

ANNUAL REPORT 2024



INSTITUTE OF POLICY STUDIES OF SRI LANKA

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ABOUT US

The Institute of Policy Studies of Sri Lanka (IPS) is the apex economic policy research organisation in Sri Lanka, established by an Act of Parliament. Our mission is to conduct high-quality, independent, policy relevant research to provide robust evidence for policymaking and improve the lives of all Sri Lankans.

Through its substantive body of rigorous research spanning more than three decades, the IPS has come to be recognised as a centre of excellence in economic policy research. The Institute's research programme covers many of the critical areas of relevance to current socio-economic policymaking in Sri Lanka and the Asian region. The complementary expertise of a strong team of in-house researchers is the key to its successful record of supporting economic policymaking, with empirically-based research disseminated widely through reports, research papers, journal articles and public presentations.



VISION

To be a globally-recognised research institute that is a catalyst for Sri Lanka's socio-economic transformation.

MISSION

Conducting high-quality, independent, policy relevant research that provides trusted insights on socio-economic issues to inform our stakeholders and shape policy agendas to positively impact the lives of all Sri Lankans.

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CHAIRPERSON'S MESSAGE



Prof. Anoma Abhayaratne
Former Senior Professor,
Department of Economics and Statistics
University of Peradeniya

It is with great pleasure I write this message to the Annual Report of the Institute of Policy Studies of Sri Lanka (IPS) highlighting its achievements in 2024. The mission of the IPS is to conduct high-quality, independent, policy-relevant research to provide sound analytical evidence for the formulation of effective policy decisions. The goal is to help policymakers understand the implications of various policy options and improve the lives of all Sri Lankans.

In the year 2024, the IPS has continued to advance its mission through its research activities which are vital to guiding policymakers in navigating complex issues that shape the future of our country. During the year, the research agenda of the IPS focused on the issues of critical constraints on growth such as policy inconsistencies, inadequate infrastructure, weak public service delivery in health and education, dearth of skills, rising costs of energy, and barriers in accessing

finance and land, and other issues aligned to the country's national policy framework. As an internationally renowned think tank of Sri Lanka, the IPS continued its role in providing research-based inputs to the country's policymaking and disseminating its research outputs to the general public and the international community. This year's research outcome has been the source of publications in terms of reports, book chapters, journal articles, working papers and policy briefs.

The economy of Sri Lanka displayed a gradual recovery in 2024 following the financial crisis of 2022. While the recovery process was slow, there were notable improvements in economic growth, driven by strengthened macroeconomic fundamentals, including low inflation and a stable exchange rate. The country achieved a GDP growth of 1.6% in the third quarter of 2023, marking a positive shift after six consecutive quarters of negative growth. However, the prolonged economic downturn led to a significant reduction in household income, compelling families to adjust their spending, particularly on essential sectors like food and healthcare. The labour market has also been disrupted, with more students opting to remain in education rather than entering the workforce, coupled with a growing reluctance to seek employment and increasing outmigration. These developments are likely to reshape the broader context in which Sri Lanka's economic strategy is formulated, especially with respect to its global competitiveness and the goal of improving living standards.

In light of these challenges, the annual flagship report of the IPS, Sri Lanka: State of the Economy 2024, under the theme "Economic Scars of Multiple Crises: From Data to Policy," provides a comprehensive analysis of the country's current economic situation. The report aims to better understand the scale of challenges Sri Lanka faces and to foster consensus on an economic strategy that can transition the nation from stabilisation toward sustained growth and prosperity.

I take this opportunity to congratulate the IPS on its significant achievements in 2024 and to extend my gratitude to the Executive Director, Dr. Dushni Weerakoon who provided the leadership, dedicated research team, Board of Governors, and all staff for their continued support and commitment. Together, we will continue to contribute meaningfully to Sri Lanka's development trajectory.

Anoma Abhayaratne
Chairperson, Institute of Policy Studies of Sri Lanka

EXECUTIVE DIRECTOR'S REPORT



Dr. Dushni Weerakoon

As the Sri Lankan economy seeks to overcome the multiple shocks of recent years, efforts towards economic stability and debt sustainability will require a continued focus on increasing foreign exchange earnings and ongoing fiscal consolidation efforts. Targeting the former means promoting exports, facilitating safe migration and tourism to enhance foreign exchange earnings. More responsible fiscal policy setting means efforts to raise revenues and curtail spending must be managed within stronger social protection measures to safeguard the most vulnerable and tackle inequalities. Going beyond these immediate priorities, it also means improving the quality and access to health and education and raising public service standards in the face of technological advancements. National policy responses must also factor in rising external uncertainties from a volatile global economy and escalating geopolitical rivalries, whilst contending with climate change and unpredictable weather conditions.

To address these systemic and structural challenges, there has rarely been a greater need for independent, impartial and robust academic research to provide incisive evidence to guide policy formulation. Research at the Institute of Policy Studies of Sri Lanka (IPS) has homed in on these critical issues as captured in our medium-term research agenda built around six thematic areas. From analysing policy issues around the macroeconomic context, economic growth and productivity, the workings of Sri Lanka's labour market, the delivery of education and health services, and the way in which disparities across household and production sectors can be better managed, our work over the last year has made a critical difference to public debate in a number of areas.

- Our work looked at fiscal and monetary policy in stimulating a cyclical recovery, including the distributional impacts of taxes on households and the imposition of sin taxes on tobacco consumption and sugar-sweetened beverages (SSBs). With the rising adoption of industrial policies, the potential for Sri Lanka to join electric vehicle supply networks too was examined, alongside assessments of trade impacts of bilateral and regional trade partnerships.
- The disruptions to Sri Lanka's labour market and labour productivity, including the critical issue of overcoming gender-specific barriers to encouraging more women into the labour force remained a key focus. As labour market conditions tighten with high outmigration of workers, special attention is being given to understand the impact on Sri Lanka's human development needs.
- Given an estimated doubling of poverty, the effective delivery of social protection has never been more important. Our research assessed the effectiveness of the government's revamped social protection program, Aswesuma, alongside other studies that are seeking to reposition social security systems in the private sector as well.
- The realities of climate change and its far reaching impacts across population groups is reflected in a wide body of ongoing work. Factors affecting farmer's adoption decisions to climate change, the impact of climate change on health outcomes and healthcare utilisation, as well as a public expenditure review on climate-related spending are some of the key areas of analysis undertaken.

Our record in delivering insightful analysis on these and other topics is rooted in our core commitment to research excellence. Our publications go through a rigorous peer review process, including external reviewers. Additionally, IPS researchers published with internationally reputed partners, such as the Partnership for Economic Policy. Our opinions were sought by leading global and regional policy platforms such as Foreign Policy, Project Syndicate and the East Asia Forum. IPS researchers were sought after as presenters and panellists at numerous conferences and seminars, both locally and internationally.

Additionally, we have made good progress in partnering with organisations across the world, collaborating on research as well as advancing joint policy engagement. Most importantly, we were able to provide analytical support and research insights to the GOSL through our engagement with numerous policy development committees. These included analysis of Sri Lanka's proposed engagements with bilateral and regional trade agreements to the Trade Negotiating Committee, public expenditure review to the Committee on Public Finance, inputs to the National Policy and Action Plan on Migration for Employment



Policy, and Regulatory Interventions of the Food and Nutritional Security Committee. Additionally, we were represented on the Boards of key economic policy agencies such as the Central Bank of Sri Lanka and the Board of Investment of Sri Lanka. The details of our research activities and financial performance for the year are presented in the rest of this report.

With a new government in place as of the third quarter of 2024, Sri Lanka will be setting a new trajectory once again to deliver on government policy priorities and our research agenda will be realigned to these. In 2025, as IPS embarks on its 35th year in operations, we will continue to be a leader in generating ideas and evidence to address some of Sri Lanka's most pressing socioeconomic challenges.

All of this work is of course dependent on IPS' steadfast and dedicated team. I take this opportunity to thank them all, and to mark my appreciation to Prof. Anoma Abhayaratne, Chairperson of the IPS Board of Governors and all other members for their support and active contribution.

Dushni Weerakoon
Executive Director

THE SCOPE OF OUR RESEARCH AND POLICY ENGAGEMENT ACTIVITIES

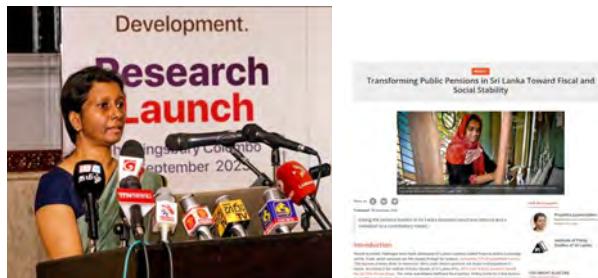
We collaborate with regional partners to advance creative and sustainable solutions to development challenges

Dr. Erandathie Pathiraja, Research Fellow, IPS, led a team of researchers for the "Economics of Forest Restoration as a Carbon Mitigation and Nature-based Solution in South Asia: Evidence from Nepal, Bangladesh, Pakistan and Sri Lanka" research study, conducted by IPS, International Centre for Integrated Mountain Development (ICIMOD) and the South Asian Network for Development and Environmental Economics (SANDEE).



We fund research to provide timely analyses and advocacy to promote equitable policies for fiscal consolidation in Sri Lanka

Priyanka Jayawardena, Research Economist, IPS, analysed the "Progressivity and Pro-poorness of Taxes and Welfare Spending in Sri Lanka", funded by the IPS. Based on this, an article on the "Financial Burden of Sri Lanka's State Sector Pensions" was published in Development Asia, December 2024.



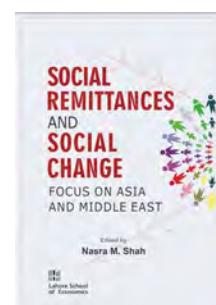
Our research explores modern solutions to traditional problems

Dr. Lakmini Fernando, Research Fellow, IPS, explored the impacts of digital inclusion on labour productivity across geographic regions and income levels, at the Asian Think Tanks Network (ATTN) Forum, October 2024.



We are dynamic in our research approaches to capture unconventional data sources

Dr. Bilesha Weeraratne, Research Fellow, IPS, contributed a chapter titled "Social Remittances and Social Media: Evidence During Sri Lanka's Socio-economic and Political Crises" to the publication Social Remittances and Social Change: Focus on Asia and Middle East, edited by Prof. Nasra Shah, Lahore School of Economics, Pakistan, August 2024.



We form regional collaborations to promote capitalising on advancements in technology to address development gaps

Dr. Nisha Arunatilake, Director of Research, IPS, led a regional study to assess the "Ed-Tech Landscape and Challenges in Asia and MENA" and find technology-based solutions to persistent education development gaps.



We use big data to conduct policy research and disseminate findings addressing emerging policy challenges due to climate change

Dr. Pulasthi Amarasinghe, Research Fellow, IPS, presented his findings on "Climate Change, Adaptation and Livelihoods in Rural Sri Lanka" at the "Agriculture and Climate Change" workshop at IPS on 15 February. The research was conducted under the Food Security Policy Research, Capacity, and Influence (PRCI) Programme.



THE SCOPE OF OUR RESEARCH AND POLICY ENGAGEMENT ACTIVITIES

We address persistent policy issues that hinder development

Sunimalee Madurawala, Research Economist, IPS, based on an on-going study on promoting healthy food environments for improving population health, highlighted key challenges in promoting healthy dietary patterns for young children at United Nations International Children's Emergency Fund (UNICEF)'s Regional Meeting in Nepal, June 2024.



Our evidence-based opinion pieces on critical issues are valued by top-tier global and regional platforms

Dr. Dushni Weerakoon, Executive Director, IPS, dissects "How Sri Lanka Went from Economic Crisis to Peaceful Transition" in Foreign Policy, November 2024 and offers key recommendations for Sri Lanka's economic recovery process in an article for the East Asia Forum, April 2024.



We promote trade policies that take advantage of new global opportunities

Dr. Asanka Wijesinghe, Research Fellow, IPS, discussed how Sri Lanka can capitalise on the increasing demand for graphite, driven by electromobility and the US green industrial policy, with a diverse group of stakeholders, from the government and the private sector, at the publication launch of "Trade Wars in Electric Vehicle Supply Chains: A Win for Sri Lanka's Graphite Industry?", March 2024.



We establish global partnerships to discuss ways to address shared problems brought on by various crises

Dr. Ganga Tilakaratna, Research Fellow, IPS, discussed challenges and opportunities to achieve SDGs amidst multiple crises in Sri Lanka at the Global Conclave on 'Advancing Human Development in Global South' organised by the Institute for Human Development (IHD), Research and Information System for Developing Countries (RIS) in partnership with the NITI Aayog of the Government of India held in New Delhi, India.



We promote innovative farming practices to improve rural livelihoods

Dr. Manoj Thibbotuwawa, Research Fellow, IPS, leads the Australian Centre for International Agricultural Research (ACIAR)'s project on 'Developing Food Loss Reduction Pathways Through Smart Business Practices in Mango and Tomato Value Chains in Pakistan and Sri Lanka,' March 2024.



We advocate policies to safeguard our heritage

Dilani Hirimuthugodage, Research Economist, IPS, was a panelist at "Spice Horizons: Tracing the Legacy of Protected Geographical Indication (PGI) Ceylon Cinnamon and the Future of Other PGI Products for Export Development" organised by United Nations Industrial Development Organisation (UNIDO)-Sri Lanka, February 2024.





RESEARCH ACTIVITIES

IPS' role within Sri Lanka's socio-economic policy landscape is to contribute sound analytical evidence to inform policy decisions and help policymakers understand the implications of various policy options. Critical constraints on growth such as policy inconsistencies, inadequate infrastructure, weak public service delivery in health and education, dearth of skills, rising costs of energy, and barriers in accessing finance and land, amongst others require rigorous analysis. Persistent inequalities of income and wealth, environmental damage and the depletion of natural resources, the well-being of the elderly and other vulnerable populations, etc., require continuous review of key economic concepts, models, and indicators with a view to reformulating policy.

The Institute's research agenda addresses these issues aligned to the country's national policy framework. The work programme focuses on six primary thematic areas, within which a variety of research topics are explored. Our activities for the period January-December 2024 are summarised below under each of the six thematic areas.

MACRO, TRADE & COMPETITIVENESS

To ensure the credibility of economic reforms and policies aimed at supporting sustainable economic recovery, it is crucial to enhance the efficiency of external debt management and improve the utilisation of public sector resources. This includes optimising public investment and the performance of state-owned enterprises. Additionally, improving economic incentives through trade reforms and better pricing systems in agriculture and state utilities, such as electricity, is essential for fostering sustained growth. In 2024, research studies in macroeconomics, trade, and competitiveness focused on these key drivers.

Macroeconomic Policy and Structural Reforms

The IPS completed and collaborated by compiling the **Executive Opinion Survey: Global Competitiveness Report**, an annual publication by the World Economic Forum (WEF), and assessed institutions, policies, and other macro and microeconomic fundamentals that affect a country's economic productivity and efficiency. Since 2012, the IPS has partnered with the WEF to contribute to the development of the index. The IPS' annual flagship publication **Sri Lanka: State of the Economy 2024** under the theme 'Economic Scars of Multiple Crises: From Data to Policy' examined issues in labour, education, migration and social protection amongst others in detail to better understand the scale of challenges ahead, while signs of slow but steady improvements to economic growth occur.

The project on **Implementing the Economic Governance Index (EGI) in 25 Districts Across Nine Provinces of Sri Lanka**, funded by The Asia Foundation (TAF), intends to enhance the effectiveness, inclusivity, resilience, and accountability of Sri Lanka's subnational governance systems. It also aligns with the "Strengthening Governance in Sri Lanka" programme by TAF.

Another study, **Economic Planning in Sri Lanka's Market Economy: Good Governance and Quality of Life** funded by the Gamani Corea Foundation explores the relationship between economic planning and development trajectory to answer, "What is the impact of political leadership and the quality of governance on economic growth and quality of life of people in Sri Lanka?". The study on **Tobacco Smuggling in Sri Lanka: A Scoping Study**, with Cancer Research UK/KIVU International, UK, the study aims to provide a comprehensive understanding of tobacco smuggling in Sri Lanka and to identify the effective means of regulating smuggling to feed into the policymaking process.

