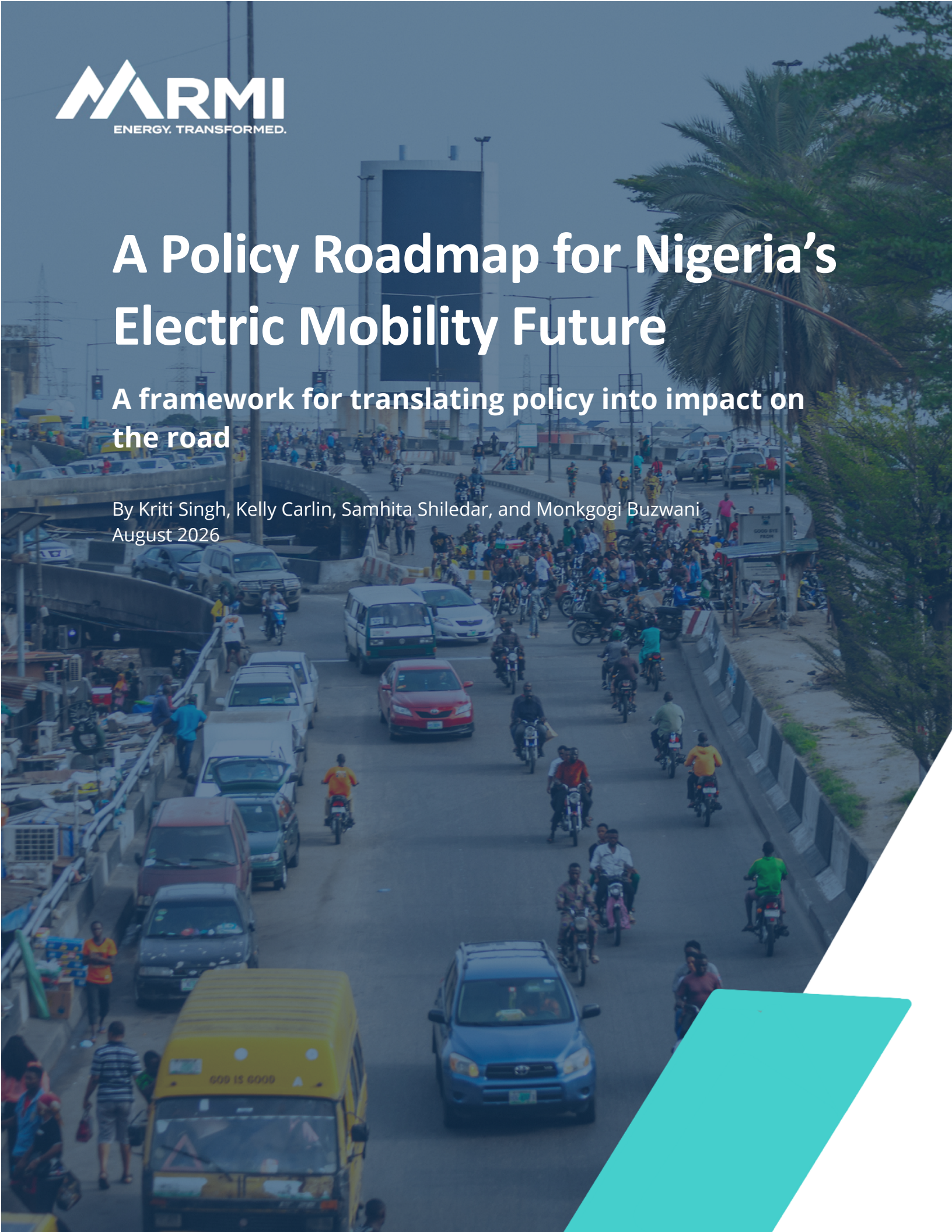
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A Policy Roadmap for Nigeria's Electric Mobility Future

A framework for translating policy into impact on the road

By Kriti Singh, Kelly Carlin, Samhita Shiledar, and Monkgogi Buzwani
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About RMI

Rocky Mountain Institute (RMI) is an independent, nonpartisan nonprofit founded in 1982 that transforms global energy systems through market-driven solutions to secure a prosperous, resilient, clean energy future for all. In collaboration with businesses, policymakers, funders, communities, and other partners, RMI drives investment to scale clean energy solutions, reduce energy waste, and boost access to affordable clean energy in ways that enhance security, strengthen the economy, and improve people's livelihoods. RMI is active in over 50 countries.

