

Govt notifies rules for use of Environmental (Protection) Fund

TNN | Jan 20, 2026, 12.34 AM IST



NEW DELHI: The Centre has notified specific rules, laying down procedures for use of the Environmental (Protection) Fund for 11 activities, ranging from taking measures for prevention, control and mitigation of pollution to remediation of environmental damage at contaminated sites and research on clean technology. The fund was created out of the amount of penalties imposed for violations under various green laws pertaining to prevention of air and water pollution, and the broader Environment (Protection) Act, 1986.

The rules, notified by the environment ministry last week, also have specific provisions for how to credit penalties to the fund and how to administer it by creating dedicated project management

units by central and the state govts.

The Centre had made provisions for the creation of the fund in the Jan Vishwas Act, 2023, that paved the way for decriminalisation of several pollution-linked offences. It, however, retained the provisions of penalties for violating green laws in the range of a minimum of Rs 10,000 to Rs 15 lakh.

The other activities in the list, meant for utilisation of the fund for the green cause, include installation, operation

and maintenance of environmental monitoring equipment; capacity building through laboratory set-ups; development of Information Technology (IT) enabled systems and related equipment; and capacity building of various green panels as well as central/state pollution watchdogs such as Central Pollution Control Board (CPCB), Commission for Air Quality Management (CAQM) and urban local bodies.

The notification said the fund's administration — Union environment ministry or any body as notified by the central govt — will remit 75% of the penalty collected in the fund to the Consolidated Fund of the State, and 25% of it would be retained by the Centre for various green activities.

The Comptroller and Auditor General of India (CAG) will audit the fund and CPCB will develop and maintain an online portal for implementation of these rules. The portal will be an exclusive interface between different authorities and stakeholders, once it becomes operational.