Trade and Regional Integration

Two studies were completed. **Ex-ante Economic Evaluation of Preferential Trade Agreements (PTAs)**, through an ex-ante impact assessment, provided valuable information for the stakeholders and the policymakers to maximise benefits from PTAs. Another study completed, **Impact of GSP+ Withdrawal on Sri Lanka's Exports to the EU** conducted an ex-ante impact assessment on the impact of a hypothetical withdrawal of GSP+ on Sri Lanka's exports to the EU and an ex-post assessment to assess the effects of the GSP+ scheme on gross exports and global value chain (GVC) participation.

The study on **Regional Integration on Promoting Economic Empowerment of Women in South Asia** funded by the World Bank investigates gender dimension in regional integration for better policy making that ensures equal benefit sharing in South Asia.

Investment and Finance

The project on **Advancing the 2030 Agenda for Sustainable Development**, funded by the Asian Development Bank, examines various scenarios for SDG achievement in Sri Lanka and explores potential financing instruments and options to bridge the funding gap. Another study on **Mobilising Resources for a Green New Deal: Partnerships in Asia for a Decade of Action in the Era of Coronavirus**, with the United Nations Conference on Trade and Development (UNCTAD), explores how to shift the textile industry towards more sustainable practices, particularly regarding the use of synthetic raw materials.

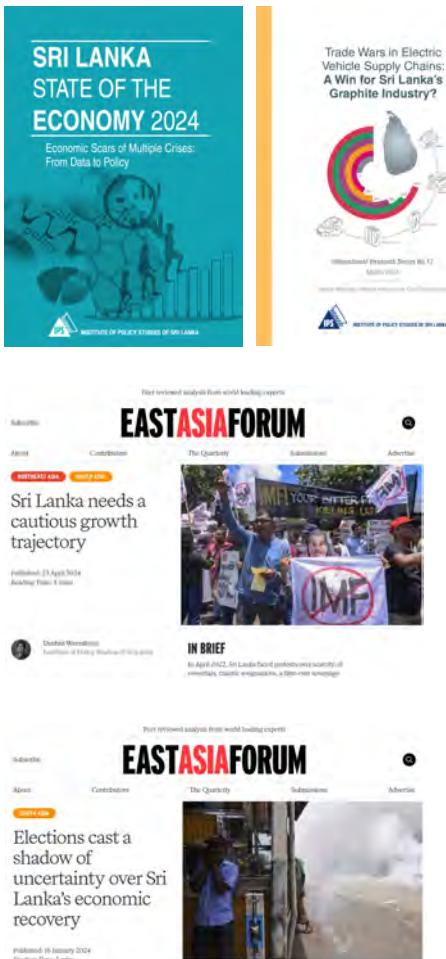
The project on **Sustainable Borrowing for Inclusive Development**, for Group for the Analysis of Development (GRADE) aims to provide actionable recommendations that support sustainable borrowing and inclusive development in the Global South. Another project, **Doing Good Index 2024**, with the Center for Asian Philanthropy and Society (CAPS), Hong Kong, aims to collect data for the Doing Good Index 2024 study by the Center for Asian Philanthropy and Society (CAPS). CAPS is an action-oriented research and advisory organisation committed to improving the quantity and quality of private social investment in Asia.

Industry and Entrepreneurship

Mapping of Institutions that Support SMEs and Startups in Sri Lanka, a study funded by the World Intellectual Property Organization (WIPO) investigated service providers to SMEs and startups in Sri Lanka. It focused on the intellectual property (IP) services provided by these institutions and explored the main areas of IP support services for innovative SMEs and startups in Sri Lanka.

Publications: Reports, Book Chapters, Journals, Working Papers, Policy Briefs & Articles of Note

The IPS disseminates research output on topical issues through a wide range of publications and publishing platforms such as reports, book chapters, journal articles, working papers and policy briefs.



- **Sri Lanka: State of the Economy 2024 - Economic Scars of Multiple Crises: From Data to Policy**, Colombo: Institute of Policy Studies of Sri Lanka, October.
- **Trade Wars in Electric Vehicle Supply Chains: A Win for Sri Lanka's Graphite Industry?**, International Research Series No. 17, Asanka Wijesinghe, Malisha Weerasinghe and Chaya Dissanayake, Colombo: Institute of Policy Studies of Sri Lanka, March (Asanka Wijesinghe, Malisha Weerasinghe and Chaya Dissanayake).
- **Sri Lanka: Key Developments in the Economy Since 1948** in D. Jayasuriya (ed.) 'Sri Lanka at 75: Perils of Complacency in a Fragile Nation', Har-Anand Publications, New Delhi (Dushni Weerakoon).
- **Manual for Geographical Indication System in Sri Lanka** (three chapters), a publication by the Ministry of Plantation Industries, November (Dilani Hirimuthugodage).
- **How Sri Lanka Went from Economic Crisis to Peaceful Transition**. Foreign Policy, Washington, D.C., November (Dushni Weerakoon).
- **After Elections Where to for Sri Lanka's Battered Economy**. Asialink, University of Melbourne, October (Dushni Weerakoon).
- **What Would Happen to Sri Lanka's Economy Without GSP+?**, Eurolink Magazine of the European Chamber of Commerce of Sri Lanka, July (Asanka Wijesinghe, Chaya Dissanayake and Rashmi Anupama).
- **Sri Lanka Needs a Cautious Growth Trajectory**. East Asia Forum, Australian National University, April (Dushni Weerakoon).
- **Elections Cast a Shadow of Uncertainty Over Sri Lanka's Economic Recovery**, East Asia Forum, Australian National University, January (Dushni Weerakoon).

GOSL Committees

The IPS uses its research evidence to support and addresses national policy issues through invited participation at government policy committees, contributing to the country's policymaking effort. In 2024, inputs were provided through:

- Steering Committee on Sri Lanka Strategy for the Development of Statistics, Ministry of Finance.
- Committee of Experts on National Productivity Commission, Presidential Secretariat.
- Expert Team on the Regional Comprehensive Economic Partnership (RCEP), Presidential Secretariat.
- Committee to Formulate a Strategy for Artificial Intelligence for Sri Lanka 2023-2028, Presidential Secretariat.
- Research Supervision Committee, Ministry of Higher Education, Technology and Innovation.

Research Presentations/Discussions

From the role of speaker, discussant, panellist and moderator at various sessions and forums, locally and internationally, the IPS offers research-based inputs for policy engagement and discussion.

- Speaker at a session on **Multistakeholder Dialogue on Financing for Development** at the “High-Level Regional Consultation for the Fourth International Financing for Development Conference”, organised by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok, Thailand, 17 to 18 December (Dushni Weerakoon).
- Panellist on the discussion on **Industrial Policies in Support of the Green Transition**, in the workshop titled “Financing and Implementing the Green Transition: National and Regional Policy Essentials”, organised by the United Nations Conference on Trade and Development (UNCTAD) and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Bangkok, Thailand, 16 December (Asanka Wijesinghe).
- Panellist at a session on **National Industrial Policies in Financing the Green Transition** at a workshop on ‘Financing and Implementing the Green Transition: National and Regional Policy Essentials’, organised by UNCTAD and UNESCAP, Bangkok, Thailand, 16 December (Dushni Weerakoon).
- Panellist at a session on **Trade and Industrial Policies in a Time of Climate Action** at the ‘Fifteenth South Asia Economic Summit (SAES XV): Unleashing an Equitable Green Transformation in South Asia’, organised by the South Asia Watch on Trade, Economics and Environment (SAWTEE), Kathmandu, Nepal, 11 to 13 December (Dushni Weerakoon).
- Presentation on **Change of Economic and Business Opportunities in Sri Lanka**, in 2024 KIEP Visiting Scholars Workshop under the theme “Change of Economic and Business Opportunities in South Asia: Strengthening Regional Ties with Korea”, organised by Korea Institute for International Economic Policy (KIEP) Delhi Office, India, 22 November (Asanka Wijesinghe).



- Panellist at a discussion on **Gamini Corea Retrospective** at the ‘BCIS Festival of Ideas’, organised by the Bandaranaike Centre for International Studies (BCIS), BMICH, 22 November (Dushni Weerakoon).
- **Knowledge-sharing and Networking Event: Economic Scars of Multiple Crises: From Data to Policy** to mark the release of ‘Sri Lanka: State of the Economy 2024’ organised by the IPS, Dr. Saman Kelegama Auditorium, IPS, 8 October (Dushni Weerakoon).

- Guest lecture on **Economy, Infrastructure & Energy in Sri Lanka**, hosted by the Foreign Service Institute’s South and Central Asia Area Studies Programme, US, via Zoom, 30 August (Asanka Wijesinghe).
- Workshop on **Green Industrial Transformation in the Electric Vehicle (EV) and Textile Sectors in Sri Lanka: The Role of Financial, Industrial and Trade Policies**, organised by the IPS with the UN Trade and Development (UNCTAD), Galle Face Hotel, 21 August (Asanka Wijesinghe).
- Discussant at a roundtable on **Digital Trade for Inclusive Growth in Developing Countries Like Sri Lanka** organised by the Ceylon Chamber of Commerce (CCC), Shangri-La, Colombo, 15 August (Asanka Wijesinghe).



- Dissemination event to discuss **Doing Good Index (DGI) 2024** survey findings, organised by the IPS in collaboration with the Centre of Asian Philanthropy and Society (CAPS), IPS Conference Room, 14 August (Asanka Wijesinghe).
- Panellist at the launch event and panel discussion on **Empowering Women in Trade – A South Asian Perspective**, organised by the Sustainable Development Policy Institute (SDPI) and Friedrich Naumann Foundation (FNF) Pakistan, via Zoom, 2 August (Asanka Wijesinghe).

- Panellist at a discussion on **Free Trade Agreement (FTA) between Thailand and Sri Lanka and How it Could Benefit the Thai Businesses in Sri Lanka**, organised by the Royal Thai Embassy, the Siam Nivasa, 15 July (Asanka Wijesinghe).



- Panellist at a discussion on **Private Sector Perspectives on NSW: Perceived Benefits and Opportunities** at the awareness-building workshop on 'Trade: National Single Window System (NSW)', organised by the United States Agency for International Development (USAID) and Department of Trade and Investment Policy, Courtyard Marriot, Colombo, 3 July (Asanka Wijesinghe).

- Moderated a panel discussion on **Revisiting Monetary Policy Processes and Paradigms in SAARC Countries** at the 'Forty Fifth SAARCFINANCE Governor's Symposium', organised by the Central Bank of Sri Lanka (CBSL), Hilton Hotel, Colombo, 13 June (Dushni Weerakoon).
- Guest lecture on **Economy, Infrastructure, and Energy in Sri Lanka**, for the US Foreign Service Institute's South and Central Asia Area Studies Programme, via Zoom, 13 June (Asanka Wijesinghe).
- Presentations on **Geographical Indication for Ceylon Tea: Control Plan and the Control Mechanism**, at seven regional workshops organised by Sri Lanka Tea Board (SLTB), in Kaluthara (Athukorala Tea Factory), Galle (Batuwangala Tea Factory) and Matara (Lumbini Tea Factory), 11 to 20 June (Dilani Hirimuthugodage).
- Panellist at an event on **Enhancing Effectiveness of Policy Based Lending: Insights from Evaluation**, organised by the Asian Development Bank, Taj Samudra, 6 June (Dushni Weerakoon).
- Panellist at the workshop on **Geopolitics of South Asia's Non-Nuclear Five**, organised by Rdabeh Shahid, Fellow at the University of Loughborough, via Zoom, 3 June (Asanka Wijesinghe).
- Panellist on **SLEA Quarterly Review on Contemporary Economic Issues**, organised by Sri Lanka Economic Association (SLEA), via Zoom, 25 April (Asanka Wijesinghe).
- Presentation on **Trade Wars in Electric Vehicle Supply Chains: A Win for Sri Lanka's Graphite Industry?**, organised by the IPS, IPS Conference Room, 12 March (Asanka Wijesinghe).
- Panellist in a session titled **Reimagining and Revitalising the World Trade Organization**, at the "Eighth Asia Economic Dialogue (AED) 2024", organised by the Ministry of External Affairs (MEA), Government of India, in collaboration with the Pune International Centre (PIC), 2 March, Pune, India (Asanka Wijesinghe).



- Presentation on **Agricultural Trade Policy and Global Value Chain (GVC) Participation in South Asia**, at the workshop on "Agriculture and Climate Change: Analytical Methods and Policy Communication", IPS, 16 February (Asanka Wijesinghe).
- Member of a roundtable discussion on **Strengthening Engagement in Sri Lanka-Australia Relations**, organised by the Lakshman Kadirgamar Institute of International Relations and Strategic Studies (LKI), LKI, 1 February (Lakmini Fernando).
- Panellist at the **National Forum on Sustainable Development Goals (SDGs)**, organised by the Sustainable Development Council, Temple Trees, 27 August (Dushni Weerakoon).



IPS Talking Economics Blogs/Media Engagement

IPS' 'Talking Economics' blog shares its latest evidence-based findings.

- **GSP+: Can It Drive Inclusive Growth in Sri Lanka?** Rashmi Anupama, Chaya Dissanayake, and Asanka Wijesinghe, *Talking Economics*, 26 November.
- **US Election Outcomes and Trade Policy Changes: What It Means for Sri Lanka**, Asanka Wijesinghe and Majitha Selvalingam, *Talking Economics*, 18 November.
- **Sri Lanka's Road to Global Competitiveness: Insights from Trade, Energy, and Agriculture Policies**, Chandula Idrisinghe and Nishamini Ihalagedara, *Talking Economics*, 21 October.
- **VAT Hike in Sri Lanka: Who Really Pays the Price?** Priyanka Jayawardena, *Talking Economics*, 14 October.
- **The Economic Stakes of the 2024 Presidential Election**, Dushni Weerakoon, *Talking Economics*, 18 September.
- **Easing Sri Lanka's Fiscal Burden: Who Needs a State Pension?** Priyanka Jayawardena, *Talking Economics*, 30 July.
- **Ideology vs. Pragmatism: A Crucial Choice Towards Shaping the Economy's Future**, Dushni Weerakoon, *Echelon*, 10 April.
- **Sri Lanka's Graphite and Turning Tides in International Electric Vehicle Value Chains**, Chaya Dissanayake and Rashmi Anupama, *Talking Economics*, 28 March.
- **Threads of Resilience: Is Sri Lanka's Apparel Sector Prepared to Face Pathogen X?**, Chaya Dissanayake, *Talking Economics*, 12 March.
- **Unlocking Trade Potential: How the Sri Lanka-Thailand FTA Paves the Way for Enhanced Bilateral Trade**, Asanka Wijesinghe, *Talking Economics*, 28 February.
- **Policy Reform for Economic Recovery**, Asanka Wijesinghe- Talk of the Town, News First/TV1's The People's Platform, 24 January.
- **Elections Cast a Shadow of Uncertainty Over Sri Lanka's Economic Recovery**, Dushni Weerakoon, *East Asia Forum*, 16 January.
- Interview with Asanka Wijesinghe on **There Is No Painless Way Out of the Crisis**, *The Morning*, 6 January.

LABOUR, EDUCATION & HEALTH

Access to quality healthcare and education is essential for individuals to acquire the skills necessary to lead fulfilling lives and participate effectively in the labour market. However, traditional models of delivering education and healthcare are being tested, as it has become increasingly challenging to keep pace with new developments and provide quality access to all, especially given financial, human, and physical resource constraints. The IPS research aims to support the government's development agenda by addressing policy-oriented knowledge gaps in the areas of health, education, and labour, and by helping to find solutions to challenges in these sectors.

Health

Several studies were completed in 2024. **RESET Alcohol - Price and Income Sensitivity Analysis** funded by Vital Strategies and the University of Illinois Chicago (UIC) aimed for a better understanding of the price elasticities of alcohol products for the government to make informed policy decisions and to support alcohol tax reforms in Sri Lanka.