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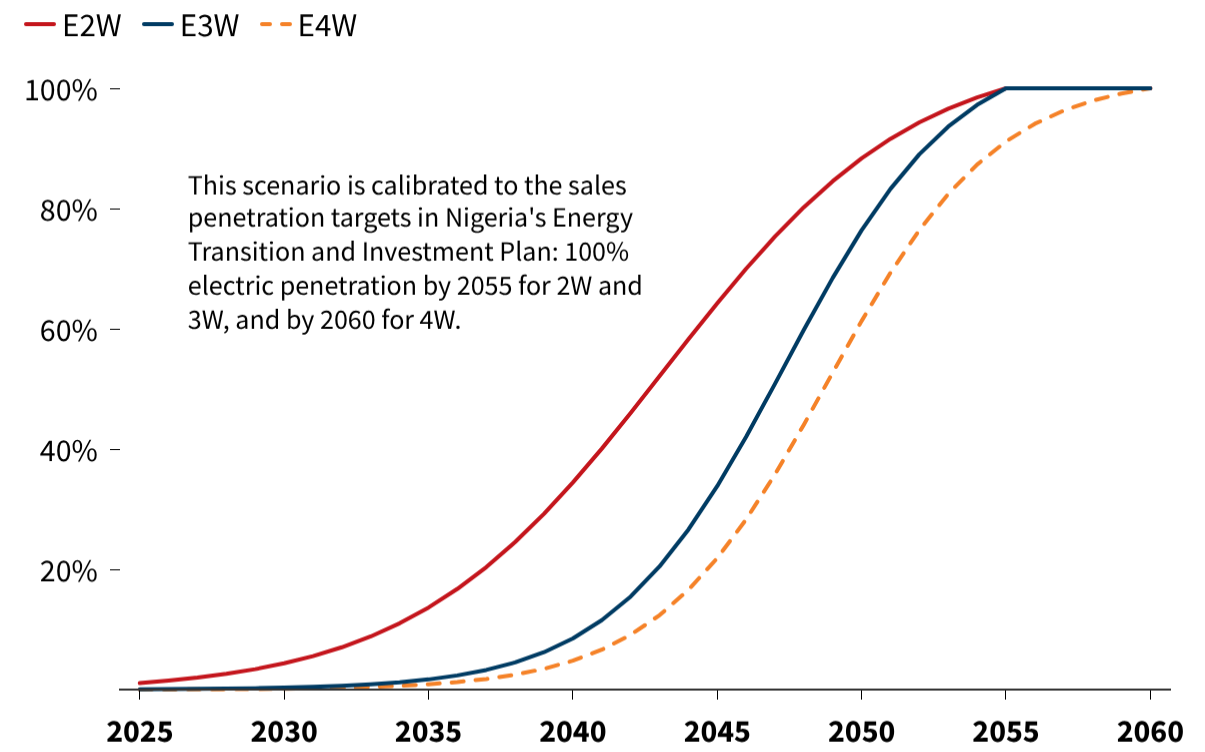
The Opportunity at Hand

Nigeria's mobility sector is one of the largest in Africa, serving a population of more than 230 million[1] and supporting the movement of people and goods across the region's largest economy. The transition to electric mobility presents an opportunity to lower transportation costs for Nigerian households and businesses, reduce exposure to volatile petroleum fuel costs, improve urban air quality, create jobs and new industries, meet the country's transportation electrification targets, and contribute to its broader net-zero ambitions.

Over the past year, this transition has begun to gather momentum. Nigeria has taken significant policy steps and seen even greater strides by the private sector to accelerate the growth of e-mobility. Currently, the country has an estimated 15,000 to 20,000 EVs on the road,[2] with electric two-wheelers accounting for most of the EV adoption, and over 120 battery-swapping stations.[3] Yet the market is still at an early stage. Nigeria has nearly 15 million registered vehicles, meaning EVs across the two-wheeler, three-wheeler, four-wheeler, and heavy-duty vehicle segments account for only about 0.1% of the country's registered vehicle fleet on the road.[4] This gap between early market momentum and the scale of Nigeria's overall vehicle market underscores both the size of the opportunity and the need for policies that can support deployment at scale.

Well-designed policy, adequate charging and swapping infrastructure, and accessible financing can help translate this early momentum into sustained market growth as Nigeria accelerates transportation electrification. RMI modeling indicates that, with the right enabling conditions, EVs could collectively account for 3.5% of new vehicle sales by 2030, 26.3% by 2040, and 99.3% by 2060 under the optimistic scenario depicted in Exhibit 1. The enabling conditions for such a future include supportive policies, affordable financing, and widespread charging infrastructure. This level of EV adoption could reduce cumulative tailpipe emissions by avoiding 0.1 million tons (Mt), 7.1 Mt, and 55.5 Mt of CO_2 by 2030, 2040, and 2060, respectively. Total cumulative avoided emissions over the period could reach approximately 455 Mt by 2060. Accounting for the full operating life of every vehicle sold through 2060, avoided emissions rise further to approximately 775 Mt, since a vehicle sold in 2060 continues to displace emissions well into the 2070s.

Exhibit 1: Optimistic EV sales penetration (% of all vehicles sales) by vehicle types, 2025–2060



Note: Interim years follow a logistic adoption path anchored to terminal dates.

