

Guidelines for Utilization of Environmental Compensation Fund

1.0 Background

The Central Pollution Control Board is a statutory organization under Ministry of Environment, Forest & Climate Change. Hon'ble National Green Tribunal (NGT) Order in the matter of OA No. 593/2017 (WP (CIVIL) No. 375/2012), Paryavaran Suraksha Samiti & Anr. Vs. Union of India & Ors has unambiguously directed State & Central Boards to levy Environmental Compensation on violators of Environmental laws. The NGT Order on the matter is as follows:

“The CPCB may take penal action for failure, if any, against those accountable for setting up and maintaining STPs, CETPs and ETPs. CPCB may also assess and recover compensation for damage to the environment and said fund may be kept in a separate account and utilized in terms of an action plan for protection of the environment.”

Further, Hon'ble NGT, vide its order dated 22-01-2019 in O.A. no 101/2019, has granted approval for utilization of 25% environmental compensation fund for specified activities. The copy of the order dated 22-01-2019 is annexed herewith as **ANNEXURE-I**.

CPCB is maintaining Environmental Compensation (EC) Fund in a separate dedicated account CPCB has constituted a Committee vide OM No. CB/Dir/PCP/02/EC./2019-20 dated April 03, 2019. The committee is comprising of officials from CPCB and SPCBs for evaluation and recommendation of projects for financial assistance from EC Fund. Proposals submitted by CPCB/SPCBs/PCCs for the activities specified in the said NGT Order shall be evaluated by the Committee. The copy of OM dated 03-04-2019 is annexed herewith as **ANNEXURE-II**.

The “Guideline for Utilization of Environmental Compensation (EC) Fund” provides the framework for sanction and assessment of projects financed with EC Amount and is broadly based on MoEF&CC’s “Guidelines for Scheme – Assistance for Abatement of Pollution 2012” wherein appropriate modifications have been incorporated.

2.0 Scope of Assistance EC Fund

Funds collected under EC shall be allocated to CPCB/ SPCB/PCCs for execution of projects. **The sharing of EC (25%) fund for the projects as listed below:**

- (a) 100% funding to projects from CPCB
- (b) 100% funding to R & D projects, received from SPCBs/PCCs, with replicability in other areas
- (c) Projects (other than R & D) received from SPCBs/PCCs (except NE-States/Weaker States); fund sharing will be on 60:40 basis (CPCB 60%, SPCB/PCC 40%)
- (d) Projects (other than R & D) from NE-SPCBs and Weaker SPCBs, fund sharing will be on 90:10 basis (CPCB 90%, SPCB/PCC 10%)

The following points shall be taken into consideration for EC Fund allocation and utilization:

- (a) The scope of project proposals submitted by the CPCB/ SPCBs/PCCs shall be within the scope of activities specified in the NGT Orders dated 22-01-2019 in OA no 101/2019 which are as listed below:
 - i. Development of infrastructure for Air and Water quality surveillance and monitoring for different areas/locations in Delhi NCR and other needed places.

- ii. Remediation of contaminated sites-and for that to develop infrastructure, procurement of equipment, etc. including hiring of Experts/ Consultants for specific requirement for remediation of sites, etc.
- iii. Specific investigations and studies with regard to environment and ecology.
- iv. Carrying capacity assessment for ecologically and environmentally sensitive & critical areas, including hiring of Experts/Consultants for specific purpose and period.
- v. R & D activities with regard to new technologies, clean technologies, etc.
- vi. Capacity building of scientific and engineering personnel of Central Pollution Control Board and PCBs/ PCCs to rejuvenate and protect the environment.
- vii. Augmenting and strengthening of laboratory network un-terms of manpower and logistics.
- viii. Payment of honorarium in compliance of Judicial Orders of the Courts and Tribunal.
- ix. Specialized studies on accidental spill areas, health impact assessment, recalcitrant pollutants, etc.
- x. Information, Education and Communication (IEC) activities.
- xi. Any other scientific and technical matter which may arise as a contingent matter.

(b) EC fund shall support activities like procurement of equipment, upgradation of laboratory, technical studies, survey, training of staff. However, the following areas shall be accorded priority for allocation of EC funds

- i. Studies directed by Hon'ble NGT
- ii. R&D Activities for pollution control

- iii. Development of infrastructure for Water and Air Quality Surveillance
- iv. Strengthening and Upgradation of Laboratory
- v. Inventorization of sources of pollution
- vi. Preparation of DPR for remediation of contaminated sites
- vii. Capacity building of CPCB, SPCB&PCC staff

However, as per requirement, SPCBs may decide to forward proposals covering other areas of activity listed in NGT order dated 22.01.2019 in O.A. No. 101/2019.