Further, **Climate Change and Health in Sri Lanka**, funded by the Asian Infrastructure Investment Bank (AIIB) examined the relationship between health and climate change in Sri Lanka. The objectives of the study on **IPS KIVU Tobacco Control Extension Programme, with Cancer Research UK/KIVU International** funded by Cancer Research UK and KIVU International Limited, UK, aimed to raise awareness and contribute to a healthier Sri Lanka by strengthening tobacco control measures and improving public health outcomes. **KIVU Tobacco Control Extension Programme** identified targets for policy influence which can affect tobacco consumption for policy influence which will have a high impact on tobacco consumption and where there is potential for influence. The project was funded by Cancer Research UK and KIVU International Limited, UK. **Political Economy Analysis of the Alcohol Industry in Sri Lanka**, funded by Vital Strategies and the University of Illinois Chicago (UIC), investigated the price and income sensitivity of alcohol consumption and substitutions across different types of liquor by various income groups in urban/rural sectors.

South Asian Coalition for Reducing the Consumption of SSBs funded by the International Development Research Centre (IDRC). The main objective is to reduce SSB consumption in the South Asian region. The study will focus on an in-depth examination of four key countries in South Asia: Bangladesh, Pakistan, Nepal, and Sri Lanka. **SHAPE-Asia: Uniting Asian Nations for Healthier Food Systems and Policy Environments through Community of Practice Building**, is funded by the International Development Research Centre (IDRC). The project aligns with global priorities, including Sustainable Development Goals (SDGs) 2, 3 and 17.

Labour Markets

The completed study on **Employers' Network on Social Security** funded by the International Labour Organization (ILO) analysed the issue of non-representation of the employers on the Boards of the EPF and ETF, while examining the most needed reforms to improve effectiveness of the social security system in Sri Lanka.

Women and Workforce

The completed project on **Exploring the Impact of Social, Cultural, and Legal Contexts on Women's Access to Quality Work**, was funded by Poverty and Economic Policy (PEP), aimed at enhancing women's access to quality employment by evaluating social, legal, and economic factors influencing access and challenges in quantifying quality work, and those that hinder the development of effective policies based on the findings of six-country level case studies.

An Analysis of Barriers to Sri Lankan Women's Human Capital Accumulation in Science, Technology, Mathematics, and Education, a project funded by the United Nations Educational, Scientific and Cultural Organization (UNESCO), explores the barriers at both the school level as students make decisions on STEM subject selection and at the level of entrance to the labour market following the completion of tertiary education. Another project, **Impact of Sri Lanka's 25% Quota on Women's Political Leadership in Local Government** funded by UN Women, aims to understand the impact of Sri Lanka's 25% gender

quota for women in local government, seeks to assess whether this quota has enabled women to achieve meaningful leadership positions, participate actively in political discourse, and make substantial contributions to decision-making processes. **Gender-based Employment Segregation in Sri Lanka: A Macro Analysis** studies the complex interplay between macroeconomic factors and gender-based employment segregation in the context of Sri Lanka. **A Participatory Study on Improving the Pandemic Policy Responses to Reduce Adverse Health Effects on Women Workers in the Export Sector of Sri Lanka**, funded by the International Development Research Centre (IDRC), is another ongoing study that aims to design a pandemic response protocol and influence regulatory policies to improve workplace conditions, as a means of improving resilience to health impacts.

Publications: Reports, Book Chapters, Journals, Working Papers, Policy Briefs & Articles of Note

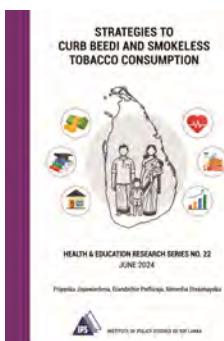
The IPS disseminates research output on topical issues through a wide range of publications and publishing platforms such as reports, book chapters, journal articles, working papers and policy briefs.

- **Women's Access to Decent Work in Sri Lanka: Addressing Context-Specific Barriers**, Araar, A., Nisha Arunatilake, Lakmini Fernando, Sunimalee Madurawala, Kimuthu Kiringoda, and Himani Vithanage, Working Paper Series, Partnership for Economic Policy (PEP), Quebec. ISSN 27. (Nisha Arunatilake, Lakmini Fernando, Sunimalee Madurawala, Kimuthu Kiringoda and Himani Vithanage)
- **Exploring the Impact of Social, Cultural, and Legal Contexts on Women's Access to Quality Work**, Arunatilake, Nisha., Araar, Abdelkrim., & Fontana, Marzia, PEP, 2024 (Nisha Arunatilake).
- **Modelling the Revenue Implications of Alcohol Taxation in Sri Lanka**, Nisha Arunatilake, Lakmini Fernando and Sulochana Silva, Colombo: Institute of Policy Studies and ReSET Alcohol, (Nisha Arunatilake, Lakmini Fernando and Sulochana Silva).
- **Price Elasticity of Arrack and Beer Use in Sri Lanka**, *Tobacconomics*, August (Priyanka Jayawardena).



- **Strategies to Curb Beedi and Smokeless Tobacco Consumption in Sri Lanka**, Priyanka Jayawardena, Erandathie Pathiraja and Nimesha Dissanayaka, Health & Education Research Series No. 22, Colombo: Institute of Policy Studies of Sri Lanka, June (Priyanka Jayawardena, Erandathie Pathiraja and Nimesha Dissanayaka).

- **Promoting Gender-Inclusive Growth Through Regional Integration**, Development Asia, 26 September (Lakmini Fernando and Sulochana Silva).
- **Harnessing Edtech to Bridge Educational Gaps in Sri Lanka**, Development Asia, 31 May (Himani Vithanage).



- **Evaluating the Impact of COVID-19 on Female Apparel Workers in Sri Lanka**, Development Asia, Asian Development Bank, April (Chaya Dissanayake).
- **Expert Opinion] Sri Lanka's Economic Crisis and Health Sector Financing Measures**, Korea Institute for Foreign Economic Policy, April (Sunimalee Madurawala).
- **Sri Lanka's Debt Restructuring Is Hurting Older Women**, Project Syndicate, January (Nisha Arunatilake).

GOSL Committees

The IPS uses its research evidence to support and addresses national policy issues through invited participation at government policy committees, contributing to the country's policymaking effort. In 2024, inputs were provided through:

- Expert Group on Risk and Resource Pooling Technical Committee to Develop a Health Financing Policy for Sri Lanka, Ministry of Health.
- Standing Committee on Technical and Vocational Education and Training, National Education Commission.
- Standing Committee on Higher Education and Training, National Education Commission.
- Standing Committee on General Education and Early Childhood Education, National Education Commission.

Research Presentations/Discussions

From the role of speaker, discussant, panellist and moderator at various sessions and forums, locally and internationally, the IPS offers research-based inputs for policy engagement and discussion.

- Presentation on **Influence of Disasters on the Urban Poor's Food Environments and Security**, at the session on "Delivering for Nutrition, Connecting the Dots", at the D4N conference, organised by the International Food Policy Research Institute (IFPRI), Shangri-La, 5 December (Nisha Arunatilake).
- Presentation on **From Policy to Practice: Examining Industry Influence on Public Health Policies for Healthier Food Environment in Sri Lanka**, at the conference on "Delivering for Nutrition in South Asia: Connecting the Dots Across Systems", organised by the International Food Policy Research Institute (IFPRI), Shangri-La, 3 December (Sunimalee Madurawala).
- Co-chaired the session on **Methods and Metrics to Improve Nutrition through Sustainable Agriculture**, at the D4N conference, organised by the International Food Policy Research Institute (IFPRI), Shangri-La, 2 December (Nisha Arunatilake).
- Panellist at the session **A SAGE Approach to the Asian High-Income Transition** at the 'ADBI Annual Conference', organised by the Asian Development Bank Institute (ADBI), online, 26 November (Nisha Arunatilake).
- Panellist at the event on **Building Resilience, Inclusive Growth, and Holistic Transformation in Sri Lanka** of the Impact Area Platform on Poverty Reduction, Livelihoods, and Jobs, organised by the International Food Policy Research Institute (IFPRI) and Consultative Group for International Agricultural Research (CGIAR), online, 21 November (Nisha Arunatilake).
- Panellist at the discussion on **Navigating Local Challengers and Cultivating Change: Insights in Gender Inequality and Inclusion in Research**, organised by the International Development Research Centre (IDRC) and the African Population and Health Research Center (APHRC), in the Women Rise Webinar Series, Zoom, 19 November (Asanka Wijesinghe).
- Panellist at a discussion on **Cancer Control through Tobacco Control in East Africa**, organised by Cancer Research UK (CRUK), online, 13 November (Nisha Arunatilake).
- Presentation on **Sri Lanka Economic and Political Crises and the Implications for the Social Sector**, at the South Asia Network meeting, organised by the United Nations Educational, Scientific and Cultural Organization (UNESCO), online, 13 November (Nisha Arunatilake).
- Moderator of panel on **Improving North South Collaborations in Development Research**, organised by the Partnership for Economic Policy (PEP), online, 5 November (Nisha Arunatilake).
- Panellist at the discussion on **Supporting Women in the Face of Crisis: Lessons from the COVID-19 Pandemic**, at the "Thirtieth Annual Canadian Conference on Global Health", organised by the International Development Research Centre (IDRC), Simon Fraser University, Vancouver, Canada, 25 to 27 October (Asanka Wijesinghe).



- Presentation on **Apparel Industry Response to COVID-19: A Case Study on the Measures to Minimise Disproportionate Impact on Women**, at the Human Development and Capability Association conference on “Crises, Capabilities and Commitment”, hosted by the Pratichi (India) Trust, the Institute of Development Studies Kolkata (IDSK), and Health Information Systems Programme (HISP), Kolkata, India, 24 to 26 September (Chaya Dissanayake).

- Presentation on **Apparel Industry Response to COVID-19: Measures to Minimise Impact on the Majority; Women Workers: A Qualitative Study Approach**, at the Human Development and Capability Association conference on “Crises, Capabilities and Commitment”, hosted by the Pratichi (India) Trust, the Institute of Development Studies Kolkata (IDSK), and Health Information Systems Programme (HISP), Kolkata, India, 24 to 26 September (Sulochana Silva).

- Panellist at the World Cancer Congress panel discussion on **Building a Better Environment for Sustainable and Impactful Tobacco Control Programmes**, organised by the Union for International Cancer Control (UICC), UICC, Geneva, Switzerland, 17 September (Nisha Arunatilake).

- Panellist at the discussion on **Commercial Determinants of Health**, at the “Commercial Determinants of Health (CDoH) Symposium”, of the Sri Lanka Medical Association (SLMA) Congress, organised by the World Health Organization (WHO), Galadari Hotel, 16 August (Nisha Arunatilake).

- Presentation on **Methodology for Living Wage Estimation: Tea Plantation Sector in Sri Lanka**, at the workshop on “Living Wages in Sri Lanka”, organised by Industry All, Hotel Radisson, 28 and 29 June (Priyanka Jayawardena).

- Presentation on **Protecting the Diets of Young: Strengthening Public Sector Policies and Regulations**, at the regional meeting on “Nourishing South Asia | Improving Diets and Reducing Micronutrient Deficiencies and Anemia in Early Childhood in South Asia”, organised by the UNICEF Regional Office for South Asia (UNICEF ROSA), Kathmandu, Nepal, 10 to 12 June (Sunimalee Madurawala).
- Panellist at the roundtable discussion on **Educational Reforms and Inequalities**, organised by the Centre for Poverty Analysis (CEPA), CEPA, 16 May (Nisha Arunatilake).
- Panellist at the **ECON-ON-MICS Podcast: Panel Discussion**, organised by the Institute of Economic Affairs (IEA) and Women in Economics and Policy (WiEP), online, 7 May (Nisha Arunatilake).
- Panellist at the launch event of **ThinkAsia - A New Global Knowledge Hub for Sustainable Development**, organised by the Asian Development Bank Institute (ADBI), online, 23 April (Nisha Arunatilake).
- Presentation on **Alcohol Taxation is a Favourable Policy Option**, at the policy dialogue on “Alcohol Control for A Healthier Sri Lanka”, organised by the IPS, Saman Kelegama Auditorium, IPS, 4 April (Priyanka Jayawardena).
- Presentation on **Sri Lanka's Booze Battle: The Political Economy Dynamics of Alcohol Control**, at the policy dialogue on “Alcohol Control for A Healthier Sri Lanka”, organised by the IPS, Saman Kelegama Auditorium, IPS, 4 April (Sunimalee Madurawala).
- Policy discussion and stakeholder meeting on **For a Tobacco-Free Tomorrow: Policy Pathways for Effective Control Measures in Sri Lanka**, organised by IPS, IPS Conference Room, 27 March (Nisha Arunatilake and Sunimalee Madurawala).



- Presentation on **Improving Access to Decent Jobs**, Echelon Media, 26 March (Nisha Arunatilake).
- Moderated a discussion on **Edtech in Asia and MENA** at the hybrid roundtable discussion on Ed-tech Towards Achieving SDGs, organised by IPS, IPS Conference Room, 27 February (Nisha Arunatilake).
- Co-presented findings of **Edtech in Asia and MENA** at the hybrid roundtable discussion on Ed-tech Towards Achieving SDGs, IPS Conference Room, 27 February (Lakshila Wanigasinghe and Himani Vithanage).
- Presentation on **Geopolitics, Human Security and Health Equity in an Era of Polycrisis**, at the "Prince Mahidol Award Conference 2024", organised by the Mahidol University, Centara Grand and Bangkok Convention Centre, Thailand, 22 and 23 of January (Nisha Arunatilake).

IPS Talking Economics Blogs/Media Engagement

IPS' 'Talking Economics' blog shares its latest evidence-based findings.

- **A Low Productivity Trap? Strengthening Skills, Jobs, and Public Sector Efficiency in Sri Lanka**, Himani Vithanage, *Talking Economics*, 15 October.
- **Who Really Benefits? Tackling Inequality, Welfare, and Healthcare Challenges in Sri Lanka**, Sulochana Silva and Rashmi Anupama, *Talking Economics*, 10 October.
- **A Lost Development Opportunity: Regional Integration to Empower Sri Lankan Women**, Lakmini Fernando and Sulochana Silva, *Talking Economics*, 4 April.
- **Designing Employment Laws that Engender Higher Female Participation**, Nisha Arunatilake, *Echelon - SheSlays*, 22 March.
- **Expanding Ed-tech Through Partnerships, Collaborations, and AI to Improve Quality Education: Insights for Sri Lanka**, Himani Vithanage, *Talking Economics*, 7 March.
- Interview with Sunimalee Madurawala on **Women's Economic Empowerment Crucial**, *The Morning*, 2 March.
- **Edtech for Marginalised Children in Sri Lanka: Insights from MENA and Other Asian Countries**, Himani Vithanage, *Talking Economics*, 24 January.

MIGRATION & URBANISATION

As globalisation increases and income disparities between countries widen, many Sri Lankans are migrating for work, education, and family reasons. Similarly, tourists and workers are arriving in Sri Lanka, while internal migration is shifting towards urban areas in search of better economic opportunities. This emphasises the need to develop green, smart, and resilient cities, focusing on addressing urbanisation disparities and improving housing, transportation, and waste management. Additionally, it is vital to revisit governance frameworks and support for returnees while enhancing engagement with Sri Lankans abroad to adapt to the new dynamics of international migration in a post-pandemic world.

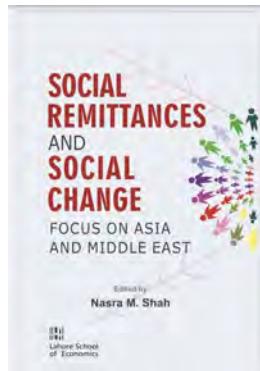
Migration and Development

The project on the **Impact of Migration and Remittances on Human Capital Development: Evidence from Sri Lanka** funded by the International Labour Organization (ILO) examines the present status of human capital development among children in households with migrants, utilising the most recent nationally representative data in Sri Lanka, the Household Income and Expenditure Survey (HIES) 2019 data set.

Another ongoing project, **The Development of a National Framework to Measure the Progress and Contribution of Migration towards Achieving the Sustainable Development Goals (SDGs)** funded by the International Organization for Migration (IOM) sensitises government officials on the inclusion of migration in the 2030 Agenda for Sustainable Development and the relevance of migration within the SDG context, and develops reliable and comprehensive migration related data. The study on **Empirical Evidence on Sexual and Gender-based Violence (SGBV) Faced by Female Migrant Workers** funded by Sri Lanka Bureau of Foreign Employment (SLBFE), formulates appropriate protective mechanisms to minimise female migrant workers' vulnerability for SGBV during the migration cycle.