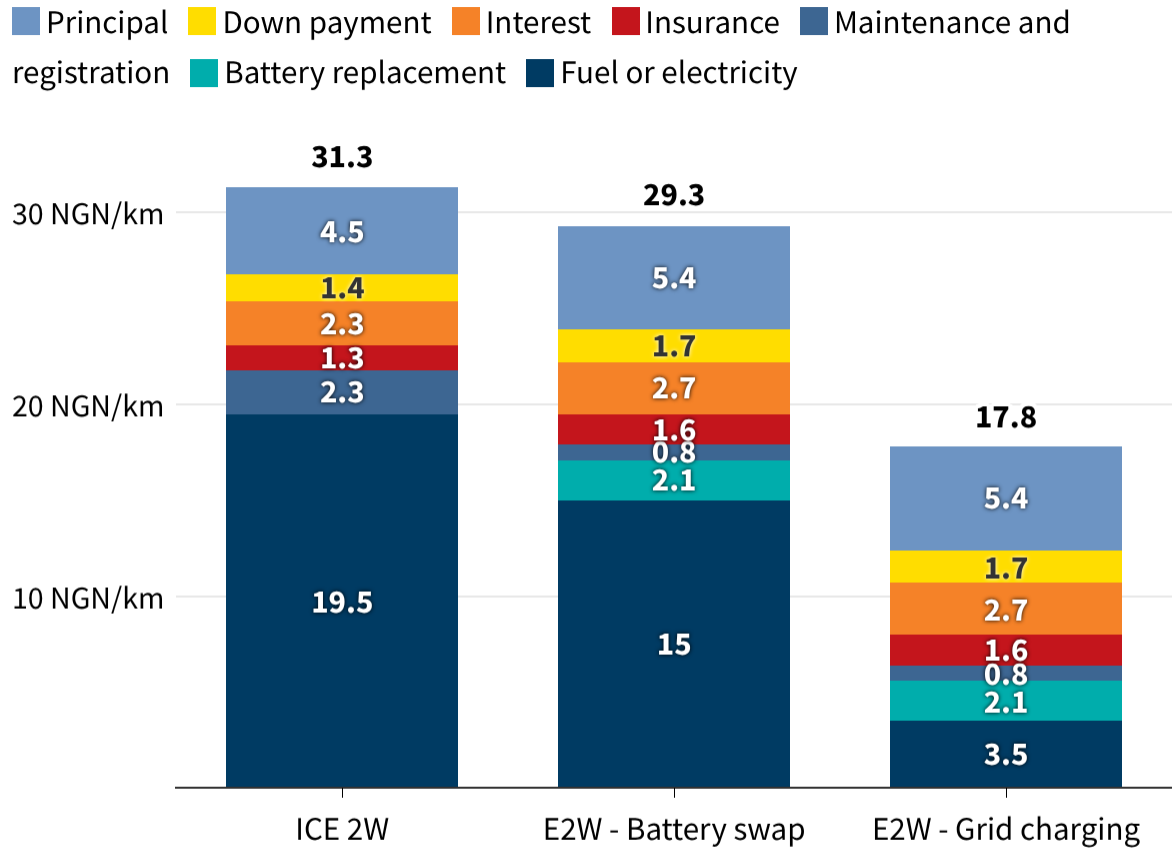
Chart: RMI • **Source:** RMI analysis and Sustainable Energy for All (SEforALL)

EV Economics

The economic case for electrification is already emerging in some high-utilization vehicle segments. For example, RMI modeling finds that the total cost of ownership (TCO), which accounts for vehicle acquisition and financing, energy, maintenance, and other operating costs, is lower for electric two-wheelers than for comparable internal combustion engine (ICE) vehicles under both home-charging and battery-swapping models. Much of this advantage comes from lower operating costs. The average two-wheeler (2W) commercial driver spends over 700,000 NGN per year on fuel for an ICE 2W, whereas fuel costs for an electric 2W (E2W) using plug-in charging could be 140,000 NGN per year, and battery-swapping costs would be roughly 580,000 NGN per year. This means that switching to an E2W for commercial use would generate annual fuel savings of almost 80% and 20% for charging and battery swapping, respectively. As shown in Exhibit 2, the savings are greater for E2Ws charged at home because the swap tariff recovers the commercial power cost alongside battery fleet capital, station overhead, and operator

margin, whereas home charging carries only the residential tariff. Further detail on modeling assumptions is available in RMI's *Developing EV Charging Infrastructure in Nigeria.*

Exhibit 2: Total cost of ownership (TCO) of commercial ICE two-wheelers compared to commercial electric two-wheelers using two different charging pathways (NGN/km)



Note: Swap pricing is implied from per-swap fees divided by pack size, so it bundles battery ownership, station capex and margin rather than representing an electricity tariff, as plug-in charging does.

