



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

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**ENERGY CONSERVATION FUND**

**ACT, No. 2 OF 1985**

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**[Certified on 9th January, 1985]**

*Printed on the Orders of Government*

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L. D.—O. 29/83.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A FUND CALLED THE ENERGY CONSERVATION FUND; TO SPECIFY ITS OBJECTS AND POWERS AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Energy Conservation Fund Act, No. 2 of 1985. Short title.

### PART I

#### ESTABLISHMENT OF THE ENERGY CONSERVATION FUND

2. (1) There shall be established a Fund to be called the Energy Conservation Fund (hereinafter referred to as the "Fund"). Establishment of the Energy Conservation Fund.

(2) The Fund shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

3. (1) The administration, management and control of the Fund shall be vested in a Board of Directors constituted as hereinafter provided. Board of Directors of the Fund.

(2) The Board of Directors of the Fund shall consist of—

(a) the following members to be appointed by the Minister (hereinafter referred to as "appointed Members")—

(i) one member from among persons who appear to the Minister to have had experience and shown capacity in dealing with matters connected with power and energy conservation in their administrative, scientific, technical, economic and planning aspects;

(ii) one member from the General Treasury in consultation with the Minister in charge of the subject of Finance;

(iii) one member from the Department of Conservation of Forests in consultation with the Minister in charge of the subject of Conservation of Forests; and

- (iv) one member who in the opinion of the Minister, is representative of the major energy users in the public sector in consultation with the appropriate Minister; and
- (b) the following *ex-officio* members—
- (i) the Secretary to the Ministry of the Minister;
  - (ii) the Chairman of the Ceylon Petroleum Corporation or his representative; and
  - (iii) the Chairman of Ceylon Electricity Board or his representative.
- (3) The Minister shall appoint one of the members to be the Chairman of the Board.
- (4) The Minister may, if he considers it expedient to do so, remove any appointed member of the Board from office without assigning any reason therefor.
- (5) An appointed member of the Board may at any time resign his office by letter addressed to the Minister.
- (6) The quorum for a meeting of the Board shall be three members.
- (7) Subject to the provisions of subsection (6) the Board may regulate the procedure in regard to its meetings and the transaction of business at such meetings.
- (8) No act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy amongst its members or any irregularity in the appointment of a member thereof.
- (9) If an appointed member of the Board is temporarily unable to discharge the duties of his office on account of ill-health or absence from Sri Lanka or any other cause, the Minister may appoint another person to act in his place.
- (10) Every appointed member of the Board shall, unless he earlier vacates office by death, resignation or removal, hold office for a period of three years. Any member of the Board who vacates office by effluxion of time shall be eligible for reappointment.
- (11) If any member of the Board vacates his office prior to the expiration of his term of office, his successor shall, unless such successor vacates his office earlier, hold office for the unexpired period of the term of office of the person whom he succeeds.

4. (1) The Chairman of the Board shall, if present preside at every meeting of the Board. In the absence of the Chairman from any such meeting, the members present shall elect one of the members present to preside at such meeting.

Chairman  
of the  
Board.

(2) If the Chairman is, by reason of illness or absence from Sri Lanka temporarily unable to perform the duties of his office, the Minister may appoint another member of the Board to act in his place.

(3) The Minister may without assigning any reason therefor, terminate the appointment of the Chairman.

(4) The Chairman may at anytime resign from the office of Chairman by a letter addressed to the Minister. Such resignation shall take effect upon it being accepted by the Minister in writing.

(5) Subject to the provisions of subsections (3) and (4) the Chairman shall hold office so long as he holds office as a member of the Board.

5. The Seal of the Fund—

Seal of the  
Fund.

(a) shall be in the custody of such persons as the Board may from time to time determine ;

(b) may be altered in such manner as may be determined by the Board ; and

(c) shall not be affixed to any instrument or document except with the sanction of the Board, and in the presence of two members of the Board who shall sign the instrument or document in token of their presence.

## PART II

### OBJECTS AND POWERS

6. The objects for which the Fund is established shall be to finance, promote and initiate activities and projects relating to the improvement of any or all aspects of energy demand management and conservation programmes in Sri Lanka, and in particular—

Objects of  
the Fund.

(a) identifying available technologies for improving efficiency in—

(i) the use of energy in agriculture, industry, commercial, domestic and transport sectors ; and

- (ii) the production of energy, processing, conversion, transportation, storage, co-generation and heat recovery techniques ;
- (b) identifying policy measures that can be enforced, such as—
  - (i) economic incentives and disincentives including pricing policy and taxation ;
  - (ii) education and information services ; and
  - (iii) institutional arrangements and any other measures ;
- (c) creating a core of active managerial level personnel who will formulate and develop action oriented energy conservation programmes relevant to national needs ;
- (d) promoting a programme on energy efficiency demand management and conservation and provide funds for the development and promotion of energy conservation programmes initiated by any institution ;
- (e) assisting with the public and private sector institutions to embark on energy efficiency demand management or conservation programmes ;
- (f) initiating, promoting, conducting and co-ordinating research, surveys and investigations regarding any aspects of energy efficiency demand management or conservation ;
- (g) organising seminars, workshops and courses in energy efficiency demand management or conservation and provide information and education to the public regarding energy demand management or conservation ;
- (h) specifying standards, norms, codes and other criteria for maintaining the quality of the energy and reduce wastage by energy conservation techniques ;
- (i) carrying out research and development and pilot studies, leading to the implementation of energy substitution schemes especially involving new and renewable sources of energy ;
- (j) promoting, encouraging, co-ordinating and carrying out long-term planning and policy analysis in all aspects of energy management and conservation ;

- (k) publishing reports, articles, periodicals, papers, supplements, booklets and provide information and education with regard to any aspects of energy demand management or conservation ;
- (l) providing funds for the participation in seminars and workshops and supplementary scholarships organised by international institutions with respect to energy demand management or conservation ; and
- (m) any other matters that may be referred to the Fund by the Minister, as may be necessary or conducive to the attainment of the objects set out in the preceding paragraphs of this section.