Publications: Reports, Book Chapters, Journals, Working Papers, Policy Briefs & Articles of Note

The IPS disseminates research output on topical issues through a wide range of publications and publishing platforms such as reports, book chapters, journal articles, working papers and policy briefs.



- **Migration and Development - Role of Remittances**, Routledge Handbook on Migration and Globalisation (2nd Edition), edited by Triandafyllidou, A. Edward Edgar (Bilesha Weeraratne).
- **Social Remittances and Social Media: Evidence during Sri Lanka's Socioeconomic and Political Crises**, in Social Remittances and Social Change Focus on Asia and the Middle East, edited by Nasra Shah, Lahore School of Economics (Bilesha Weeraratne).
- Policy Insight on **Understanding Informal Remittances During a Crisis: Experience from Sri Lanka**, 2 January (Bilesha Weeraratne, Piyumi Ranadewa and Manisha Weeraddana).

GOSL Committees

The IPS uses its research evidence to support and addresses national policy issues through invited participation at government policy committees, contributing to the country's policymaking effort. In 2024, inputs were provided through:

- National Policy and Action Plan on Migration for Employment, Ministry of Labour and Foreign Employment.
- National Advisory Committee on Labour Migration, Ministry of Labour and Foreign Employment.

Research Presentations/Discussions

From the role of speaker, discussant, panellist and moderator at various sessions and forums, locally and internationally, the IPS offers research-based inputs for policy engagement and discussion.

- Presentation on the **Impact of Migration and Remittances on Human Capital Development in Sri Lanka**, organised by the Ministry of Labour and Foreign Employment, Ministry of Labour and Foreign Employment, 5 September (Bilesha Weeraratne).



- Presentation on the **Correlation between Migration and Sustainable Development Goals (SDGs)**, organised by the International Organization for Migration (IOM), Institute of Bankers of Sri Lanka, 31 August (Bilesha Weeraratne).



- Panellist at the **Youth Dialogue 2024** on "Clicks to Progress: Youth for a Smarter Sri Lanka", organised by the Office for Overseas Sri Lankan Affairs (OOSLA), National Youth Services Council, 21 August (Bilesha Weeraratne).



- Panellist at the event on **Shaping the Future: A Policy Dialogue on Population Dynamics**, organised by the United Nations Population Fund (UNFPA), BMICH, 15 August (Bilesha Weeraratne).



- Presented a paper on **Changes in UAE Visa Regulations and the Dynamics in Informal Networks in Migration: Evidence from Sri Lanka**, at the "Fourteenth Gulf Research Meeting", at Cambridge University, organised by the Gulf Research Centre Cambridge (GRCC), Cambridge, UK, 9 to 11 July (Bilesha Weeraratne).

- Presented the project plan of **Development of a National Framework to Measure the Progress and Contribution of Migration Towards Achieving SDGs**, at "Migration and SDGs - Second Inter-Agency Committee (IAC) Meeting", Sustainable Development Council, Colombo 10, 25 June (Bilesha Weeraratne).

- Presentation on **Informal Remittances Tied to Human Trafficking**, at the technical experts meeting on "Following the Money from Trafficking in Persons", organised by the Regional Support Office of the Bali Process, Australian Government funded ASEAN–Australia Counter Trafficking programme (ASEAN-ACT) and the Global Initiative Against Transnational Organized Crime (GI-TOC), Jakarta, Indonesia, 4 and 5 June (Bilesha Weeraratne).

- Panellist at the **Colombo Business Economic Summit**, organised by the University of Colombo, University of Colombo, 26 March (Bilesha Weeraratne).



- Panellist at the discussion on **Economic Reintegration**, at the Sixth Bali Process Technical Expert Group meeting on Returns and Reintegration, organised by the International Organization for Migration (IOM), Australia, Bangkok, Thailand, 4 to 6 March (Bilesha Weeraratne).
- Member of a roundtable discussion on **Women's Participation in International Labour Migration and their Access to Skills Development**, organised by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), Mövenpick Hotel, Colombo, 18 January (Bilesha Weeraratne).

IPS Talking Economics Blogs/Media Engagement

IPS' 'Talking Economics' blog shares its latest evidence-based findings.

- **Voting Beyond Borders: Can Overseas Sri Lankans Finally Have Their Say?**, Bilesha Weeraratne, *Talking Economics*, 5 November.
- **The Changing Face of Labour Migration**, Bilesha Weeraratne, News First/TV 1 The People's Platform, 2 April.

POVERTY AND SOCIAL WELFARE

Despite making significant strides in reducing poverty over the past decade, issues of inequality and vulnerability remain prominent in Sri Lanka's development policy discussions. Disparities in access to essential services and infrastructure, such as education, health, water and sanitation, and financial services, contribute to the country's persistently high levels of income inequality. The COVID-19 pandemic has underscored that a substantial portion of the vulnerable population falls just above the poverty line and faces a heightened risk of backsliding into poverty without sufficient social protection measures to mitigate the impact of adverse shocks.

Poverty and Inequality

The study on **Documentation of UNICEF's Response to Economic Crisis in Sri Lanka** was completed in 2024. These included UNICEF's response strategies, highlighting best practices, recognising the challenges faced, and drawing valuable lessons from this experience. The project on **Estimating the Effectiveness of the Aswesuma Programme** develops an analytical framework to simulate the effects of cash transfers of the said programme on households under various eligibility criteria for selecting its beneficiaries.

Social Protection

The ongoing study on **Developing Inclusive and Resilient Social Protection Systems in Asia and the Pacific: Social Protection Indicators of Coverage and Effectiveness (SPICEs)** funded by the Asian Development Bank (ADB) aims to form the Social Protection Indicator (SPI) to understand the coverage and effectiveness of the social protection programmes in a country.

Sustainable Development Goals (SDGs)

The project on **Advancing the 2030 Agenda for Sustainable Development in Sri Lanka** funded by the Asian Development Bank (ADB), examines the impact of the multiple crises in Sri Lanka including external shocks on the country's SDG progress and selected vulnerable groups, identify scenarios, policy priorities and options for SDG financing in Sri Lanka.

Publications: Reports, Book Chapters, Journals, Working Papers, Policy Briefs & Articles of Note

The IPS disseminates research output on topical issues through a wide range of publications and publishing platforms such as reports, book chapters, journal articles, working papers and policy briefs.

- **Preserving Beneficiary Interests in Sri Lanka's Social Security Institutions through Good Governance: A Position Paper and Recommendation**, ILO and EFC (Nisha Arunatilake, Suresh Ranasinghe and Himani Vithanage).
- **Family Income Does Not Necessarily Lead to a Holistic E-learning Experience During COVID-19: A Study in Sri Lanka**, N. Senarath, W. Dedunupitiya, G. Ilangarathna, I. Thilakasiri, B. Samarakoon, L. Ramanayake, R. Godaliyadda, P. Ekanayake, V. Herath, M. Pinnawala, S. Yatigammana, J. Ekanayake, S. Dharmarathne, & Ganga Tilakaratna, Humanities and Social Sciences Communications, Vol 11 (Ganga Tilakaratna).
 - **Transforming Public Pensions in Sri Lanka Toward Fiscal and Social Stability**, Development Asia, 28 November (Priyanka Jayawardena).
 - **Attaining SDGs amidst Multiple Crises in Sri Lanka**, in Thinking Aloud February 2024 issue published by SANEM, Bangladesh, 1 February (Ganga Tilakaratna).
 - **Policy-Research Interface Mediation and Enabling (PRIME): Climate Adaptation and Inclusive Development in the Agriculture Sector for South Asia**, Australian Centre for International Agricultural Research (ACIAR), Canberra (Nisha Arunatilake, Manoj Thibbotuwawa, Asanka Wijesinghe and Bilesha Weeraratne).



GOSL Committees

The IPS uses its research evidence to support and addresses national policy issues through invited participation at government policy committees, contributing to the country's policymaking effort. In 2024, inputs were provided through:

- Technical Committee to Finalise the National Social Protection Policy of Sri Lanka, Ministry of Finance.
- Sub-committee on Establishment of Social Security Fund, Ministry of Labour.

Research Presentations/Discussions

From the role of speaker, discussant, panellist and moderator at various sessions and forums, locally and internationally, the IPS offers research-based inputs for policy engagement and discussion.



- Panellist in the session on **Employment Creation through Technology**, at the "Regional Consultation on Innovative Ideas and Knowledge Sharing", organised by the Center for Policy Dialogue (CPD), Kathmandu, Nepal, 14 December (Ganga Tilakaratna).



- Panellist in the session on **Agility and Resilience of MSMEs**, at the Fifteenth South Asia Economic Summit (SAES XV) on "Unleashing an Equitable Green Transformation in South Asia", Kathmandu, Nepal, 11 to 13 December (Ganga Tilakaratna).



- Speaker at the session on **Urban and Peri-urban Development**, at the "Regional Dissemination Workshop for Asia and the Pacific of the Global Sustainable Development Report (GSDR)", organised by the United Nations Department of Economic and Social Affairs (UN DESA) jointly with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), New Delhi, India, 22 to 24 October (Ganga Tilakaratna).



- Presentation on **UNICEF's Response to the Economic Crisis in Sri Lanka**, at a webinar on "Availing Evidence during Emergencies: Lessons from Evaluative Activities in South Asia", organised by UNICEF Regional Office for South Asia (ROSA), online, 7 November (Ganga Tilakaratna).

- Panellist at the **National Forum on Sustainable Development Goals (SDGs)**, organised by the Sustainable Development Council, Temple Trees, 27 August (Dushni Weerakoon).

- Presentation and chaired a session on **Social Development and Social Protection**, at the symposium on 'National Consultation on Sustainable Recovery and Inclusive Development', organised by the National Science Foundation and the Association of Asia Social Science Research Councils, SLIDA, 31 July (Nisha Arunatilake).

- Panellist at discussion on **Collaborative Approach to SDGs in the South and South-West Asia: Climate Change and the Way Forward**, organised by the UNESCAP South-West Asia Office and the Network on the Sustainable Development Goals (SANS), online, 3 April (Ganga Tilakaratna).

- Presentation on **Attaining SDGs amidst Multiple Crises in Sri Lanka**, at the Global Conclave on "Advancing Human Development in Global South", organised by the Institute for Human Development (IHD), Research and Information System for Developing Countries (RIS) in partnership with the NITI Aayog of the Government of India, New Delhi, India on 10 to 13 January (Ganga Tilakaratna).

IPS Talking Economics Blogs/Media Engagement

IPS' 'Talking Economics' blog shares its latest evidence-based findings.

- **Sri Lanka's Current Nutrition Challenges: How Can They Be Addressed?**, Pulasthi Amarasinghe, *Talking Economics*, 12 November.
- **New Year, New VAT: Can Sri Lanka's Poor Cope with the Increase?**, Lakshila Wanigasinghe, *Talking Economics*, 10 January.
- **Click to Give: The Future of Digital Fundraising in Sri Lanka**, Chaya Dissanayake, *Talking Economics*, 7 August.
- **Where is the Food? Impact of the Pandemic and Economic Crises on Food Consumption, Health, Education, and Human Capital**, Pulasthi Amarasinghe, News First/TV1, The People's Platform, 14 March.

AGRICULTURE AND AGRIBUSINESS DEVELOPMENT

Sri Lanka's agricultural sector faces several challenges, including low productivity, inefficient resource use, and unsustainable farming practices. The export-oriented plantation sector is also in crisis due to these issues, as well as fluctuating commodity prices and high production costs. Together, these problems contribute to food insecurity, malnutrition, and poverty in the country. In response, the government's national policy framework aims to harness advanced technological innovations for agricultural development. This includes ensuring access to safe and nutritious food, which encompasses domestically produced fish and dairy products, as well as enhancing value-added exports through new technologies.

Food Security

The study on **Policy Research Capacity and Influence (PRCI) Year 4** funded by the USAID and implemented by the International Food Policy Research Institute (IFPRI) analyses the farmers' perception of climate change and adaptation strategies and barriers for adaptation.

Analysis of the Nexus between Food Price Rise, Food Security, and Poverty in Sri Lanka funded by Gamani Corea Foundation estimates expenditure and price elasticities of demand for major food categories in Sri Lanka. This study provides insights to assist government policy responses including policies on price, social welfare and trade.

Agriculture Policies and Institutions

Two projects were completed in 2024. **Analysis of Public Expenditure Related to the Inclusive Agricultural Transformation (IAT) in Sri Lanka**, in collaboration with the International Food Policy Research Institute (IFPRI) examined historical spending trends to see how the focus has shifted among sub-sectors or institutions, as well as to examine the current distribution of funds, highlighting both underfunded and overfunded sub-sectors. The project on **Transformation of Tobacco Farmers to Alternatives: A Plan of Action**, with the World Health Organization, aimed to develop a plan of action (PA) for reducing land under tobacco cultivation by identifying alternative crops.

The study on **Develop a Roadmap and a Strategic Plan for the Coconut Sector in Sri Lanka**, funded by United Nations Industrial Development Organization (UNIDO), is another project that aims to facilitate the formulation of a Strategic Plan and Roadmap (SP&RM) for Sri Lanka's coconut sector. It will outline actionable initiatives for both public and private sector coconut industry stakeholders in Sri Lanka.

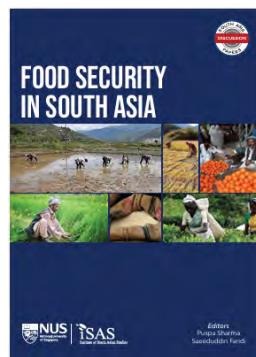
Agribusiness Value Chains

The study on **Developing Food Loss Reduction Pathways through Smart Business Practices in Pakistan and Sri Lanka**, with the Australian Centre for International Agricultural aims to examine the nature, scope and underlying causes of food loss using mango and tomato as focal product lines and demonstrate the effectiveness of a set of innovations in driving behavioural change that results in loss mitigation.

Publications: Reports, Book Chapters, Journals, Working Papers, Policy Briefs & Articles of Note

The IPS disseminates research output on topical issues through a wide range of publications and publishing platforms such as reports, book chapters, journal articles, working papers and policy briefs.

- **Should Sri Lanka Attempt to Achieve Self-Sufficiency in Pulses?**, Natarajan, K., Thibbotuwawa, M., and Babu, S, Policy note, International Food Policy Research Institute (IFPRI), Washington D.C., April (Manoj Thibbotuwawa).
- **Bridging the Knowledge Gap for Food Loss Mitigation in Mango: Mango Farmer Training Programme (MFTP)**, FLM Briefing No 4, Australian Centre for International Agricultural Research (ACIAR) (Manoj Thibbotuwawa and Chandula Idirisinghe).
- **Effect of Socio-Economic and Institutional Factors on Different Choices of Food Production System Practiced in Home Gardens: A Case Study of Mahakanumulla Village Tank Cascade System**, P. S. H., Weerasooriya, and Silva, S. A., Tropical Agricultural Research. 35(1):84-93 (Sulochana Silva).



- **Food Security in Sri Lanka in the Aftermath of the Abrupt Policy Change Towards Organic Agriculture**, in Puspa Sharma and Saeeduddin Faridi (Eds.). *Food Security in South Asia*. Institute of South Asian Studies (ISAS), National University of Singapore (NUS), December (Manoj Thibbotuwawa).

GOSL Committees

The IPS addresses national policy issues by providing evidence-based inputs to the country's policymaking effort through active engagement in government policy committees. In 2024, these involved:

- Expert Cluster on Policy and Regulatory Interventions of the Food and Nutritional Security Committee, Presidential Secretariat.
- Twenty third Agriculture Sectoral Committee meeting of the Sri Lanka Standards Institution (SLSI), SLSI, 2 July.
- National Committee for Implementing GI Strategy for Minor Export Crops, Ministry of Plantation Industries.
- Committee on Socio-Economic Research Policy, Council for Agricultural Research Policy (CARP), Ministry of Agriculture.

Research Presentations/Discussions

From the role of speaker, discussant, panellist and moderator at various sessions and forums, locally and internationally, the IPS offers research-based inputs for policy engagement and discussion.