(c) Priority shall be given to North Eastern & Low Income States for grant of EC Fund. This categorization shall be based on MoEF&CC's "Guidelines for Scheme – Assistance for Abatement of Pollution 2012". The copy of "Guidelines for Scheme – Assistance for Abatement of Pollution 2012" is herewith as **ANNEXURE-III**.

(d) Grant for salary support shall be restricted to scientific and technical project staff and would be limited to the project duration only. Recruitment of such staff shall be done as per MoEF&CC's Guidelines on the matter.

(e) EC Fund shall not be sanctioned for land acquisition and for purchase of staff vehicles or construction/renovation of building, etc.

(f) No recurring expenditure shall be sanctioned under the EC Fund.

3.0 Mode of proposal

Norms for receiving, processing, sanctioning of proposals shall be followed for efficient utilization of EC Funds. These norms are as given below:

- (a) The CPCB/SPCB/PCC shall submit the proposal as per the format enclosed for Utilization of EC funds. The proposal should clearly identify the objectives, activities, and methodology as well as project deliverables. It should also specify the additional personnel support required and the time-frame for overall execution of the project and timeline for associated project activities. Further, detailed cost breakup consistent with the funding norms shall be provided. The copy of format for utilization is annexed herewith as at **ANNEXURE-IV**.
- (b) Proposal for procurement of laboratory equipment/laboratory upgradation shall be submitted as per format. SPCBs/PCCs to further ensure that sufficient space (in case of procurement of equipment) and adequate manpower in case of laboratory upgradation is available with the Board and a certificate to this effect will be provided by it. The copy of format for procurement of laboratory equipment/laboratory upgradation is annexed herein as **ANNEXURE-V**.
- (c) The concerned Board shall give an undertaking clearly stating details of additional funds, if any, sanctioned for the execution of the proposed Project
- (d) The project works may be executed through outsourced institutes, following proper procedures laid down under GFR 2017. The concerned Boards shall be solely responsible for following the procedure in procurement and awarding the works. The R&D Project works should not contain more than 50% of the amount for new equipment/instruments, if the work is awarded to outside institutes. Equipment/ instruments procured under R&D projects shall be the property of concerned SPCB.

- (e) Depending upon the need, proposals may be invited by the concerned Board from “Autonomous Institutions/ Statutory Bodies under the Central / State Government” having domain expertise. Selection among the proposals received in response will be on the basis of technical soundness, including credentials of the grantee organization, team involved and cost effectiveness.

4.0 Procedure for Appraisal of Proposals

- (a) The concerned Board shall submit the proposal to CPCB
- (b) The Committee re-constituted under CPCB O.M. dated 16.06.2020. **The Committee will meet at twice in a year (Once in six months)** or as necessary and examine to recommend the received project proposals for financial assistance under environmental compensation fund.

The priority for scrutinization projects as follows:

- (i) Preliminary comments on proposals may be obtained from concerned Division of CPCB.
- (ii) The evaluated project further reviewed & prioritized as per EC project criteria guideline by EC review committee.
- (iii) Committee may consider/review for prioritization based on the following:
- No. of Projects received from concerned SPCBs/PCCs
 - Criteria – wise type of projects, and
 - Total cost of the projects received from different SPCBs/PCCs/ (i.e. including weaker & N-E states.
- (iv) Priority to be given for N-E states, and well as to those never funded from EC (25%) fund.

- (c) The Committee shall ensure that proposals are in line with specific activities as mentioned in Hon'ble NGT order dated 22-01-2019 and this guideline for utilization of environmental compensation.

5.0 Terms and Conditions for Sanction of Proposals

- (a) A project will normally be sanctioned for a fixed duration and a maximum of two years.
- (b) Extension of project duration may be granted only in exceptional cases, subject to a maximum period of six months.
- (c) Fund shall be spent by the concerned Board as per provisions of GFR 2017 and State Financial Rules. The funds have to be audited as per statutory provisions.
- (d) The concerned Boards shall submit the Utilization Certificate signed by the Member Secretary of Board, which should also certify that the amount spent on the Project has been audited as per statutory requirements. (a time for audit may also be fixed and submission of utilization certificate with audit report).
- (e) The sanctioned proposals will become operative with effect from the date of receipt of payment from CPCB. The date of receipt of payment shall be communicated by the concerned Board to CPCB.
- (f) Cost over runs-if any, shall be borne exclusively by the concerned State Board.
- (g) Submission of quarterly progress report to CPCB.**

6.0 Norms for Funding

EC Fund for the project shall be released based on the progress made in project execution and recommendations of the Committee. The fund for the sanctioned projects shall be released as per the following norms:

- a) 70 % of the total amount shall be released at the project inception stage.
- b) 20% of the total amount shall be released on 80% completion of the project.
- c) Balance 10% of the total amount shall be released on submission of the completion report.
- d) The grant will be payable in accordance with funding norms on submission of Utilization Certificate(UC), Expenditure statement and Progress Reports.
- e) In case of collaborative studies carried out by a network of institutions, the concerned State Boards shall be responsible for submission of UC, Expenditure statement and Progress Reports

7.0 Monitoring Mechanism

- a) The Committee shall monitor progress of approved project /activities every four months or earlier, if necessary.
- b) The Committee may terminate a project, if progress of it found unsatisfactory. In case of termination of the project at any stage, concerned State Board shall refund full amount received by it along with accrued interest, if any to CPCB.
- c) The concerned Board shall furnish 02 copies of the Final Technical or Implementation Report along with a soft copy to the Committee on completion of the Project.

- d) The legal action including the departmental inquiry and necessary entry in service book against the concern person/officer responsible for failure of project. The same shall be treated as intentionally, knowingly causing damage to environment and shall also be prosecuted under the relevant environment law because the EC fund will be utilized for protection and upgradation of environment.

Item No. 12

Court No. 1

**BEFORE THE NATIONAL GREEN TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**

Original Application No. 101/2019

Central Pollution Control Board

Applicant(s)

Versus

Assam State Pollution Control Board & Ors.

Respondent(s)

Date of hearing: 22.01.2019

CORAM: HON'BLE MR. JUSTICE ADARSH KUMAR GOEL, CHAIRPERSON
HON'BLE MR. JUSTICE S.P. WANGDI, JUDICIAL MEMBER
HON'BLE MR. JUSTICE K. RAMAKRISHNAN, JUDICIAL MEMBER
HON'BLE DR. NAGIN NANDA, EXPERT MEMBER

For Applicant(s): Mr. Rajkumar, Advocate

For Respondent (s):

ORDER

This application seeks approval of the proposal for constitution of 25 per cent of environmental compensation fund by the Central Pollution Control Board. According to the Central Pollution Control Board, a separate dedicated account has been maintained to receive the amount of environmental compensation.

The Central Pollution Control Board has amount of Rs. 67,345 as on 31.12.2018 which is proposed to be spent as follows:-

- (i) Development of infrastructure for Air and Water quality surveillance and monitoring for different areas/locations in Delhi NCR and other needed places.
- (ii) Remediation of contaminated sites-and for that to develop infrastructure, procurement of equipments, etc. including hiring of Experts/Consultants for specific requirement for remediation of sites, etc..
- (iii) Specific investigations and studies with regard to environment and ecology.
- (iv) Carrying capacity assessment for ecologically and environmentally sensitive & critical areas, including hiring of Experts/Consultants for specific purpose and period.

- (v) *R & D activities with regard to new technologies, clean technologies, etc.*
- (vi) *Capacity building of scientific and engineering personnel of Central Pollution Control Board and PCBs/PCCs to rejuvenate and protect the environment.*
- (vii) *Augmenting and strengthening of laboratory network in-terms of manpower and logistics.*
- (viii) *Payment of honorarium in compliance of Judicial Orders of the Courts and Tribunal.*
- (ix) *Specialized studies on accidental spill areas, health impact assessment, recalcitrant pollutants, etc.*
- (x) *IEC activities.*
- (xi) *Any other scientific and technical matter which may arise as a contingent matter."*

We do not see any difficulty or objection to the proposal of the Central Pollution Control Board.

Accordingly, Central Pollution Control Board is at liberty to proceed with its proposal in accordance with law.

The application is disposed of.



Adarsh Kumar Goel, CP

S. N. Wangdi, JM

K. Ramakrishnan, JM

F. Nagin Nanda, EM

January 22, 2019
Original Application No: 10172019
JG



CENTRAL POLLUTION CONTROL BOARD
(Ministry of Environment and Forests)
Parivesh Bhawan, East Arjun Nagar, Shahdara,
Delhi: 110 032

F. No. CB/Dir/PCP/02/EC./2019-20

Dated: 03.04.2019

Office Memorandum

CPCB is maintaining Environmental Compensation Fund in separate dedicated account.. Hon'ble NGT, vide its order dated 22-01-2019 in OA no 101/2019(**Annexure I**), has granted approval for utilization of 25% environmental compensation fund for specified activities.