Chart: RMI • **Source:** Spiro, Bajaj, Fueltracker, RMI analysis and stakeholder interviews, Nigeria Bureau of Statistics and Nigeria Electricity Regulatory Commission

This policy brief focuses on how Nigeria can build on existing and proposed EV policies to realize the TCO gains. The following sections provide an overview of existing and proposed policies, policy recommendations, learnings from other countries, and calls to action for public and private stakeholders.

Current Policy Momentum

Nigeria has established a growing policy foundation for electric mobility, spanning national climate and energy targets, automotive industrial policy, fiscal measures, and emerging regulatory frameworks, along with a few draft policies currently under consideration. Together, these initiatives signal increasing government support for transportation electrification, although they are at different stages of development and implementation.

Nigeria's Energy Transition Plan (ETP) establishes transportation electrification as an important component of the country's pathway to net-zero emissions by 2060.[5] Launched in 2022, the ETP prioritizes the electrification of two- and three-wheelers in the near term, alongside the development of charging infrastructure, and envisions a longer-term electrification of the four-wheeler fleet. The targets required to meet this goal include the electrification of 50% of all 2Ws and 3Ws by 2040 and almost all 4Ws by 2060.

In 2023, the National Automotive Design and Development Council (NADDC) published the National Automotive Industry Development Plan (NAIDP 2023) to strengthen domestic manufacturing through R&D, leverage technology transfer, and support EV adoption.[6] The NAIDP 2023, which was approved by the Federal Executive Council, lays out a target for EVs to account for 30% of all locally produced vehicles, and to increase the local content of assembled vehicles of all types to 40% by 2033. The plan also includes eliminating the import duty, VAT, and import levy on locally manufactured semi-knockdown and completed knockdown EVs, a significant benefit compared to new imported ICE vehicles, which see a combined duty, VAT, and levy of over 50%. The NAIDP 2023 also reduces EV import tax burdens to a combined charge of 0%–10%. To achieve such targets, the plan broadly describes the objective of providing more financial and nonfinancial support to research and development, although the EV sector is not specifically called out.

Nigeria's third Nationally Determined Contribution (NDC 3.0), published in September 2025, further reinforces this direction. It identifies widespread electrification across vehicle segments, adoption of cleaner vehicle standards, and mode shifting in urban areas as measures to reduce transportation emissions, congestion, and air pollution.[7] The NDC also highlights the adoption of EURO IV standards for vehicles, which set limits on how much CO_2 new vehicles can emit. Alongside adoption targets for vehicles powered by compressed natural gas (CNG), the NDC sets an ambitious electrification target of 30% for the combined fleet of cars, light-duty vehicles, and heavy-duty vehicles by 2035.

Institutional support for electric mobility has also strengthened. In March 2026, President Tinubu expanded the mandate of the Presidential Initiative on Compressed Natural Gas (Pi-CNG) to include electric vehicles, creating the Presidential Initiative on Compressed Natural Gas and Electric Vehicles (Pi-CNG & EV).[8] The expanded initiative is responsible for leading and coordinating Nigeria's clean mobility strategy, including the development and deployment of EVs, charging infrastructure, and related investment.

To complement these broader targets, specific policies for battery end-of-life were approved in 2025 under the End-of-Life Vehicle Recycling Regulation (ELV), with plans to roll the policy out in 2026. The ELV was developed by the National Environmental Standards and Regulations Enforcement Agency and the NADDC. The policy is intended to formalize existing battery end-of-life regulations and national commitments, mandating battery collection, storage, transport, recycling, and producer responsibility. Implementation and enforcement will be a challenge, because of the informal nature of battery processing in Nigeria today.

Moreover, proposed legislation in the form of the Electric Vehicle Transition and Green Mobility Bill of 2025 seeks to provide a comprehensive framework for the EV transition. The draft EV Bill, which passed a second reading in November 2025, acknowledges the urgent need for alternative fuels and e-mobility, supports EV charging infrastructure build-out, includes fiscal policy support measures, highlights the need for research and development and vocational training, and emphasizes the role the EV sector can play in domestic manufacturing job growth. The legislation would include fiscal measures intended to reduce costs for EV users and investors. As the bill remains under legislative consideration, its eventual provisions and implementation mechanisms will be important in determining how effectively it complements Nigeria's existing policy framework. It also dedicates roles around EV standardization and EV grid integration to the Standards Organisation of Nigeria (SON), the Federal Ministries responsible for transportation and power, and the Nigerian Electricity Regulatory Commission (NERC).

Introduced in April 2026 as part of broader fiscal policy measures, the Green Tax went into effect on July 1, 2026.[9] It levies fees on ICE vehicle imports while favoring EV imports in Nigeria and replaces a fiscal policy framework from 2023. The Green Tax includes a 2% levy on engine sizes of 2,000 to 3,999 cc and a 4% charge on 4,000 cc or larger engines. EVs, mass transit buses, locally manufactured vehicles and engines smaller than 2,000 cc will be exempt from tax levies.