- A guest lecture on **Food Loss Mitigation in Fruits and Vegetable Value Chains**, in a seminar organised by the Institute of Business Management Sciences (IBMS) of the University of Agriculture, Faisalabad (UAF) in collaboration with the Pakistan Korea Nutrition Centre (PKNC), online, 12 November (Manoj Thibbotuwawa).



- Panellist at sessions on **Debt, Justice and Development** and **Inclusive Crop Residue Management and Sustainable Agriculture**, at the **27th Sustainable Development Conference (SDC): From Fragility to Resilience – Enhancing Sustainable Development**, organised by the Sustainable Development Policy Institute (SDPI), Islamabad, Pakistan, 5 to 7 November (Dushni Weerakoon).
- Panellist at a session on **Food Environments and Markets in South Asia**, at the 'South Asia launch of the Global Food Policy Report 2024', organised by the International Food Policy Research Institute (IFPRI), Kathmandu, Nepal, 8 and 9 August (Dushni Weerakoon).

- Presentation on **Agricultural Development in the BIMSTEC Region: Scope for Regional Cooperation**, at the workshop on "BIMSTEC Synergies in Agricultural Trade: Promoting Regional Growth at India Habitat Centre", organised by the Research and Information System for Developing Countries (RIS), in collaboration with International Food Policy Research Institute (IFPRI), Michigan State University and The Feed the Future Innovation Lab for Food Security Policy Research, Capacity, and Influence (PRCI), New Delhi, India, 25 June (Manoj Thibbotuwawa).

- Developing Countries (RIS), in collaboration with International Food Policy Research Institute (IFPRI), Michigan State University and The Feed the Future Innovation Lab for Food Security Policy Research, Capacity, and Influence (PRCI), New Delhi, India, 25 June (Manoj Thibbotuwawa).
- Presentation on **Public Expenditure Allocation in Sri Lanka's Agriculture: Composition and Trends**, at the workshop on "Prioritising Public Expenditure Towards Inclusive Agricultural Transformation in South Asia", organised by the IPS and the International Food Policy Research Institute (IFPRI), Hilton Hotel, Colombo, 13 June (Manoj Thibbotuwawa).



- Presentation on **Transfer Know-how on TomEJC Mango Production for Exports**, at the "Mid-term Review Workshop of ACIAR FLMP", Mahaweli Reach Hotel, Kandy, 21 March (Chandula Idirisinghe).
- Presentation on **Sri Lanka's Journey of Developing Food Loss Reduction Pathways through Smart Business Practices in Mango and Tomato Value Chains in Pakistan and Sri Lanka**, at the mid-term review workshop of ACIAR FLMP., Mahaweli Reach Hotel, Kandy, 20 and 21 March (Manoj Thibbotuwawa).
- Poster presentation on **IPS-PRCI Accomplishments in the Areas of Climate Change, Agriculture and Food Security Over the Past 4 Years**, at the "Second Global Gathering of the Feed the Future Innovation Lab for Food Security Policy Research, Capacity, and Influence (PRCI) Programme", organised by the Michigan State University, held at the Ronald Reagan Building and International Trade Centre in Washington D.C., USA, 8 March (Ganga Tilakaratna and Manoj Thibbotuwawa).
- Presentation on **Lessons from the Chemical Fertiliser Ban: Rice Value Chain Analysis**, at the "Second Global Gathering of the Feed the Future Innovation Lab for Food Security Policy Research, Capacity, and Influence (PRCI) Programme", organised by the Michigan State University, Washington D.C., USA, 7 March (Manoj Thibbotuwawa).
- Panellist at the discussion on **Spice Horizons: Tracing the Legacy of Protected Geographical Indication (PGI) Ceylon Cinnamon and the Future of Other PGI Products for Export Development**, organised by the United Nations Industrial Development Organization (UNIDO)-Sri Lanka, Water's Edge, Battaramulla, 27 February (Dilani Hirimuthugodage).
- Conducted workshop on **Agriculture and Climate Change: Analytical Methods and Policy Communication**, organised by IPS in collaboration with the International Food Policy Research Institute (IFPRI), the Innovation Lab for Food Security Policy Research, Capacity, and Influence (PRCI), and the Comprehensive Action for Climate Change Initiative (CACCI), IPS Conference Room, 15-16 February (Manoj Thibbotuwawa, Asanka Wijesinghe, Pulasthi Amarasinghe and Sachini Niwarthan).

IPS Talking Economics Blogs/Media Engagement

IPS' 'Talking Economics' blog shares its latest evidence-based findings.

- Seasonal Swings in Sri Lanka's Mango Market: A Balancing Act with Economic Insights**, Chandula Idirisinghe, *Talking Economics*, 9 July.
- Measuring the Pulse of Pulses: Improving Food Security in Sri Lanka**, Kiruthika Natarajan, Manoj Thibbotuwawa and Suresh Babu, *Talking Economics*, 8 May.
- Interview with Dilani Hirimuthugodage on **Preserving the Quality of Sri Lankan Spices**, *Sunday Morning*, 13 April.

ENVIRONMENT, NATURAL RESOURCES, AND CLIMATE CHANGE

The growing threat of global climate change has added the requirement for growth to be low in carbon emissions and resilient to climate impacts. Sri Lanka's national policy framework recognises "Sustainable Environmental Management" as one of its ten key policy areas. Additionally, it proposes several policy interventions in the fields of power and energy, water management, disaster management, and addressing human-elephant conflict. The framework underscores the crucial importance of protecting the environment and natural resources.

Environment and Natural Resource Policies

The study on **Economics of Forest Restoration: Forest Landscape Restoration in Selected Districts of Sri Lanka**, collaborating with the International Centre for Integrated Mountain Development (ICIMOD) aims to understand the economics of forest restoration as a potential nature-based solutions option, specifically the re-establishment of forest cover in degraded, recently harvested forests (reforestation), marginal or abandoned croplands and pastures (afforestation) in South Asia.

Climate Change

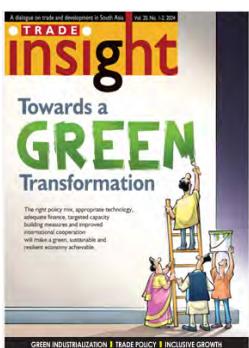
The completed study on **Policy Review on Climate Smart Agriculture in Sri Lanka**, with IPE Global, India, aimed to identify partnership and investment opportunities for climate adaptation with a focus on agri-food systems in South Asia.

The project on **Support to Climate Public Expenditure and Institutional Review (CPEIR) in Sri Lanka** funded by the United Nations Development Programme (UNDP) will conduct a CPEIR to assess Sri Lanka's climate change investments, engaging with national and sub-national government agencies.

Green Economy

Scoping Study on Debt for Climate and Nature Swaps in Sri Lanka, with the International Institute for Environment and Development (IIED), UK, aims to explore the potential of utilising debt-for-climate-and-nature swaps as an alternative fiscal instrument to provide debt relief for Sri Lanka.

Publications: Reports, Book Chapters, Journals, Working Papers, Policy Briefs & Articles of Note



- **Climate-smart Agriculture in Sri Lanka: A Policy Review**, SAWTEE Trade Insight Vol. 20, No. 1-2, 2024 (Erandathie Pathiraja and Nishamini Ihalagedara).

GOSL Committees

The IPS uses its research evidence to support and addresses national policy issues through invited participation at government policy committees, contributing to the country's policymaking effort. In 2024, inputs were provided through:

- Policy Support Technical Working Group, Accelerating Industries' Climate Responses to Support the Implementation of Sri Lanka's Nationally Determined Contributions (NDCs), UNIDO with the Ministry of Environment, Ministry of Industries and Ministry of Power and Energy.

Research Presentations/Discussions

From the role of speaker, discussant, panellist and moderator at various sessions and forums, locally and internationally, the IPS offers research-based inputs for policy engagement and discussion.



- Panellist at the session on **Climate-Resilient Agri Systems for Food Security**, at the Fifteenth South Asia Economic Summit on “Unleashing an Equitable Green Transformation in South Asia”, organised by South Asia Watch on Trade, Economics, and Environment (SAWTEE), Kathmandu, Nepal, 11 to 13 December (Pulasthi Amarasinghe).



- Presentation at the session on **Capacity Building on Disaster Risk Reduction, Climate Change Adaptation, and Mitigation**, at the Fifteenth South Asia Economic Summit on “Unleashing an Equitable Green Transformation in South Asia”, organised by South Asia Watch on Trade, Economics, and Environment (SAWTEE), Kathmandu, Nepal, 11 to 13 December (Pulasthi Amarasinghe).



- Panellist at the session on **Global Environmental Commons**, in the Regional Dissemination Workshop for Asia and the Pacific of the Global Sustainable Development Report (GSDR), organised by the United Nations Department of Economic and Social Affairs (UN DESA) jointly with the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), New Delhi, India, 22 to 24 October (Manoj Thibbotuwawa).



- Development Report (GSDR), organised by UNDESA jointly with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), New Delhi, India, 22 to 24 October (Manoj Thibbotuwawa).
- Committee meeting on **Economics of Forest Restoration**, as part of ongoing research on ‘Economics of Forest Restoration as a Carbon Mitigation and Nature-based Solution in South Asia: Evidence from Agroforestry Programs in Sri Lanka’ organised by the IPS, IPS Conference Room, 9 May (Erandathie Pathiraja and Nishamini Ihalagedara).

- Panellist at the discussion on **Enhancing Disaster Risk Management and the Climate Response: Collaborative Efforts by Japan and Australia in Indian Ocean Rim Association (IORA) Member Countries**, organised by the Lakshman Kadirgamar Institute (LKI), in collaboration with the Embassy of Japan and the Australian High Commission in Sri Lanka, LKI, 28 March (Pulasthi Amarasinghe).
- Presentation on **Climate Change, Adaptation and Livelihoods in Rural Sri Lanka**, at the “Second Global Gathering of the Feed the Future Innovation Lab for Food Security Policy Research, Capacity, and Influence (PRCI) Programme”, organised by the Michigan State University, Washington D.C., USA, 7 March (Pulasthi Amarasinghe).

RESEARCH STAFF



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Head of Information Systems



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Manager – Publications and Events



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Chamal Weerakkody
Manager - Communications & Strategic Outreach



Gayendri Karunaratne
Editor



Tuan Bangsajayah
Facility Management Officer



Suhan Perera
System Administrator



Madusha Hettiarachchi
Assistant Accountant



Vishaka Narmada
Assistant Librarian BA (OUSL)



Tharaka Mudannayake
Confidential Secretary



Amesh Thennakoon
Publications Officer



Shannine Daniel
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Communications Officer



Nayomi Jayakody
Administrative Support Officer



Bernadette Prabaloginy
Front Office Coordinator



Dinithi Upeksha
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Accounts Assistant



Thilanka Prasadi
Library Assistant



G R Wickremasena
Driver/Office Aide



H S Udayakantha
Driver/Office Aide



Nihal Wasantha
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P U K Rajasiri
Driver/Office Aide

SUPPORT SERVICES

Finance and Administration

The Finance and Administration Unit is set up to facilitate and support the activities of the Research Units by providing financial, administration, human resource, maintenance, operations, transportation, and procurement services.

The Institute's financial performance for the year under review recorded a surplus of Rs. 52.8 Mn. The total revenue of Rs. 367 Mn comprised of project revenue (42%), collections from the IPS Endowment Trust Fund (27%) and interest income (31%).

In 2024, the IPS bid farewell to 05 researchers and 02 support staff members, while 06 new staff members were recruited to the Institute.

Corporate Governance

The IPS governance structure consists of a Board of Governors ("IPS Board"), Executive Director and Management Committees. The IPS Board consists of seven board members whose appointment and responsibilities are defined in the IPS Act No. 53 of 1988. The Executive Director and Management Committees are responsible for executing strategy and driving performance.

The Board agrees on a schedule of meetings at the beginning of each year and meets at least twice a year. Additional meetings are also convened when required. All committee meetings are called by the Executive

Director at the beginning of the year to discuss and agree on yearly plans and Chairpersons of each management committee is responsible for calling quarterly meetings to monitor the progress.

The Annual Action plan and a three-year Corporate Plan is prepared and present to the Board for approval. Progress against budgeted costs is reviewed and reported on a quarterly basis.

Audit Committee

The IPS Audit Committee consists of three board members who are professionally qualified in the fields of Corporate Management, public accounting and finance. The Audit Committee meets quarterly. Internal audits are carried out on a continuous basis while all audit findings are discussed on a quarterly basis to identify potential risks and to take necessary actions to mitigate such risks.

Audit Committee serve as a subcommittee of the IPS Board and Audit Committee meeting minutes are table at the IPS Board meeting for the information of the Board.

Investment Committee

The IPS Investment Committee is chaired by a member of the IPS Board who is a professional in the field of finance. An independent member who is an investment expert also serves the committee along with the members of the IPS management. The Committee meets bi-annually, and additional meetings are held when required.

Risk Management Procedure

The IPS navigates a number of potential risks stemming from its internal and external environments and recognises the importance of identifying, measuring and managing these risks in a structured and proactive manner. The objective of the Institute's Risk Management procedure is to assure that uncertainty does not impede the achievement of institutional goals. The IPS Board holds the ultimate responsibility and oversight of risk management. The IPS Board is supported by a dedicated Management Committee in discharging its duties and responsibilities on overall risk.

Types of Potential Risks and Approach to Mitigate Key Risks

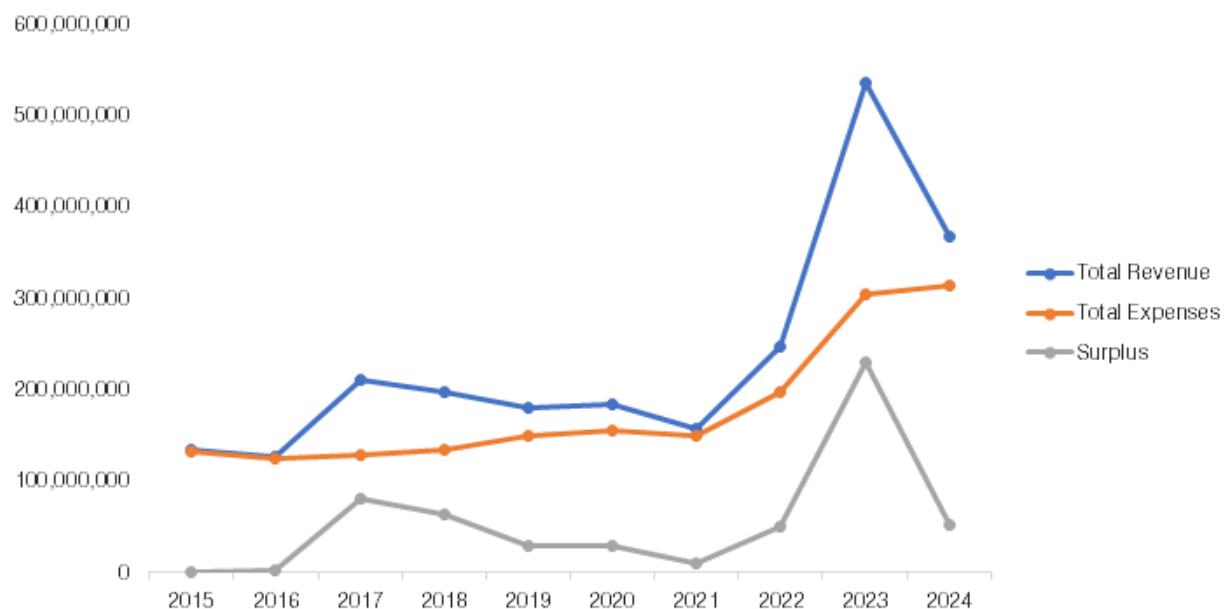
In general, the Institute has identified Operational & Reputational Risk, Financial Risk, Compliance Risk and Competitive Risk as the main types of potential risks to the Institute.

Risk Type	Approach to mitigate the risk
Operational and Reputational Risk	<ul style="list-style-type: none"> • Reaching out to its main stakeholders through targeted communication strategies and tools. • Evaluating the effectiveness of IT and other related support services. • Conducting internal audits on a continuous basis and reviewing the findings on a quarterly basis. • Conducting external audits on an annual basis and closely reviewing any concerns highlighted. • Securing comprehensive insurance cover on all the institute's properties. • Providing insurance cover for hospitalisation and critical illnesses for employees.

