Punjab Clean Air Program (PCAP)

PDO: To strengthen air quality management and reduce population-weighted PM 2.5 annual average exposure in Lahore Division.

Loan Amount: USD 300 Million
Sponsoring Agency: Planning & Development Board
Executing Agencies:

I. Environment Protection & Climate Change Department
II. Transport & Masstransit Department
III. Agriculture Department
IV. Planning & Development Board

Program Duration: 5 Years (12-06-2025 to 30-06-2030)
Disbursement till 30-06-2025: USD 74.378 Million
Disbursement 2025-26 till date: USD 115.56 Million
Budget Estimates 2026-27: USD 52 Million

Major Interventions

Intervention	Linked Amount (USD Million)	Responsible Agency
Introduction of 600 Electric Buses	140	Transport & Masstransit Department
Provision of 120,000 plus electric two-wheeler/ electric three wheelers	50	
Buyback of 900 Heavy Polluting Vehicles	40	
Strengthening of Vehicle Inspection System	10	
Installation of 25 AQMS & Other Environmental Initiatives	20	EPCCD
Provision of 5,000 Super Seeders	20	Agriculture Department
Total	**280**	

Progress Update

Operationalization of Coordination & Monitoring Unit (CMU) at P&D Board, and Program Implementation Unit (PIU) at T&MD. Department-wise progress is as under:

Transport & Masstransit Department

- Development and approval of a Bus Service Transformation Plan for PMA.
- Initiation of procurement process for tendering of 400 e-buses using contractual documents, based on business model chosen via study conducted under PCAP.
- Approval of Public Transport Service Contract with PMA.
- Approval and notification of provincial electric vehicle (EV) policy and associated charging infrastructure roadmap.
- Notification of a dedicated EV entity with clear terms of reference.
- Approval and establishment of financing facility for e2Ws and e-3W at BOP.
- Development and approval of Battery Waste Management Rules in process.
- Amendments made in Punjab Motor Vehicles Ordinance, to subject motorcycles to vehicle emissions inspections.
- Amendments made in relevant legal framework to allow for vehicle retirement tied to emissions inspections.

Environment Protection & Climate Change Department

- Installation of 10 additional Air Quality Monitoring Stations (AQMS) throughout Punjab.
- Development of an integrated and comprehensive air pollutant inventory system, with dedicated staff in EMC, covering five districts and all major sectors.
- Establishment of two additional fuel quality testing laboratories under process.
- Comprehensive data-driven behavioral change plan developed using existing inventory (city and provincial level) and monitoring data.

Agriculture Department

- Distribution of 2,000 super seeders among farmers (on 60% subsidy) through balloting.

IPF Component

- Hiring of Consultancy Services for Third Party Validation of DLIs.
- Hiring of Consultancy Services to Develop Battery Waste Management Rules and identify Strategies for Ecosystem under PCAP.
- Hiring of Consultancy services for Cleaner Technologies, Fuel Transition Pathways and Financing Mechanisms.
- Hiring of Consultancy Services for Industrial Emission Baseline, Fuel Mix Assessment and Regulatory Compliance Review.
- Hiring of Consultancy Services for Carbon Credits Monetization under PCAP.
- Hiring of consultancy services for E-bus business model study.
- Hiring of consultancy services for vehicle buyback study.
- Hiring of Independent Procurement Audit Firm.
- Hiring of Communication & Digital Marketing Firm.