

GOVERNMENT OF INDIA  
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3726**  
TO BE ANSWERED ON 03.04.2025

**Environment Relief Fund (Amendment) Scheme, 2024**

3726. DR. DINESH SHARMA:  
SHRI SADANAND MHALU SHET TANAVADE:  
SHRI BRIJ LAL:  
SMT. REKHA SHARMA:

Will the Minister of ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

- (a) the rationale behind appointing the Central Pollution Control Board (CPCB) as the new fund manager in place of United India Insurance Company Limited;
- (b) whether the mandate to reinvest interest income and maturity proceeds from the relief fund will improve financial stability and ensure timely compensation to victims of environmental hazards;
- (c) whether the new provision introduced to set aside funds exclusively for environmental restoration will ensure that polluters pay for environmental damage; and
- (d) the manner in which effectiveness of these restoration efforts will be monitored?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE  
(SHRI KIRTI VARDHAN SINGH)

(a) The Public Liability Insurance (PLI) Act, 1991 was enacted with objective of providing relief to the victims of accidents that might occur while handling notified hazardous substances. The owner who has control over handling hazardous substances is required under the Act to take an insurance policy and pay matching amount to Environment Relief Fund (ERF) established under the act. Through the ERF (Amendment) Scheme, 2024, the Central Government appointed the CPCB as the Fund Manager of the ERF Scheme in accordance with Sub-paragraph (1) of Paragraph 4, for a term of five (5) years, effective from 1<sup>st</sup> January 2025, for management of the relief funds. Since, CPCB is a statutory body under the Ministry, it will effectively manage fund under ERF Scheme and settle claim for relief or restoration of property with better coordination. Further, as per the recent amendment, Central Government may allocate funds from the ERF to CPCB and State Pollution Control Boards (SPCBs) for restoration of damage caused due to handling of hazardous substances by industries, CPCB will prove to be a competent fund administrator.

(b) Yes. Reinvesting the interest income and maturity proceeds from the relief fund will improve financial stability and ensure timely compensation to victims of environmental hazards.

(c) As per section 7(9) of the Public Liability Insurance Act, 1991, where the environment is affected or damaged due to manufacture, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, transfer or such other processes, of such hazardous substance, the Central Government may, on an application made by the CPCB or the SPCB, as the case may be, allocate the fund from the ERF for restoration of environmental damage caused in the manner as may be prescribed. Funds from ERF for restoration of environmental damage will be allocated only in case where polluters can not be identified or in case of orphan site and in such other cases.

(d) As per the provision of ERF (Amendment) Scheme, 2024. The Fund Manager, in consultation with the Central Government, shall develop and maintain an online portal for the purpose of implementation of this scheme. This portal ensures smooth management of the relief funds, monitoring of implementation of ERF Scheme, timely payment of compensation to victims of environmental hazards and restoration of environmental damage effectively and in time bound manner.

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