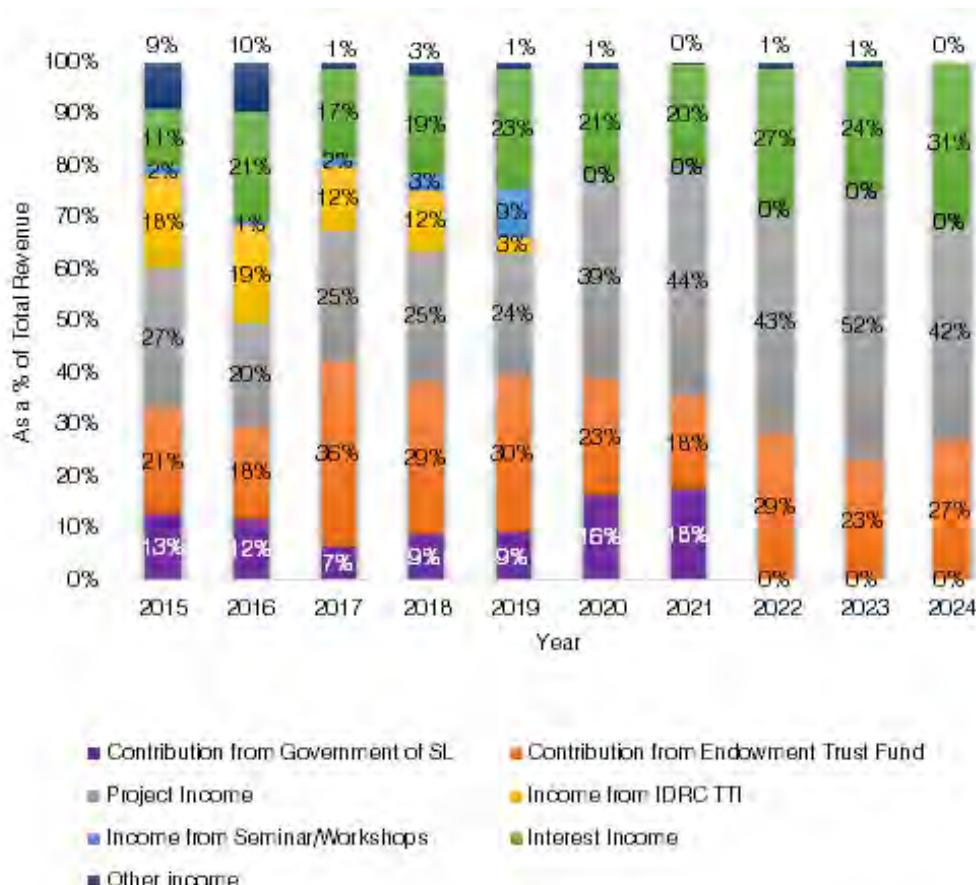
Financial Risk	<ul style="list-style-type: none">Ensuring financial stability viz. raising research grants and interest income in the absence of GOSL allocation in 2024.Maintaining the Institute's investment portfolio in several licensed banks to mitigate the credit risk.Using budgetary controls and monitoring deviations periodically.Continuously monitoring the institute's financial position while assuring the adequacy of the liquid funds to run the operations without disruptions.Using various investment appraisal techniques before finalizing investment decisions.
Compliance Risk	<ul style="list-style-type: none">Continuous monitoring of statutory payments to the relevant regulatory bodies together with required documents to be filed.
Competitive Risk	<ul style="list-style-type: none">Monitoring and improving IPS media visibility in comparison with the other competitive research institutions.
HR Related Risk	<ul style="list-style-type: none">Recruiting and retaining suitably qualified staff.Strengthening our employee value proposition.Continuously Investing in training and development.Offering opportunities for career progression such as no pay leave for higher education.Maintaining a high level of employee engagement.Conduction annual Performance Development Reviews (PDRs).Using an HRIS system to manage attendance and leave, as well as time allocation for research and support staff activities.
IT Risk	<ul style="list-style-type: none">Implementing an IT system and network security.Introducing and implementing an IT Policy.Implementing an onsite centralised storage backup management system and offsite cloud storage backup management system.Introducing and implementing annual IT security audits.

Financial Highlights – 2015 - 2024

Income, Expenditure and Surplus



Composition of IPS Income



Communications and Outreach

Disseminating IPS research and expanding outreach through the effective use of communication channels is one of the key objectives of the Institute. This includes distributing IPS' multidimensional research activities to local and international stakeholders, policymakers, and the public through various mediums such as publications, policy briefs, events, and dialogues. Moreover, IPS regularly publicises research findings and news through press releases, articles, and interviews across diverse media platforms to reach different target audiences.

The IPS produced 3 publications in 2024 among which was the Institute's annual flagship report 'Sri Lanka: State of the Economy 2024'. In 2024, the IPS also produced 20 blogs for the Institute's official blog site 'Talking Economics' which were published in widely read newspapers and online news outlets. In addition, the IPS continued to make its presence felt internationally with a total of 13 articles and significant staff mentions appearing on global platforms. IPS staff also appeared in 12 interviews with print, broadcast, and electronic media to contribute to the policy debates in Sri Lanka.

The IPS' social media presence expanded significantly in 2024 with Facebook, X (formerly known as Twitter), Instagram, LinkedIn, and YouTube pages regularly updated with engaging content. The Institute was particularly active on X and LinkedIn to share IPS updates, thereby gaining significant traction.

In 2024, as Sri Lanka navigates post-election economic priorities, IPS' annual flagship report publication titled 'Sri Lanka: State of the Economy 2024' offered critical insights to build consensus for a strategy that guides the country from stabilisation to sustainable growth and prosperity. The report, themed 'Economic Scars of Multiple Crises: From Data to Policy,' focused on key policy recommendations for the nation's recovery. Furthermore, IPS hosted over ten seminars and discussions, drawing on our wide body of published research to engage more robustly in public policy discussions. The Institute has thus managed to reach out to a wide variety of stakeholders with its premier research.

The Information Systems Unit (ISU)

The IPS' information systems unit (ISU) assists the Institute to remain competitive as a regional centre of excellence, by facilitating key activities such as software, communication, hardware, networking, and IT infrastructure management, web development, information dissemination and database development. With our new server system, more facilities in online information system were successfully carried out, enabling easy ways to work from home, VPN system, Mail system zoom meetings and other online activities.

Library

2024 Achievements

The IPS Library continued to excel in providing comprehensive information resources to its research and support staff, as well as external users. The focus was on three main areas: technological advancements, user engagement, and resource expansion.

Technological Advancements

Significant upgrades were made to the library's technological infrastructure, including the transition to the latest versions of KOHA and Dspace. These upgrades improved the efficiency and user-friendliness of library management systems, streamlining cataloging, circulation, and digital resource management.

User Engagement

User engagement remained a priority. The library conducted induction training for new users, covering topics such as navigating the OPAC and utilising the enhanced features of the library intranet and digital library. In collaboration with the communication team, three instructional videos were produced and uploaded to the library intranet:

1. Library OPAC: A guide on navigating the online catalog.
2. Library Intranet: An overview of internal resources and services.
3. Digital Library "Econsapce": A tutorial on utilising digital library resources.

Resource Expansion

The library expanded its digital resources, adding subscriptions to academic databases like JSTOR and e-journals. E-papers from daily newspapers were also procured to keep users informed about current affairs.

Interlibrary Loan and Document Delivery

The library efficiently managed interlibrary loan (ILL) and document delivery (DD) requests, providing access to resources beyond its collection, which was invaluable for researchers needing specialized materials.

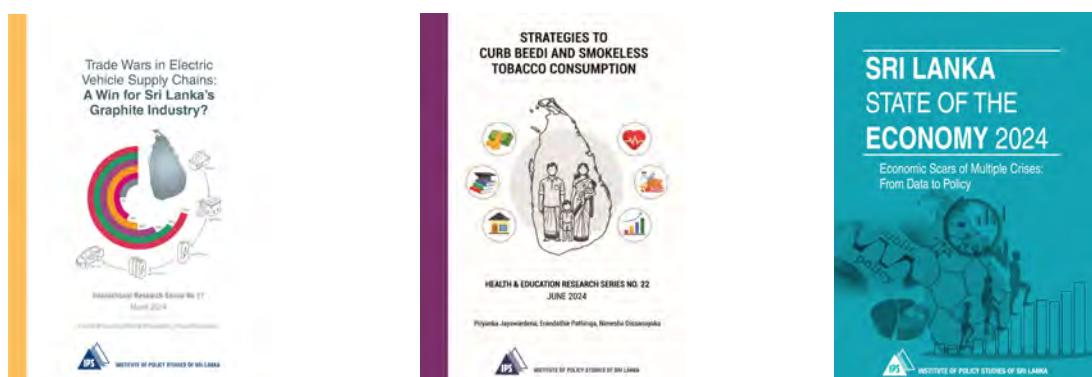
Future Plans

Looking ahead, the IPS Library aims to:

- Expanding the digital library collection with more e-books and e-journals.
- Conducting stock verification that occurs after a period of five years.
- Creating new reading spaces by adjusting library space.
- Organising more interactive workshops and training sessions to keep users updated with the latest

The IPS Library remains dedicated to supporting the research community by providing high-quality information resources and services, fostering an environment of continuous learning and innovation.

Publications 2024



- **Trade Wars in Electric Vehicle Supply Chains: A Win for Sri Lanka's Graphite Industry?**, International Research Series No. 17, by Asanka Wijesinghe, Malisha Weerasinghe and Chaya Dissanayake, March.
- **Strategies to Curb Beedi and Smokeless Tobacco Consumption in Sri Lanka**, Health & Education Research Series No. 22, by Priyanka Jayawardena, Erandathie Pathiraja and Nimesha Dissanayaka, June.
- **Sri Lanka: State of the Economy 2024** report on “Economic Scars of Multiple Crisis: From Data to Policy”, October. (By:IPS Research Team)

In-house Seminars



'Transformation of Tobacco Farmers to Alternatives in Sri Lanka: A Plan of Action', presented by Chandula Idirisinghe, Research Assistant, IPS, IPS Conference Room, 31 January.



'Financing Nature in Sri Lanka', presented by Mr. Paul Steel, Chief Economist, International Institute for Environment and Development (IIED), UK, IPS Conference Room, 28 February.



'Women's Access to Decent Work in Sri Lanka: Addressing Context-specific Barriers', presented by Dr. Lakmini Fernando, Research Fellow, IPS, IPS Conference Room, 28 March.



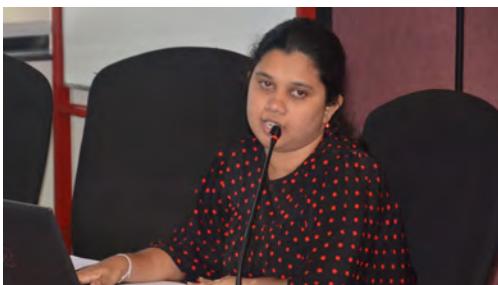
'Climate Change, Adaptation and Livelihoods in Rural Sri Lanka', presented by Dr. Pulasthi Amarasinghe, Research Economist, IPS, IPS Conference Room, 2 May.



'How Current Tax and Welfare Spending Affects the Poor and Wealthier Households?', presented by Priyanka Jayawardena, Research Economist, IPS, IPS Conference Room, 30 May.



'Economic Growth, Development and Stability in Sri Lanka', presented by Dr. N. T. Thenuwara, Adjunct Professor, the University of Iowa, IPS Conference Room, 18 June.



'Learnings from 18th SANDEE Summer School: Choice Experiments and a Case Study', presented by Sulochana Silva, Research Assistant, IPS, IPS Conference Room, 27 June.



'Work from Home Policy in Sri Lanka: Who Benefited and Who Didn't? Early Data Analysis and Current Relevance', presented by Suresh Ranasinghe, Research Officer, IPS, IPS Conference Room, 6 August.



'Systematic Literature Review: Methods and Applications', presented by Chandula Idirisinghe, Research Assistant, IPS, IPS Conference Room, 26 September.



'Overcoming Obstacles: Addressing the Underrepresentation of Researchers from Developing Countries in Development Research', presented by Prof. Kassouf, Economics Professor, Universidade de São Paulo, Brazil and Research Fellow at PEP (Partnership for Economic Policy), IPS Conference Room, 29 October.



'Exposure of Sri Lanka to the Global Political Developments', presented by Dr. Asanka Wijesinghe, Research Fellow, IPS, IPS Conference Room, 28 November.



'Investing in Growth or Falling Behind? Public Expenditure in Sri Lankan Agriculture', presented by Dr. Manoj Thibbotuwawa, Research Fellow, IPS, IPS Conference Room, 30 December.

IPS Internship Programme 2024

	Name	Designation	University
1	Vibhath Jayasinghe	Project Intern	University of Colombo
2	Apsara Nayanakanthi	Project Intern	University of Jaffna
3	Pasindu Dharmasiri	Project Intern	University of Kelaniya
4	Majitha Selvalingam	Project Intern	University of Peradeniya
5	Menaka Wimalarathne	Project Intern	University of Colombo
6	Chamodi Gamage	Project Intern	University of Ruhuna
7	Nishka Samarasinghe	Project Intern	University of Bristol, UK
8	Paveera Deheragoda	Project Intern	University of Nottingham, Malaysia
9	Dakshini Maveesha	Project Intern	University of Sabaragamuwa



Institute of Policy Studies of Sri Lanka

Financial Statements for the year ended

31st December 2024

INSTITUTE OF POLICY STUDIES OF SRI LANKA
 STATEMENT OF FINANCIAL PERFORMANCE

<i>For the year ended 31st December</i>	Notes	2024	2023
		Rs.	Rs.
Revenue			
Grant from the Government of Sri Lanka	2	-	-
Project Income	3	153,581,469	277,798,785
Interest Income	4	112,931,147	130,718,970
Contribution from the Endowment Trust Fund	22	99,034,005	122,809,517
Income from Hiring the Auditorium		282,040	606,025
Miscellaneous Income	5	1,388,657	3,234,129
Total Revenue		367,217,318	535,167,426
Expenses			
Employee Cost	6	131,531,937	124,237,361
Research Cost	7	87,619,431	86,881,629
Utility Expenditure		23,781,586	22,568,285
Other Operating Expenses	8	22,385,162	17,477,967
Travel Expenses		319,526	340,244
Hire of Auditorium		153,219	124,655
Total Expenses		265,790,861	251,630,141
Current surplus for the year		101,426,457	283,537,285
Depreciation on Property, Plant and Equipment	16	18,934,877	17,986,566
Surplus after depreciation for the year		82,491,580	265,550,719
Income Tax Expense	9	29,678,889	35,558,147
Surplus for the year after taxation		52,812,691	229,992,572

INSTITUTE OF POLICY STUDIES OF SRI LANKA
STATEMENT OF FINANCIAL POSITION

<i>As at 31st December</i>	Notes	December 2024	December 2023
		Rs.	Rs.
ASSETS			
Current Assets			
Cash and Cash Equivalent	10	63,334,730	125,508,414
Investments	11	39,880,441	27,098,309
Trade receivables	12	16,279,447	6,057,963
Inventories - Publications		1,805,716	1,798,598
Deposits and Prepayments	13	21,581,400	10,022,799
Interest Receivable	14	45,442,803	39,281,367
Other Receivables	15	<u>104,254,383</u>	<u>128,817,969</u>
Total Current Assets		292,578,920	338,585,419
Non Current Assets			
Property, Plant and Equipment	16	463,522,873	466,170,232
Long Term Investments	11	664,153,750	591,212,390
Deposits and Prepayments	13	<u>7,131,972</u>	<u>119,157</u>
Total Non Current Assets		1,134,808,595	1,057,501,779
Total Assets		1,427,387,515	1,396,087,198
Current Liabilities			
Trade and Other Payables	17	36,411,968	48,361,749
Advance Receipts on Projects	18	<u>43,995,743</u>	<u>60,231,081</u>
Total Current Liabilities		80,407,711	108,592,830
Non Current Liabilities			
Employee Benefits	19	45,140,157	40,357,628
Staff Welfare Fund		<u>8,934,258</u>	<u>7,044,042</u>
Total Non Current Liabilities		54,074,415	47,401,670
Total Liabilities		134,482,126	155,994,500
Net Assets		1,292,905,389	1,240,092,698
EQUITY			
Accumulated Surplus		1,292,905,389	1,240,092,698

These financial statements have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards.

