

**PROMOTING AND FACILITATING ESTABLISHMENT OF *IN-HOUSE R & D*
UNITS IN FOOD PROCESSING INDUSTRIES**

Scheme of Recognition – 2023/2024

1. Industries seeking recognition to their in-house R&D units should be engaged in manufacture or production of food.
2. The in-house R&D units applying for recognition are expected to be engaged in innovative research & development activities related to the line of business of the industry, such as, development of new technologies, design & engineering, process/product/design improvements, developing new methods of analysis & testing; research for increased efficiency in use of resources, such as, capital equipment, materials & energy; pollution control, effluent treatment & recycling of waste products or any other areas of research
3. At the time of application, the R&D unit(s) should be functional and should have well defined, time-bound R&D programmes leading to development of innovative products and/or technology (ies).
4. However, market research, work & methods study, operations & management research, testing & analysis of routine nature for operation, process control, quality control and maintenance of day to day production, maintenance of plant are not considered as R&D activities.
5. The application for registering in the scheme is available at IDB website (<http://www.idb.gov.lk>). Duly completed application should be signed by the Managing Director of the company and submitted along with latest Annual Report and a Brief write-up on the past achievements, on-going and future R&D projects/programmes of the in-house R&D unit.
6. It is encouraged to enclose photographs of some newly developed products or applications of the products/technologies as well. In addition, the company may enclose copies of biodata of key R&D personnel, layout of major infrastructure available for research, product brochures/literature, certificates of merit or awards etc., which may help IDB appreciate the strengths of the R&D unit.

Criteria of the Scheme for recognition:

1. The company must spell out a long-term R&D policy which should be displayed prominently in the in-house R&D unit.
 2. R&D activities should be clearly demarcated from the manufacturing/ quality control activities. The unit should have separate & identifiable infrastructure for carrying out R&D activities.
 3. It is preferable that the in-house R&D unit be located outside the factory premises, or it may be located in a separate building within the factory premises or it may be located in a separate floor. In case of small companies, the R&D unit may be located in a separate room or area.
 4. The R&D unit should have well defined, time bound R&D programmes.
 5. The units should maintain proper record of its R&D activities in the form of documentation.
 6. The units should have qualified staff exclusively engaged in R&D and should be headed by a full-time qualified & experienced R&D person who has direct access to the Chief Executive or to the Board of Directors, depending on the size of the company.
 7. The R&D units should maintain separate books of accounts for all the R&D expenditures. Expenditure should be booked when incurred and not allocated. The company should reflect the R&D expenditure (both capital & revenue) in the Annual Report and Statement of Accounts. The R&D expenditure incurred should be proportionate with the financial size of the company.
 8. IDB may hold discussions with the R&D staff of the industry, in order to verify firsthand information on R&D activities of the applicant. Then the units will be visited by a panel of judge comprising of representatives of IDB along with experts. Based on the evaluation report of the panel the final decision on recognition would be taken by the IDB.
 9. Three (03) industries will be recognized under this scheme per year and awarded them in a grand industry ceremony in January 2024.
 10. Closing date for submitting applications is 31st of December, 2023.
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