7. (1) The Board shall, in the name of the Fund, have, subject to the provisions of this Act and any other law, the power to do all such acts as are necessary for, or conducive or incidental to, the carrying out of the objects of the Fund.

Powers,  
duties and  
functions  
of the  
Board.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Board may exercise and discharge the following powers and functions :—

- (a) to raise funds or receive grants, gifts or donations in cash or kind, whether from local or foreign sources ;
- (b) to conduct lotteries and award prizes with the approval of the Government ;
- (c) to hold competitions and to award prizes, certificates and other forms of recognition to any person who takes part in any such competition ;
- (d) to enter into or perform either directly or through officers and servants or agents authorized in writing in that behalf by the Board, all such contracts and agreements as may be necessary for the exercise, discharge and performance of its powers, functions and duties and for carrying out the objects of the Fund ;
- (e) to invest funds belonging to the Fund in any investments, and to recall, reinvest and vary such investments and collect income accruing from such investments ;

- (f) to make rules relating to all matters connected with the working of the Fund, including the financial control of, and accounting procedures relating to, financial or any other assistance from the Fund, and the conditions to be imposed for ensuring the proper application of any financial or other assistance granted by the Fund ;
- (g) to make rules determining the terms and conditions of service of the officers and servants of the Fund ;
- (h) to exercise disciplinary control over the officers and servants of the Fund ; and
- (i) to do any other acts as the Board may consider necessary or conducive for the attainment of the objects of the Fund.

Grants by  
the  
Government.

8. (1) On the coming into operation of this Act, the Government shall make an initial grant of a sum of five million rupees to the Fund.

(2) The Government may, in addition to the initial grant referred to in subsection (1), grant to the Fund from time to time, such sums of money as may be necessary for the purpose of giving effect to the objects of the Fund.

Payments  
into  
the Fund.

9. There shall be paid into the Fund—

- (a) any funds raised. or grants, gifts or donations received or moneys realised or collected under paragraph (a) of subsection (2) of section 7 ;
- (b) any grants received from the Government under section 8 ; and
- (c) any income from investments or other receipts due to the Fund.

Payments  
out of  
the Fund.

10. There shall be paid out of the Fund—

- (a) expenses necessary for the working, establishment and maintenance of the Fund ;
- (b) the payment of salaries to officers, servants and other employees ; and
- (c) all such other payments as are approved by the Board as being necessary for the purposes of carrying out the objects of the Fund, and the exercise and performance of its powers and duties under this Act.

11. (1) The financial year of the Fund shall be the calendar year.

Financial year and the audit of accounts of the Fund.

(2) The Board shall cause proper books of accounts to be kept of the income and expenditure and all other transactions of the Fund.

(3) The Auditor-General shall audit the accounts of the Fund every year in accordance with Article 154 of the Constitution.

12. (1) The Board may appoint such officers and servants as may be necessary for the administration and management of the affairs of the Fund, and shall determine the remuneration payable to such officers and servants so appointed.

Appointment of officers to administer the Fund.

(2) At the request of the Board, any officer in the public service may, with the consent of that officer and the Secretary to the Ministry of the Minister in charge of the subject of Public Administration, be temporarily appointed to the staff of the Fund for such period as may be determined by the Board with like consent, or with like consent be permanently appointed to such staff.

(3) Where any officer in the public service is temporarily appointed to the staff of the Fund, the provisions of sub-section (2) of section 13 of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(4) Where any officer in the public service is permanently appointed to the staff of the Fund, the provisions of sub-section (3) of section 13 of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(5) Where the Board employs any person who has entered into a contract with the Government to serve the Government for a specific period, any period of service to the Fund by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

13. (1) No suit or prosecution shall be instituted against any member of the Board or against any officers, or servant of the Fund appointed for the purposes of this Act for any act which in good faith is done or purported to be done by such person under this Act or on the direction of the Board.

Protection of Members of the Board and officers &c., of the Fund from action under this Act.



(2) Any expense incurred by the Fund in any suit or prosecution brought by or against the Fund before any court shall be paid out of the Fund, and any costs paid to, or recovered by the Fund in any such suit or prosecution shall be credited to the Fund.

(3) Any expense incurred by any such person as is referred to in subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or purported to be done by him under this Act or on the direction of the Board shall, if the court holds that such act was done in good faith, be paid out of the Fund unless such expense is recovered by him in such suit or prosecution.

No writ to issue against person or property of a member of the Board.

14. No writ against person or property shall be issued against any member of the Board or any officer or servant of the Fund in any action brought against the Fund.

Officers and servants of the Fund deemed to be public servants under the Penal Code.

15. All officers and servants of the Fund shall be deemed to be public servants within the meaning and for the purposes of the Penal Code.

Fund deemed to be a scheduled institution within the meaning of the Bribery Act.

16. The Fund shall be deemed to be a scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall accordingly apply.