Nigeria is also working toward establishing the technical and safety frameworks needed to support a growing EV market. In 2026, the NADDC and the Nigerian Electricity Management Services Agency (NEMSA) strengthened their collaboration on national standards, electrical safety, compliance, and the integration of EV infrastructure into Nigeria's transport and electricity systems.

A few deployment initiatives are already underway. For example, the federal government has announced plans to deploy 10,000 electric three-wheelers, providing an early pathway for translating national EV ambitions into vehicle deployment.[10] In 2026, Pi-CNG & EV deployed EVs in Kano, emphasizing the role that EVs play in reducing transportation costs and creating economic opportunities.[11] The rollout is bolstered by the state government's partnership with private-sector investors, in addition to facilitating access to land for EV infrastructure development. Borno State Government's distribution of 500 subsidized electric 3Ws (i.e., auto rickshaws, locally known as keke napep) in the Maiduguri metropolis and Jere Local Council areas of the state represents a step toward modernizing the state's transportation system and lowering transportation costs.[12]

The Nigerian government has solidified its stance on EV adoption through the Renewed Hope Climate Change Awareness Tour (REHCCAT),[13] a nationwide initiative promoting sustainable development and climate resilience in Nigeria. The initiative's key objectives are to reduce emissions, enhance resilience, and safeguard communities. In President Tinubu's words, "Commitments must be matched with action, and action must be supported by investment." The tour will be used to "catalyse project pipelines at the sub-national level, deepen understanding of carbon markets and green finance, and mobilise partnerships between the public and the private sector." Minister of the Environment Balarabe Abbas Lawal called on public- and private-sector stakeholders to work together to seize the opportunity through innovation and spearhead Nigeria's transition.



Source: RMI

Critical Policy Gaps

Nigeria has begun to build an EV policy framework spanning long-term targets, industrial development, fiscal measures, institutional coordination, infrastructure, and emerging technical regulation. The draft EV Bill and Green Tax represent the most recent promising steps toward building a supportive policy ecosystem for EV growth. Yet, in their current form, they leave key gaps undefined and could potentially help create unintended barriers to EV growth.

Tracking and implementation: While targets in the ETP and NDC 3.0 are ambitious, and both provide important initial steps toward growing the EV market, the two targets do not align, and neither gives a specific framework to track year-to-year EV fleet and charging infrastructure targets against growth. Realistic yet ambitious targets that are grounded in rigorous analysis are key to sending a strong market signal and building more detailed implementation and subnational policies that will contribute to longer-term (e.g., 2040 and 2050) targets. Without a clear EV roadmap, customers, OEMs, investors, and subnational government bodies will be more inclined to choose ICE vehicles.

A final barrier to an effective EV policy is the wide array of ministries, agencies, and departments currently assigned oversight and implementation responsibilities in the Electric Vehicle Transition and Green Mobility Bill and elsewhere. Without a single coordinating body, task force, or "window" to lead Nigeria's EV work internally, or its external-facing implementation, efforts to accelerate EV adoption will suffer from fragmented rollout.

Supply-side gaps, non-fiscal: The highest-impact and lowest-cost policy measures to drive low-emission and zero-emission vehicle adoption are supply-side policies, which are not yet in place. These policies could include a phased zero-emission or low-emission vehicle availability standard, as is being implemented in Rwanda, or a fuel efficiency or emissions standard. Non-fiscal policies can change market behavior without impact on government revenue.

Nigeria's lack of supply-side policies has the consequence of limiting both the available EV models and the quantity of vehicles that are imported. When EV OEMs decide which models to export and where to export them, they encounter uncertainty about the size and growth of the Nigerian market, as well as the absence of a clear plan to create a market. The lack of supply-side policies also means that Nigeria could be relying too heavily on demand-side and fiscal policies that are vulnerable to political change and macroeconomic headwinds that can limit government finances. Nigeria's experience with the national petrol subsidy illustrates what can happen to transportation policy that depends on government revenue and macroeconomic trends.

Supply-side gaps, fiscal: The Electric Vehicle Transition and Green Mobility Bill describes penalties for EV and EV parts importers who do not localize manufacturing.[14] Providing incentives to manufacturers to localize their production, and then increasing those incentives over time, can be effective in achieving longer-term goals of creating domestic EV manufacturing jobs. However, there is a risk that penalties against EV and EV parts importers outpace the growth of domestic supply chain readiness, which could slow the early growth of the EV sector, dampen demand, and ultimately negatively impact local manufacturing job growth.

Another supply-side fiscal policy gap surrounds the R&D objectives briefly described in the NAIDP 2023. The NADDC and others have recognized the critical importance of Nigerian R&D to attract EV businesses and investment, identify fit-to-market vehicle models, help develop EV charging infrastructure plans, and support policy implementation. The objective appears in the NAIDP, but neither the implementation nor funding have yet taken shape. Without this R&D support, the private sector lacks critical guidance about the market opportunity, and policymakers lack guidance on effective planning and policy.