Prepared by: Director Finance and Administration
 Gayani Caldera

Approved By: Executive Director
 Dr. Dushni Weerakoon

Approved By:


 Chairman


 Member of the
 board of directors


 Member of the
 board of directors

The Accounting policies on pages 5 to 8 and Notes on pages 9 to 16 form an integral part of these Financial Statements. The Board of Governors is responsible for the preparation and presentation of these Financial Statements.

17.02.2025

Colombo

**INSTITUTE OF POLICY STUDIES OF SRI LANKA**
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December

	Accumulated Surplus
	Rs.
Balance as at 31st December 2022	1,010,100,126
Surplus of income for the year	229,992,572
Balance as at 31 st December 2023	<hr/> 1,240,092,698
Surplus of income for the year	52,812,691
Balance as at 31 st December 2024	<hr/> 1,292,905,389

INSTITUTE OF POLICY STUDIES OF SRI LANKA
STATEMENT OF CASH FLOW

<i>For the year ended 31st December</i>		2024	2023
	Notes	Rs.	Rs.
Cash Flow From Operating Activities			
Surplus/(Deficit) Before taxation		82,491,580	265,550,719
Adjustments for;			
Movement of the Staff Welfare Fund		1,890,216	1,615,273
Depreciation on Property, Plant and Equipment	16	18,934,877	17,986,566
Provision / (Reversal) of Gratuity	19	6,470,029	11,529,290
Interest Income		(112,931,147)	(130,718,970)
(Increase)/Decrease in Provision for Bad debt		-	(116,456)
Net cash inflow/(outflow) Before Working Capital Changes		(3,144,445)	165,846,422
(Increase)/ Decrease in Trade Receivables		(10,221,484)	17,214,808
(Increase) /Decrease in Inventories		(7,118)	(10,421)
(Increase)/Decrease in Deposits and Prepayments		(18,571,416)	5,336,361
(Increase)/ Decrease in Other Receivables		24,563,586	(52,727,824)
Increase/(Decrease) in Advance Receipts		(16,235,338)	(47,182,140)
Increase/(Decrease) in Trade and Other Payables		(10,632,296)	20,005,355
Net cash inflow/(outflow) Generated From Operations		(34,248,511)	108,482,561
Gratuity Paid	19	(1,687,500)	-
Income tax paid		(30,996,374)	(31,486,972)
Net cash inflow/(outflow) From Operating Activities		(66,932,385)	76,995,589
Cash Flow From Investing Activities			
Purchase of Property, Plant and Equipment	16	(16,287,519)	(27,357,593)
Interest Received		106,769,710	113,223,651
Purchase of Investments		(27,341,189)	(321,203,553)
Proceeds from Sale of Investments		3,598,894	158,465,113
Net cash inflow/(outflow) From Investing Activities		66,739,896	(76,872,383)
Net (Decrease)/Increase in Cash and Cash Equivalents		(192,488)	123,205
Cash and Cash Equivalents at the beginning of the year (Note 10)		1,669,649	1,546,444
Cash and Cash Equivalents at the end of the year		1,477,161	1,669,649
a) Reconciliation of Cash and Cash Equivalents			
Cash at Bank		1,347,161	1,539,649
Cash in Hand		130,000	130,000
		1,477,161	1,669,649

The Institute of Policy Studies of Sri Lanka

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

1. Domicile and legal form

Institute of Policy Studies was established by the Parliament Act No.53 of December 1988, and was formally set up as a legal entity by gazette notification in April 1990. The Institute of Policy Studies of Sri Lanka (IPS) registered office and the principal place of service is situated at 100/20, Independence Avenue, Colombo 07- Sri Lanka.

1.1 Principal activities and nature of operations

The principal activity of Institute of Policy Studies is to promote policy-oriented economic research and medium-term policy analysis in Sri Lanka.

1.2 Basis of preparation

1.2.1 Statement of compliance

The financial statements of the Institute of Policy Studies comprise of the statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flow and notes to the financial statements. These statements are prepared in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) for public sector entities published jointly by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Ministry of Finance.

1.2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

1.2.3 Going concern

The Board of Governors is satisfied that the Institute has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared based on the going concern basis.

1.3 Summary of significant accounting policies

The policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency transactions

These Financial Statements are presented in Sri Lankan Rupees, which is the Institute's functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the date of statement of financial position. All differences are taken to the statement of financial performance.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the statement of financial performance as an expense as incurred.

The Institute of Policy Studies of Sri Lanka
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

Property, plant and equipment (Continued)

Depreciation is calculated on the straight-line method using the following rates per annum, based on the estimated useful economic life of the asset.

Computer Equipment	16% to 33%
Web Page Design	33%
Motorcycle	10%
Furniture	9% to 32%
Office Equipment	10%
Motor Vehicles	8% to 10%
Library Books	25%
Buildings	2% to 5%

The useful life of the assets is reviewed at the beginning of each financial year if expectations differ from previous estimates changes are made to reflect such changes.

Depreciation of an asset begins when the asset is available for use, whereas depreciation of the asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Impairment

Carrying value of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(c) Leases

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating leases. Payments under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

(d) Investments

These investments comprise of Fixed Deposits, Treasury Bills/ Repurchase Agreements, Treasury Bonds and Corporate Debentures.

i. Fixed Deposits

The Investments in Fixed Deposits are accounted at cost. Interest accrued as at the statement of financial position date is shown as interest receivable.

ii. Treasury Bills/ Repurchase Agreements

The Investments in Treasury bills and Repurchase Agreements are stated at cost plus interest as at the statement of financial position date.

The Institute of Policy Studies of Sri Lanka
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

Investments (continued)**iii. Treasury Bonds**

The Investments in Treasury bonds are stated at cost as at the date of statement of financial position. These investments have been classified as held to maturity investments as the Institute has positive intention and ability to hold them to maturity.

iv. Corporate Debentures

The Investments in Corporate Debentures are stated at cost as at the date of statement of financial position. These investments have been classified as held to maturity investments as the Institute has positive intention and ability to hold them for more than one year.

(e) Inventories

Inventory consists of stock of Publications. Publications are stated at cost. Any publications held for more than 10 years are being treated as slow moving and has been written off.

(f) Receivables

Receivables are carried at anticipated realizable value. Debtors are reviewed on an ongoing basis. Debts which are known to be uncollectable are written off during the year in which they are identified.

Individual impairment assessment is used to identify the provision for doubtful debt. The individually impaired debtors are provided at 10% for balances aged three (03) to six (06) months, 50% for balances aged six (06) to twelve (12) months and a provision of 100% is made for debtors aging more than twelve (12) months.

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of cash at the bank, cash in hand, call deposits and Treasury Bills and Repurchase Agreements with banks which have a maturity of less than three months, net of bank overdrafts. In the Statement of Financial Position, bank overdrafts are included under current liabilities which have a maturity of three months or less.

(h) Liability and provisions

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the date of the statement of the financial position. Non-current liabilities are those balances that fall due for payment after one year from the statement of financial position date. All known liabilities have been accounted for in preparing these financial statements.

Provision for liabilities is recognized when the Institute has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation. The management assessed that, cash and short-term investments, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these investments.

The Institute of Policy Studies of Sri Lanka
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

(i) Employee benefits

i. Defined contribution plans

All the employees of the Institute are members of the Employees Provident Fund and Employees Trust Fund to which the Institute contributes 12% and 3% respectively of such employees' basic wage or salary.

ii. Defined benefit plan

The Institute measures the present value of the retirement benefits of gratuity, which is a defined benefit plan with the advice of an actuary using projected unit credit method (PUC). Actuarial gains and losses are recognized as income or expenses over the expected average remaining working lives of the participants of the plan.

(j) Revenue recognition

i. Contribution from the Government of Sri Lanka

The contribution from the Government of Sri Lanka is recognized on an accrual basis.

ii. Project income

Revenue is recognized based on the stage of completion of the projects undertaken. Works completed and not billed to customers are recorded in the progress billing account. Advance receipts arising from the project are classified as deferred income and presented as current liabilities in the statement of financial position.

iii. Income from seminars/workshops

The Income from Seminars and Workshops is recognized once the seminars and workshops have been conducted on an accrual basis.

iv. Interest income

Interest Income is accounted for on an accrual basis.

(k) Recognition and classification of expenditure

i. Recognition of capital expenditure

Expenditure incurred for the purpose of acquiring, extending or improving assets of permanent nature by means of which to carry on the business or for increasing the earning capacity of the business has been treated as capital expenditure.

ii. Classification of recurrent expenditure

For the purpose of presentation of statement of financial performance, the governors are of the opinion that the nature of expense method presents fairly, the elements of the Institute's performance and hence such presentation method adopted.

INSTITUTE OF POLICY STUDIES OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December

2 Grant from the Government of Sri Lanka

Prior to 2022 Institute received grant from the Government of Sri Lanka for utilities, maintenance, and income tax expenses of the Institute. No grants were released during the current year and previous year.

	2024 Rs.	2023 Rs.
3 Project Income Income from Institutions	153,581,469	277,798,785

4 Investment Income

	2024 Rs.	2023 Rs.
Interest income from Treasury Bonds	87,296,971	73,192,868
Interest income from Treasury Bills and REPO	12,351,836	48,148,178
Interest income from Fixed deposits	9,571,562	7,154,733
Interest income from Corporate Debentures	3,230,884	1,616,281
Interest income – other	479,894	606,910
	112,931,147	130,718,970

5 Miscellaneous Income

	2024 Rs.	2023 Rs.
Sale of Publications	690,330	708,373
Postal Charges	800	18,530
Income from Conference Room Bookings	276,327	802,875
Exchange Gain/(Loss)	(412,554)	(64,343)
Other Income	833,754	1,768,694
	1,388,657	3,234,129

6 Employee Cost

	2024 Rs.	2023 Rs.
IPS Staff Salary	99,880,887	89,418,864
EPF	11,929,885	10,662,644
ETF	2,982,471	2,665,661
Short term employee cost	5,840,307	5,177,166
Director fees and allowances	601,000	744,667
Health Benefits and Fees	3,060,138	2,896,340
Other Benefits	767,220	1,142,729
Provision for gratuity (Note 19)	6,470,029	11,529,290
	131,531,937	124,237,361

7 Research Cost

	2024 Rs.	2023 Rs.
Printing & Typesetting Publication Cost	167,386	4,879,196
Internet Charges & Software	4,377,776	5,650,674
Consultation Charges	1,648,166	20,596,649
Incentive payments to staff	29,597,875	20,650,189
Field work supervision	33,945,270	13,694,962
International Travel	4,529,789	4,239,335
Network & Equipments	5,810,524	9,751,569
Other Research Costs	7,542,645	7,419,055
	87,619,431	86,881,629

INSTITUTE OF POLICY STUDIES OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December

	2024	2023
	Rs.	Rs.
8 Other Operating Expenses		
Registration and Membership Fees	810,977	724,800
Office Costs	1,532,136	1,580,344
General Office Cost	2,099,974	1,575,982
Professional and Legal Fees	3,693,206	4,307,798
Network and Server Maintenance (Note 8.1)	12,424,346	7,374,673
External audit Fees	329,520	322,800
Advertisements	28,350	4,800
Bank Charges/Commission	167,610	216,329
Provision for Doubtful Debts	(116,456)	116,456
Other Admin Related Costs	1,059,613	769,957
Meeting Expenses - ETF	355,886	484,028
	22,385,162	17,477,967

8.1 Network and Server Maintenance expenses include the amortization cost of the network and server system maintenance agreements. The recorded cost includes fees paid under new agreement valid from October 2023 to 2025 (2023: From October 2021 to October 2023 and new agreement valid until 2025).

9 Income Tax Expense

Current tax Expense

Under the provisions of the Inland Revenue Act, No. 24 of 2017, income from investments are subject to income tax at 14%. Accordingly, provisions are made for the income tax for the period ended 31st December 2024 as follows:

	2024
	Rs.
Contribution from the Endowment Trust Fund (Interest income)	99,034,005
Other interest income	112,931,147
Tax on Gains from Realization of Investment Assets-ETF	37,679
	212,002,831
Income for investments 2024 @ 14%	29,675,121
Capital Gain Tax 10%	3,768
	29,678,889
Total income tax expense	29,678,889

	2024	2023
	Rs.	Rs.
10 Cash and Cash Equivalents		
Cash at Bank	1,347,161	1,539,649
Petty Cash	130,000	130,000
Corporate Credit Card	-	-
Cash at Bank - with Fund Manger	1,114,882	53,052
Investments held for less than 03 months		
Fixed Deposits and Repurchase Agreement	3,000,000	-
Repurchase agreement - Staff Welfare Fund	-	44,662,000
Fixed Deposits	7,500,000	-
Treasury Bills	47,677,986	79,123,713
Treasury Bills - SK Grant	2,564,701	-
	63,334,730	125,508,414

	2024	2023
	Rs.	Rs.
11 Investments - Short Term		
Treasury Bills	34,630,441	21,848,309
Fixed Deposits	5,250,000	250,000
Corporate Debentures	-	5,000,000
	39,880,441	27,098,309

INSTITUTE OF POLICY STUDIES OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31st December
11 Investments - Long Term

Long Term investments consists of following investments which are classified under held to maturity investments:

	2024 Rs.	2023 Rs.
Treasury Bond	573,903,750	534,212,390
Treasury Bond - Staff Welfare Fund	10,000,000	5,000,000
Corporate Debentures	48,250,000	20,000,000
Fixed Deposits - Gratuity Fund	32,000,000	32,000,000
	664,153,750	591,212,390

12 Trade Receivables

	2024 Rs.	2023 Rs.
Trade Receivables Projects	7,180,132	4,088,401
Provision for Bad Debts	-	(116,456)
Progress Billing	9,099,315	2,086,018
	16,279,447	6,057,963

13 Deposits and Prepayments - Short Term

	2024 Rs.	2023 Rs.
Prepayments (Note 13.1)	18,927,443	8,789,599
Deposits	1,214,950	1,211,950
Advances -Employee (Travel Related)	131,951	-
Advances to other suppliers	1,307,056	21,250
	21,581,400	10,022,799

Deposits and Prepayments - Long Term

	2024 Rs.	2023 Rs.
Prepayments - Server Maintenance	4,567,130	119,157
Prepayments - Software Licenses Fee	2,564,842	119,157
	7,131,972	119,157

13.1 Prepayments

	2024 Rs.	2023 Rs.
Medical Insurance	-	1,038,577
Other Insurance	697,555	966,639
Other Prepayments	1,402,281	1,227,530
Maintenance - Short Term	1,363,443	1,630,780
Software Licenses Fee - Short Term	6,304,692	3,926,042
Server Maintenance - Short Term	9,159,472	-
	18,927,443	8,908,756

14 Interest Receivable

	2024 Rs.	2023 Rs.
Repurchase Agreement	577	178,415
Fixed Deposits	16,761,425	7,149,699
Treasury Bills	669,150	6,703,572
Treasury Bond	24,755,426	23,201,016
Corporate Debentures	3,256,225	2,048,664
	45,442,803	39,281,367

15 Other Receivables

	2024 Rs.	2023 Rs.
Staff Debtors	5,325,667	5,771,741
Other Receivables (Note 15.1)	98,928,716	122,794,228
	104,254,383	128,817,969

