by December 31 2022 but no suitable background had been set out to meet the objectives mentioned in the Act.	Do not agree. All the activities mentioned in the Annual Report for the year 2022 officially commenced by the institute are those implemented to achieve the objectives mentioned in the Act. It is hereby informed that all those activities were carried out in accordance with the approved action plan for the year 2022.
<u>Note</u> However, as a whole, we have thoroughly studied the audit observations you have made on the 2022 financial statements and have taken steps to inform the relevant authorities by taking note of the corrective measures that have been indicated and agreed upon by this institution and by taking preventive measures to prevent their recurrence.	