Demand-side gaps, non-fiscal: Nigeria does not currently provide any demand-side non-fiscal incentives for EV use. Incentives that do not require government funding, or a reduction in revenue, include EV access to low- or zero-emission zones of major cities, preferential parking, and dedicated lane access. In high-traffic urban markets like Lagos, Port Harcourt, and Abuja, where traffic congestion and limited parking are barriers for all transportation users, a relatively small change like preferred access for EVs would further increase EV adoption.

Demand-side gaps, fiscal: The fiscal incentives described in the Electric Vehicle Transition and Green Mobility Bill do not define the extent of tax exemptions, the availability of grants, or implementation timelines. These details and commitments to implementation are a crucial step in signaling to consumers, businesses, and OEMs the direction of the EV market. There are also no current or proposed purchase subsidies or other government policies aimed at incentivizing EV uptake or closing any viability gap between EVs and traditional ICE vehicles (as is the case with heavy-duty vehicles). As a result, when a buyer looks at purchasing a four-wheel EV today, they see an up-front cost that is likely higher than that of an ICE vehicle, and they may have little incentive to choose an EV based on cost.

Charging and grid reliability: The top perceived barrier to accelerated EV adoption, according to RMI interviews with Nigeria stakeholders, is Nigeria's lack of grid reliability and its impact on deployment of traditional charging infrastructure. While pioneering startups in cities like Abuja and Lagos are making the case that either off-grid or resilient business models are viable, they require additional costs not faced in markets with reliable access to power. At present, there is no widespread EV charging infrastructure in the country, and little public charging infrastructure outside of Lagos and Abuja. Without widespread charging infrastructure designed to fit Nigeria's current and projected EV vehicle types and use cases, potential EV buyers who depend on intercity travel or live elsewhere in the country will be discouraged from choosing an EV.

Recommendations

To build on the current EV momentum, address the gaps, and unlock the EV opportunity, stakeholders should focus on five key areas: establishing a clear long-term EV roadmap, implementing supply-side regulations, providing demand-side incentives, supporting domestic manufacturing, and setting the stage for rapid charging infrastructure development. Together, these actions can provide the policy certainty and enabling conditions needed to move Nigeria from early EV market development toward sustained deployment at scale.

Long-term roadmap

Nigeria has an opportunity to develop a national electric mobility roadmap that translates the country's long-term electrification ambitions into a clear, phased pathway for implementation. Building on the ambitions from the Energy Transition Plan (ETP), Nationally Determined Contribution (NDC 3.0), and National Automotive Industry Development Plan (NAIDP) with a common roadmap that includes harmonized targets and interim milestones can provide greater clarity on the pace and sequencing of the transition.

A national roadmap can be informed by bottom-up analysis of vehicle economics, market readiness, infrastructure and electricity needs, and the potential pace of adoption across different vehicle segments. In the near term, high-utilization electric two- and three-wheelers used for ridehailing, delivery, logistics, and other commercial applications present a particularly compelling opportunity for early deployment. Electrification can then expand progressively across other vehicle types as vehicle economics improve, model availability increases,

infrastructure is developed, and domestic industry grows. The roadmap can provide a common framework for:

- **Near-, medium-, and long-term deployment targets** by vehicle segment, supported by measurable milestones for tracking progress toward Nigeria's longer-term electrification objectives
- **A coordinated suite of supply- and demand-side policies**, combining fiscal incentives, supply-side regulations, and other non-fiscal instruments with clear timelines for their introduction, review, and phaseout
- **Charging and battery-swapping infrastructure development**, translating projected vehicle uptake into the scale, type, and geographic distribution of infrastructure required and coordinating deployment with electricity-sector planning
- **Phased domestic manufacturing and value-chain development**, identifying realistic pathways for local assembly and progressively greater domestic value addition across vehicles, batteries, charging equipment, parts, and components, alongside research, development, and technology transfer
- **Workforce development and capacity building**, anticipating skills needs across manufacturing, vehicle maintenance, charging installation and operation, battery servicing and recycling, and other emerging parts of the EV value chain
- **Clear institutional roles and coordination mechanisms**, establishing responsibilities and accountability for policy implementation and progress monitoring across federal and subnational institutions
- **Utilizing existing codes and frameworks to prioritize second-life reuse and recycling of batteries**, with standards that define state-of-health thresholds, testing protocols, fire-safety requirements, second-life applications, warranty transfer, and when batteries must move to recycling
- **A national monitoring and data framework**, tracking EV sales and registrations, imports and domestic production, charging and swapping infrastructure, investment, and progress against interim targets

Stakeholders include the Ministry of Transport, Ministry of Budget & Economic Planning, Ministry of Power, Ministry of Finance, OEMs, fleet operators, and transport unions (e.g., NURTW, ACOMORAN).