A Committee has been constituted for evaluation and recommendation of the projects for financial assistance from Environmental Compensation fund. The constitution of the committee and its Terms of Reference (TOR) is as follows :

1.0 CONSTITUTION OF COMMITTEE

The Committee shall comprise of the following members:

1	Sh A Sudhakar, CPCB	Chairman
2	Representative of MoEF&CC (CP Division)	Member
3	Representative of Gujrat Pollution Control Board	Member
4	Representative of Himachal Pradesh Pollution Control Board	Member
5	Representative of Assam Pollution Control Board	Member
6	Sh Vinod Babu, Additional Director, CPCB	Member
7	Sh V.P.Yadav, Additional Director, CPCB	Member
8	Sh Virendra Bansal, ACO, CPCB	Member
9	Mrs Urmila Thakur, Law Officer, CPCB	Member
10	Mrs Divya Sinha, Additional Director, CPCB	Member Convener

2.0 TERMS OF REFERENCE:

- a) The Committee shall frame Guidelines and finalize format for submission of project proposals to utilize the funds accrued under EC
- b) The Committee shall ensure that proposals are in line with specific activities as mentioned in Hon'ble NGT order dated 22-01-2019 for utilization of environmental compensation.
- c) The Committee shall examine and recommend the received project proposals for financial assistance under environmental compensation fund
- d) The Committee shall monitor progress of the approved project /activities from time to time

- e) The committee will meet at regular interval (Once in two month) and ensure that the fund is judiciously utilized for the approved schemes and activities.

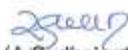
3.0 TERM OF COMMITTEE

The term of the Committee shall be valid for a period of three years

4.0 EXPENSES

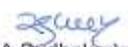
- a) Expenditure on proceedings of the meeting will be borne by CPCB.
b) Non-official members will be paid Airfare (both ways-economy class by Air India) and DA as per prevailing rules applicable.

This issues with approval of Competent Authority


(A.Sudhakar)
Member Secretary

Copy to:

1	Sh A Sudhakar, CPCB	Chairman
2	The Joint Secretary, CP Division, MoEF&CC	Member
3	Member Secretary, Gujarat Pollution Control Board	Member
4	Member Secretary, Himachal Pradesh Pollution Control Board	Member
5	Member Secretary, Assam Pollution Control Board	Member
6	Sh Vinod Babu, Additional Director, CPCB	Member
7	Sh V.P.Yadav, Additional Director, CPCB	Member
8	Sh Virendra Bansal, ACO, CPCB	Member
9	Mrs Urmila Thakur, Law Officer, CPCB	Member
10	Mrs Divya Sinha, Additional Director, CPCB	Member Convener


(A.Sudhakar)

Annexure III

**North-Eastern and Weaker SPCBs/PCCs for priority allocation of EC Fund
based on
MoEF&CC's "Guidelines for Scheme – Assistance for Abatement of Pollution
2012"**

Sl. No	State/UT
1.	Assam
2.	Bihar
3.	Chandigarh
4.	Chhattisgarh
5.	Goa
6.	Himachal Pradesh
7.	Jharkhand
8.	Kerala
9.	Pondicherry
10.	Uttarakhand
11.	Andaman & Nicobar
12.	Arunachal Pradesh
13.	J&K
14.	Lakshadweep
15.	Manipur
16.	Meghalaya

17.	Mizoram
18.	Nagaland
19.	Sikkim
20.	Tripura
21.	Dadar & Nagar Haveli
22.	Daman Diu

Format for Proposal

1. Title of the Project
2. Names , Designation of Project Coordinator
3. Address of Organization where Project is implemented
4. Specified Area in reference to NGT Order
5. Objective
6. Justification
7. Scope of Work
8. Methodology
9. Duration of the Project/Time Schedule (PERT Chart)
10. Expected outcome/deliverables
11. Monitorable targets (Physical and Financial)
12. Total Amount of Grant Required along with Cost Breakup
13. Details of additional funds (along with sources), if any, sanctioned for the Project
14. Status of Projects previously financed through EC Funds and Funds released on date

Annexure – V

**Format for Proposals for Lab Up-gradation / Procurement of Equipment,
Studies etc.**

S. No	Check List	Status	Comments
1.	Whether the Board/Office have the requisite technical manpower for handling the equipments proposed to be purchased and, if so, full details thereof.		
2.	Whether adequate space is available for installation of the equipments and its day-to-day use / operation.		
3.	Whether any funding was provided by the Central Government/State Board for procurement of equipments in the past and if so, what are the details thereof		
4.	Whether any project report / utilization certificate / expenditure statement in respect of financial support received statement in respect of financial support received in the past are pending and, if so, the details thereof		
5.	Details of Equipment: 1. Name of the Equipments to		

	<p>be procured.</p> <p>2. Number of units sought to be purchased</p> <p>3. Cost per unit</p> <p>4. Total Cost</p> <p>5. No. of units already available with the Board/ Office</p> <p>6. Reasons for addl. Requirement/ replacement of existing ones.</p>		
6.	Are the equipments proposed for the existing or new Labs or Regional Labs.		
7.	Timeframe/ bar chart for the implementation of proposal		