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PARIVARTAN Scheme Replacing NCR Polluting Trucks and Buses

18 July 2026

ENVIRONMENT

GS3

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PARIVARTAN Scheme Replacing NCR Polluting Trucks and Buses

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WHY IN NEWS

*On July 16, 2026, the Ministry of Housing and Urban Affairs (MoHUA) approved the operational guidelines for **PARIVARTAN**, a scheme to replace old, polluting commercial trucks and buses across the **National Capital Region (NCR)** with **BS-VI or electric vehicles**. The umbrella scheme had been cleared by the Union Cabinet on **June 3, 2026**, with a total outlay of **Rs 9,585 crore**.*

Delhi and the wider NCR record some of the worst air-quality readings among the world's large urban agglomerations, especially in winter. Vehicular exhaust, and in particular the emissions of ageing diesel commercial vehicles, is a dominant contributor. PARIVARTAN is the Union government's most ambitious market-based attempt yet to retire this ageing fleet.

DECODING THE ACRONYM

PARIVARTAN stands for **Programme for Accelerated Renewal and Incentivization of Vehicle Assets for Reducing Transport Air pollution And Network emissions**. The name captures its logic: instead of a blunt ban, it uses financial incentives to accelerate the voluntary renewal of the commercial-vehicle fleet.

Who Runs It

The scheme has a layered institutional design that reflects the federal character of the NCR, which spans Delhi and districts of Haryana, Uttar Pradesh and Rajasthan.

FEATURE	DETAIL
Approving ministry	Ministry of Housing and Urban Affairs (MoHUA)
Implementing ministry	Ministry of Road Transport and Highways (MoRTH)
Funding channel	NCR Planning Board (NCRPB)
Total outlay	Rs 9,585 crore
Central budgetary support	Rs 5,041 crore
Target beneficiaries	About 2.07 lakh vehicle owners
Cabinet approval	June 3, 2026
Operational guidelines	July 16, 2026

HOW THE INCENTIVE STACK WORKS

The heart of PARIVARTAN is a bundle of overlapping financial sweeteners designed to make scrapping an old vehicle and buying a clean one attractive rather than **punitive**.

The Beneficiary Base

The scheme targets roughly **2.07 lakh beneficiaries**, of whom about **1.91 lakh are truck owners** and **16,329 are bus owners**. This is significant because commercial diesel vehicles, though a small share of total registrations, punch far above their weight in particulate and nitrogen-oxide emissions.

The Manufacturer Discount

Eleven vehicle makers, together accounting for **over 95 per cent** of the domestic commercial-vehicle market, have signed Memoranda of Understanding (MoUs) committing to a **minimum 8 per cent discount** on new BS-VI or electric vehicles bought under the scheme.

The Financial Layers

Beyond the manufacturer discount, the beneficiary receives:

- A **5 per cent interest subvention** on loans taken to buy the replacement vehicle.
- **Motor-vehicle-tax and registration-fee waivers** from the participating states.
- A tradable **Certificate of Deposit (CoD)** mechanism, which allows the scrappage value to be monetised and exchanged, effectively creating a market instrument out of the retired asset.

WHY IT MATTERS FOR AIR GOVERNANCE

PARIVARTAN sits inside a larger architecture of NCR air-quality governance. The **Commission for Air Quality Management (CAQM)** in the NCR and Adjoining Areas, a **statutory** body created in 2021, coordinates the region's response, while the **Graded Response Action Plan (GRAP)** imposes escalating restrictions as pollution worsens. During severe GRAP stages, older commercial vehicles are among the first to be barred from entering Delhi. PARIVARTAN gives owners a structured exit path from that fleet rather than leaving them stranded by bans.

The Economics of the Design

The scheme is a textbook illustration of two policy ideas. First, the **polluter-pays principle** is softened into a **polluter-is-helped-to-switch** model, recognising that individual truck owners are often small operators for whom a sudden ban is financially ruinous. Second, the **Certificate of Deposit** turns scrappage into a **tradable market instrument**, aligning with global thinking that emissions reduction is cheaper when flexibility and trading are built in.

UPSC RELEVANCE

GS Paper 3: Environmental pollution and degradation; conservation; government policies and interventions; market-based instruments for environmental governance.

Prelims pointers:

- PARIVARTAN is implemented by **MoRTH** and funded via the **NCR Planning Board**, though approved by **MoHUA**.
- Total outlay is **Rs 9,585 crore**; central support is **Rs 5,041 crore**.
- **CAQM** is a statutory body for the NCR; **GRAP** is the graded pollution-response framework.
- The scheme uses a tradable **Certificate of Deposit (CoD)** and a **5 per cent interest subvention**.

Mains question: "Market-based instruments are increasingly replacing command-and-control bans in India's air-quality governance." Examine this statement in the light of the PARIVARTAN scheme for the NCR.

FACTS CORNER

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PARIVARTAN targets about 2.07 lakh beneficiaries: roughly 1.91 lakh truck owners and 16,329 bus owners.

Eleven manufacturers covering over 95 per cent of the commercial-vehicle market have committed to a minimum 8 per cent discount.

The CAQM was established under the Commission for Air Quality Management in the National Capital Region and Adjoining Areas Act, 2021.

GRAP classifies action into stages tied to the Air Quality Index (AQI), with the most severe stage triggered at “Severe Plus” readings.

BS-VI emission norms were rolled out nationwide from April 1, 2020.

Sources: PIB / MoHUA press release, Ministry of Road Transport and Highways, Commission for Air Quality Management

Source: PARIVARTAN Scheme Replacing NCR Polluting Trucks and Buses — Ujiyari.com | Free UPSC & State PCS Current Affairs

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