Case study: Vietnam

Vietnam provides an example of how a long-term national roadmap can translate transport decarbonization goals into phased actions.[15] In 2022, the government adopted Decision No. 876, establishing an action program for the green energy transition and reduction of carbon and methane emissions across the transport sector. The roadmap sets milestones across vehicle segments, including a transition toward electricity and green energy for road vehicles, buses, and taxis, supported by the development of charging infrastructure. By 2030, Vietnam aims for electric vehicles to account for 22% of motorcycles and 30% of cars, while all newly invested or replacement taxis are expected to use electricity or green energy. By 2040, the roadmap calls for progressively restricting and ultimately ending the domestic production, assembly, and import of fossil fuel road vehicles, with the transport system transitioning toward net-zero emissions by 2050. Importantly, the roadmap goes beyond vehicle targets by linking vehicle uptake with charging infrastructure, vehicle production and assembly, policy

reform, and investment mobilization. For Nigeria, Vietnam demonstrates the value of bringing long-term targets, interim milestones, infrastructure planning, and industrial development together under a single national roadmap.



Demand-side incentives

Demand-side policies can accelerate EV adoption by directly addressing the barriers faced by consumers, commercial operators, and fleets. These policies are particularly valuable during the early stages of market development, when higher up-front vehicle costs and limited access to affordable financing can prevent buyers from adopting EVs even when lifetime operating costs and total cost of ownership are favorable. Targeted support can help bridge this up-front affordability gap, build sufficient demand to improve vehicle availability and economies of scale, and give manufacturers, charging providers, and financiers greater confidence to invest in the market. Nigeria has an opportunity to combine targeted fiscal incentives with non-fiscal measures, prioritizing vehicle segments and use cases where electrification already offers strong economic and operational benefits. This opportunity includes:

- **Introducing targeted purchase and financing support for priority vehicle segments.** Time-bound purchase incentives can reduce the up-front cost differential between EVs and comparable ICE vehicles, with early support focused on commercial E2Ws and E3Ws and other high-utilization applications. Incentive levels can decline as vehicle costs fall and market adoption increases.
- **Using fiscal measures to strengthen the relative economics of EVs.** Existing EV tax exemptions can be complemented by targeted reductions or exemptions from vehicle

registration fees and road taxes. Where possible, incentives can be structured to bridge the capital cost gap.

- **Developing non-fiscal incentives that provide preferential access for EVs.** Cities can use measures such as preferential parking, dedicated loading and delivery access, low- or zero-emission zones, and priority access for electric commercial fleets.
- **Linking vehicle scrappage programs with EVs.** Incentives for retiring older, high-emitting vehicles can provide additional support for replacement of scrapped vehicles with EVs, simultaneously accelerating fleet modernization.
- **Developing educational awareness campaigns** for potential consumers and commercial buyers on the benefits of EVs, addressing persistent EV myths (such as battery risks) and providing guidance on how buyers can take advantage of existing supportive policies (e.g., tax exemptions).

Stakeholders include industry associations, the Ministry of Finance, financiers, Nigeria Customs Service, and fleet operators.

Case study: India

India is one of the world's largest electric two- and three-wheeler markets, with these segments at the center of its EV transition.[16] In 2025, nearly 1.3 million electric two-wheelers were sold, accounting for approximately 6% of two-wheeler sales, while more than two-thirds of three-wheelers sold were electric. A key enabler of this growth has been sustained policy support through successive national demand-incentive programs. India introduced the FAME I scheme in 2015 with an initial outlay of ₹795 crore, followed by FAME II in 2019 with an initial allocation of over ₹10,000 crore. FAME II directed approximately 86% of its initial budget toward demand incentives and targeted support for 1 million E2Ws, 500,000 E3Ws, 55,000 electric and strong-hybrid passenger cars, and 7,000 e-buses, alongside investment in charging infrastructure through subsidies on the order of ₹10,000–₹20,000 per kWh, depending on the vehicle type. By June 2025, the program had supported approximately 1.44 million E2Ws and 165,000 E3Ws. India has continued this approach through the ₹10,900 crore PM E-DRIVE scheme, while shifting support toward priority segments including E2Ws, E3Ws, e-buses, e-trucks, and charging infrastructure. National incentives have also been complemented by state-level measures, including purchase incentives and exemptions from road taxes and registration fees.