15.1 Other Receivables

	2024 Rs.	2023 Rs.
Receivable From Endowment Trust Fund	98,928,716	122,794,228
	98,928,716	122,794,228

16 Property, Plant and Equipment

	Land Rs.	Building Rs.	Computer Equipment Rs.	Motor Vehicles Rs.	Furniture & Fittings Rs.	Office Equipment Rs.	Library Books Rs.	Total Rs.
Cost								
Balance as at 01 st January 2024	156,000,000	350,830,706	139,063,379	29,615,195	20,021,741	29,836,697	1,733,679	727,101,397
Additions	-	12,220,309	2,781,000	-	216,176	1,067,034	3,000	16,287,519
Balance as at 31 st December 2024	156,000,000	363,051,015	141,844,379	29,615,195	20,237,917	30,903,731	1,736,679	743,388,916
 Accumulated Depreciation								
Balance as at 01st January 2024	-	83,976,598	112,818,454	18,636,743	19,643,142	24,124,572	1,731,657	260,931,166
Depreciation Charge	-	7,856,354	7,257,299	2,814,094	106,202	899,594	1,334	18,934,877
Balance as at 31 st December 2024	-	91,832,952	120,075,753	21,450,837	19,749,344	25,024,166	1,732,991	279,866,043
 <i>As at 31 st December 2024</i>								
	156,000,000	271,218,063	21,768,626	8,164,358	488,573	5,879,565	3,688	463,522,873



16 Property, Plant and Equipment (continued)

	Land	Building	Computer Equipment	Motor Vehicles	Furniture & Fittings	Office Equipment	Library Books	Total
Cost	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2023	156,000,000	324,858,736	137,916,389	29,615,195	19,965,411	29,799,063	1,731,829	699,886,623
Additions	-	25,971,970	1,146,990	-	73,600	163,183	1,850	27,357,593
Less: Disposals	-	-	-	-	(17,270)	(125,550)	-	(142,820)
Balance as at 31st December 2023	156,000,000	350,830,706	139,063,379	29,615,195	20,021,741	29,836,696	1,733,679	727,101,397
Accumulated Depreciation								
Balance as at 01st January 2023	-	77,093,305	105,540,052	15,763,603	19,576,508	23,383,891	1,730,061	243,087,420
Depreciation Charge	-	6,883,293	7,278,402	2,873,140	83,904	866,231	1,596	17,986,566
Less: Disposals	-	-	-	-	(17,270)	(125,550)	-	(142,820)
Balance as at 31st December 2023	-	83,976,598	112,818,454	18,636,743	19,643,142	24,124,572	1,731,657	260,931,166
<i>As at 31st December 2023</i>	<i>156,000,000</i>	<i>266,854,108</i>	<i>26,244,925</i>	<i>10,978,452</i>	<i>378,599</i>	<i>5,712,124</i>	<i>2,022</i>	<i>466,170,231</i>

INSTITUTE OF POLICY STUDIES OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December

	2024	2023
	Rs.	Rs.
17 Trade and Other Payables		
Accruals (Note 17.1)	18,001,053	31,451,197
EPF & ETF Payable	1,925,847	1,768,828
PAYE payable	5,487,025	2,862,130
Stamp Duty payable	4,075	4,100
Income tax payable	10,772,351	12,089,836
Capital Gain tax payable	2,560	64,160
Corporate Credit Card	219,057	121,498
	36,411,968	48,361,749

	2024	2023
	Rs.	Rs.
17.1 Accruals		
Office Costs	4,831,639	6,660,667
External Audit Fees - IPS	252,000	612,840
Professional and Legal Fees – IPS	527,844	598,258
Professional and Legal Fees – ETF	185,000	212,889
Electricity	408,143	564,767
Telephone/Internet Charges	429,210	501,407
Fuel	60,671	71,677
Research Project Expenses	11,306,546	22,231,039
	18,001,053	31,451,197

	2024	2023
	Rs.	Rs.
18 Advance Receipt on Projects		
Balance as at 01st January	60,231,081	107,413,221
Receipts during the year	180,009,297	239,104,657
Payments during the year	(69,582,961)	(23,705,220)
Income recognized	(126,661,674)	(262,581,577)
Balances as at 31st December	43,995,743	60,231,081

	2024	2023
	Rs.	Rs.
19 Employee Benefits		
Balance as at 01 st January	40,357,628	28,828,338
Expense recognized during the year (Note 19.1)	6,470,029	11,529,290
Payments made during the year	(1,687,500)	-
Balance as at 31st December	45,140,157	40,357,628

Number of employees of the Organization as at 31st December 2024 is 45 (2023: 48).

Number of employees of the Organization eligible for Employee Benefits as at 31st December 2024 is 45 (2023: 48).

The liability is valued by an independent professional actuarial valuation company.

The following assumptions are used in determining the cost to the institute of providing these benefits:

Discount Rate	11% (2023: 13%)
Increase in rate of salary	8% (2023: 10%)
Rate of Staff Turnover	17% (2023: 18%)

	2024	2023
	Rs.	Rs.
19.1 Expense recognized during the year		
Current Service Cost	3,110,837	2,826,296
Interest Cost	5,246,492	5,189,101
Actuarial (Gain)/Loss	(1,887,300)	3,513,893
	6,470,029	11,529,290

**INSTITUTE OF POLICY STUDIES OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st December

20 Lease Commitment

No lease commitments as at the Statement of Financial Position date (2023: Nil).

21 Capital Commitment

No capital commitments as at the Statement of Financial Position date (2023: Nil).

22 Related Party Transactions**22.1 IPS Endowment Trust Fund**

The Institute's Endowment Trust Fund ("Trust Fund") had a net assets value of Rs. 510,339,323/- as at 31st December 2024 (2023: Rs. 510,340,323/-). The entirety of the income of the Trust is passed through to the IPS and management expenses of the Trust Fund are reimbursed by the IPS. Separate accounts are maintained for the Endowment Trust Fund which is audited separately. The Trust Fund consists of five Trustees of which two are Ex-Officio members (Chairman and Executive Director of IPS).

22.2 Key management personnel ("KMP")

According to SLPSAS 14 on "Related Party Disclosures", KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

The IPS staff cost (note 6) includes salaries paid to key management personnel of Rs. 40,935,288/- (2023: Rs. 37,771,128/-).

22.3 Other Related Party

Prior to 2022, the Institute received a grant from the Government of Sri Lanka for utilities, maintenance, and income tax expenses of the Institute. No grants were released during the current year and previous year. The Secretary to the Ministry of Finance, Governor of the Central Bank or an officer nominated by them, and the Director General of the National Planning Department are Ex-Officio members of the Board of the IPS.

23 Contingent Liabilities

There were no contingent liabilities as at the Statement of Financial Position date.

24 Events occurring after the Statement of Financial Position

No events occurred after the Statement of Financial Position date which require adjustments to or disclosures in the financial statements.

25 Board of Governors' Responsibility

The Board of Governors is responsible for the preparation and presentation of these financial statements in accordance with SLPSAS.

INSTITUTE OF POLICY STUDIES OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December

26. Statement of Comparison of Budget and Actual

Revised Budget 2024		Notes	Actual	
Rs.			2024 Rs.	2023 Rs.
Revenue Receipts				
-	Grant from the Government of Sri Lanka	2	-	-
142,534,239	Project Income	3	153,581,469	277,798,785
113,115,434	Interest Income	4	112,931,147	130,718,970
93,182,383	Contribution from the Endowment Trust Fund	22	99,034,005	122,809,517
600,000	Income from Hiring the Auditorium		282,040	606,025
3,134,481	Miscellaneous Income	5	1,388,657	3,234,129
352,566,537	Total Revenue		367,217,318	535,167,426
Expenses				
128,978,819	Employee Cost	6	131,531,937	124,237,361
68,416,435	Research Cost	7	87,619,431	86,881,629
22,014,680	Utility Expenditure		23,781,586	22,568,285
21,823,948	Other Operating Expenses	8	22,385,162	17,477,967
750,000	Travel Expenses		319,526	340,244
270,000	Hire of Auditorium		153,219	124,655
242,253,882	Total Expenses		265,790,861	251,630,141
110,312,655	Current surplus for the year		101,426,457	283,537,285
17,394,669	Depreciation on Property, Plant and Equipment	16	18,934,877	17,986,566
92,917,986	Surplus after depreciation for the year		82,491,580	265,550,719
28,881,694	Income Tax Expense	9	29,678,889	35,558,147
64,036,292	Surplus for the year after taxation		52,812,691	229,992,572



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My No. Your No. }

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Date } 30 May 2025

Chairman,
Institute of Policy Studies of Sri Lanka

Report of the Auditor General on the financial statements for the year ended 31 December 2024 and other legal and regulatory requirements of the National Institute of Policy Studies of Sri Lanka in terms of Section 12 of the National Audit Act No. 19 of 2018

The aforesaid report is sent herewith.

G.H.D. Dharmapala

Auditor General (Acting)

Copy: Secretary, Ministry of Finance, Planning and Economic Development



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NATIONAL AUDIT OFFICE



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දිනය තික්ති Date] 30 May 2025

Chairman,
Institute of Policy Studies of Sri Lanka

Report of the Auditor General on the financial statements for the year ended 31 December 2024 and other legal and regulatory requirements of the Institute of Policy Studies of Sri Lanka in terms of Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1. Qualified Opinion

Financial statements of the Institute of Policy Studies for the year ended 31 December 2024, which comprise the statement of financial position as at 31 December 2024 and the statement of financial performance and the statement of changes of equity for the year then ended, and the cash flow statement and the notes to the financial statements for the year ended 31 December 2024, which includes information related to the material accounting policies, were audited under my order in terms of the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 to be read with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course in terms of Article 154(6) of the Constitution.

It is my opinion that, except for effect of the matters described under Basis for the Qualified Opinion in my report, the financial position of the Institute as at 31 December 2024 and its financial performance and cash flows for the year then ended represent a true and fair view of the state of affairs in accordance with the Public Sector Accounting Standards of Sri Lanka.

1.2. Basis for the Qualified Opinion

- (a). As there is no accounting policy in the Sri Lankan's Public Sector for the classification, presentation, measurement and disclosure of financial instruments, the Institute should develop a policy for that following the Sri Lanka Accounting Standards and it should be stated in the financial statements of the Institute, but the Institute had not acted accordingly.
- (b). As per the bank confirmations obtained by the Institute of Policy Studies of Sri Lanka, the balance in the bank current account as at 31 December

2024 had been Rs. 50,000 and the balance in the savings account had been Rs. 3,595,838. However, when preparing the bank reconciliations, the balance as per the bank statement as at 31 December 2024 had been entered as Rs. 3,645,838, but the balance as per the bank confirmations issued by the bank had been Rs. 50,000. The savings account balance of Rs. 3,595,837 had not been shown under cash and cash equivalents when presenting the accounts, and only the amount of Rs. 179,823, which was the interest received from the savings account had been shown under 'other income'.

I conducted the audit in accordance with the Sri Lanka Auditing Standards (SLAuSs). My responsibility under these Auditing Standards has been further described in the section on the responsibility of the auditor for the audit of financial statements of this report. I believe that the audit evidence I have obtained is adequate and appropriate for providing a basis for my qualified opinion.

1.3. Other information contained in the Annual Report 2024 of the Institute

Other information refers to the information that is included in the Annual Report 2024 of the Institute, which I obtained before the date of this Audit Report, but not contained in the financial statements and my audit report on the same. The management is responsible for other information.

My opinion regarding the financial statements does not cover the other information, and I will not give any assurance or express any opinion regarding that.

My responsibility in relation to my audit of the financial statements is to read the other information identified above when it is available to me, and in doing so, to consider whether the other information is materially inconsistent with the financial statements or with the knowledge I have gained during the audit or otherwise.

If I conclude that there are material misrepresentations based on the other information obtained by me before the date of this audit report and based on the functions performed by me, I am required report such matters. I have nothing to report in this regard.

1.4. Responsibility of the management and the administration for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards, and for determining the internal controls necessary for enabling the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

It is the responsibility of the management to determine the going concern of the institute when preparing the financial statements, and except where the management intends to liquidate the institute or to cease operations in the absence of any alternative, keeping accounts on the basis of going concern and disclosing the matters relating to the going concern of the institute, too, are responsibilities of the management.

The administration of the institute is responsible for the supervision of the financial reporting process of the institute.

In terms of Sub-section 16(1) of the National Audit Act No. 19 of 2018, the institute is required to properly maintain books and reports on its income, expenditure, assets and liabilities in order to enable the preparation of annual and timely financial statements of the institute.

1.5. Responsibility of the Auditor for the audit of financial statements

My intention is to give a fair assurance that the financial statements, as a whole, are free of material misstatements due to fraud and error, and to issue the report of the auditor containing my opinion. Fair assurance is an assurance of a higher level, but when conducting the audit in terms of Sri Lanka Auditing Standards, it will not be a confirmation that it always discloses material misstatements. Material misstatements may occur due to the effect of fraud and error either individually or collectively, and it is expected that it could have an impact on the economic decisions made by users based on these financial statements.

I conducted the audit in terms of Sri Lanka Auditing Standards with professional judgment and professional dubiousness. Further,

- In providing a basis for the stated audit opinion, appropriate audit procedures were designed and performed, as the case may be, to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. The impact of 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.
- Obtained 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 Authority's internal controls.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded on the use of the basis of going concern of the institute for accounting based on the audit evidence obtained regarding whether there exists a material uncertainty about the going concern of the institute due to events or situations. 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. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluated whether the transactions and events underlying the structure and the content of the financial statements are represented in a manner that achieves fair presentation and the overall presentation of the financial statements including the disclosures.

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

2. Report on other legal and regulatory requirements

2.1. National Audit Act No. 19 of 2018 contain specific provisions regarding the following requirements:

- 2.1.1. In terms of the requirements provided under Section 12(a) of the National Audit Act No. 19 of 2018, I obtained all the information and clarifications required for the audit, and as it is observed through my examination, the institute had maintained proper financial records.
- 2.1.2. In terms of the requirement provided in Section 6(1)(d)(iii) of the National Audit Act No. 19 of 2018, the financial statements of the institute are consistent with the preceding year.
- 2.1.3. In terms of the requirement provided in Section 6(1)(d)(iv) of the National Audit Act No. 19 of 2018, the recommendations made by me in the previous year are included in the financial statements that have been presented.

2.2. Based on the procedures adopted and the evidence obtained, and limitation to matters that are material, nothing has come to my attention as to make the following statements:

- 2.2.1. According to the requirement provided in Section 12(d) of the National Audit Act No. 19 of 2018, a member of the board of directors of the institute has an interest outside the normal business situation of the institute directly or otherwise regarding a contract that relates to the institute.
- 2.2.2. According to the requirement provided in Section 12(f) of the National Audit Act No. 19 of 2018, the institute has not complied with any applicable written law or other general or special direction issued by the board of directors of the institute except for the following observation:

<u>Reference to law/direction</u>	<u>Description</u>
Paragraph 3.1 of the Operations Manual of the Public Enterprise Circular No. 2021/1 dated 16 November 2021.	There is no approved carder for the Institute, and the Institute had employed a staff for a period of one year or less on contract basis in accordance with the Operations Manual prepared by the Institute.

G. H. D. Dharmapala

Auditor General (Acting)

Institute of Policy Studies

Responses to Audit Report

LSW/D/IPS/FS/2024

Financial Statement Audit 2024

1.2

(A) Absence of accounting policies for financial instruments

Please refer to the section 1.3 (d) Summary of significant accounting policies, where we have documented the IPS' accounting policy on financial instruments. The accounting policy explains how the financial instruments are classified, presented, measured, and disclosed in the financial statement.

(B) Discrepancy between Bank Account Balance recorded in the GL and Bank Confirmation.

The balances of current account number 1100651701 and savings account 8110035963 are recorded in the GL Account 2515. There can be differences between the GL balance and balance as per the Bank statement due to the transaction processing time differences. Such differences are reconciled monthly and those Bank reconciliations were made available to the Auditors for review. The yearend account includes the balances as per GL and accordingly, the IPS has presented the balances in current and savings accounts under note 10 – Cash and Cash Equivalent and as Cash at Bank. Please note that the saving account balance has not been omitted in preparing the final accounts.

2. Compliance with other Laws, Rules, Regulations

2.2.2 Management of Staff Cadre

The IPS does not maintain a registered cadre for two reasons. First, is the nature of its funding which is highly dependent on raising research project incomes. Project incomes are volatile for a number of reasons, including the policy environment and donor interest. Second, are the changing areas of research as government policy priorities shift. Both these factors require IPS to retain flexibility to adjust its staff numbers to be productive and cost-effective. These matters have been discussed extensively over the years, and in 2015, it was discussed in detail at the Line Ministry audit committee, and subsequently officials of the Auditor-General's Department agreed that the IPS is not required to have an approved cadre.



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