Supply-side regulations

Supply-side regulations can complement demand-side incentives by encouraging or requiring manufacturers and importers to progressively increase the availability of EVs in the Nigerian market. By providing a clear and predictable signal on the direction of the vehicle market, these policies can encourage manufacturers to expand EV model availability, invest in local supply chains and R&D, and achieve economies of scale. Unlike purchase subsidies and other direct financial incentives, many supply-side regulations can also influence market behavior with relatively limited direct government expenditure. Nigeria has an opportunity to progressively introduce supply-side measures as the EV market and charging infrastructure mature. These can include:

- **Establishing EV availability or sales requirements**, with progressively increasing requirements for manufacturers and importers to ensure that EVs represent a defined share of vehicles supplied or sold in Nigeria. A credit-based compliance mechanism can provide flexibility across manufacturers and vehicle segments while maintaining an overall market target.
- **Strengthening fuel economy and emissions standards**, with progressively more stringent fuel-economy standards for new vehicles based on vehicle segments. Such standards can improve the efficiency of the vehicle fleet in the near term while increasingly encouraging manufacturers to supply zero-emission vehicles as standards

tighten. Progressively tightening emissions standards can reduce harmful pollutants from ICE vehicles during the transition.

- **Developing a phased pathway for ICE vehicle imports.** As EV model availability, affordability, charging infrastructure, and domestic market capacity improve, import requirements can become progressively more stringent for ICE vehicles. Clear milestones established in the national EV roadmap can provide sufficient lead time for consumers and industry to adapt, with a longer-term pathway toward ending the sale of new ICE vehicles.

Together, these measures can gradually shift vehicle supply toward EVs while reducing reliance on long-term fiscal incentives. Importantly, the stringency and timing of each measure can proceed in phases as the domestic market develops.

Stakeholders include the Ministry of Transport, Nigeria Customs Services, OEMs, industry associations, and charging and battery-swap operators.

Case study: Ethiopia

Ethiopia is leading EV adoption in Africa, with over 115,000 EVs making up about 8% of all vehicles on the road.[17] In 2024, it became the first country to prohibit the import of ICE vehicles, complementing the restriction with tax exemptions for EVs and efforts to expand domestic EV assembly. The policy has been driven in part by Ethiopia's high expenditure on imported petroleum and its largely renewable electricity supply. However, vehicle uptake has moved faster than supporting infrastructure, with charging concentrated in Addis Ababa and limited availability and grid reliability outside major urban areas. Ethiopia therefore illustrates both the potential of a strong supply-side signal and the importance of sequencing vehicle policies with infrastructure readiness. For Nigeria, a phased approach could progressively tighten requirements for ICE sales and strengthen fuel-economy and emissions standards as EV availability, affordability, and charging infrastructure improve, ultimately creating a pathway toward ending new ICE vehicle sales.



Manufacturing policies

The growth of the EV market in Nigeria can also power the growth of a domestic e-mobility manufacturing sector, setting the country up to be a regional manufacturing hub. Incentivizing local manufacturing will create jobs and ensure that Nigeria further benefits from the growth of the sector. However, cultivating a domestic EV manufacturing sector is best achieved through a gradual shift in policy that aims first to grow domestic demand for all EVs and EV charging equipment. A phased approach can therefore initially support cost-effective vehicle assembly and component imports while progressively increasing incentives for domestic value addition as market volumes and local capabilities grow. Building on the National Automotive Industry Development Plan (NAIDP 2023), which targets EVs accounting for 30% of locally produced vehicles by 2030, and supporting EV part imports and domestic assembly by setting targets for local manufacturers, priority actions include:

- **Establishing a phased localization pathway**, with near- and long-term targets for EV assembly and progressively greater domestic value addition. Semi-knocked down (SKD) assembly can provide an initial entry point for OEMs benefiting from any tax and import fee waivers, followed by greater localization of components and activities where Nigeria can develop competitive capabilities based on the market's strengths.
- **Providing incentives for targeted R&D on localizing EV and charging infrastructure supply chains.** This could include import-duty waivers, tax incentives, and other

investment support for OEMs and component manufacturers, with benefits linked to clearly defined milestones such as production volumes, domestic value addition, and investment.

- **Setting short- and long-term local manufacturing and assembly targets** that are tied with import duty waivers for OEMs to meet, with clear enforcement and progress tracking mechanisms laid out before implementation.
- **Supporting workforce training to create an ecosystem** that is ready for increases in local manufacturing, with a focus on EV assembly, semi-knocked down assembly and charger installation, and maintenance skills. This training can be designed in partnership with OEMs to meet evolving market needs.
- **Establishing quality certification as an eligibility criterion for manufacturing incentives.** Requiring locally manufactured and assembled vehicles, components, batteries, and charging equipment to meet applicable safety, performance, durability, and quality standards as a condition for receiving policy support can ensure high-quality vehicles in the market.
- **Encouraging the development of fit-for-purpose vehicles that meet local market needs.** Manufacturing incentives and R&D support can prioritize vehicles designed for Nigerian use cases and operating conditions, including high-utilization ridehailing, delivery, public transport, and logistics applications.

Stakeholders include NADDC, Manufacturers Association of Nigeria (MAN), National Agency for Science and Engineering Infrastructure (NASENI), SON, Ministry of Industry, Trade & Investment, Bank of Industry, Nigeria Customs Service, industry associations, OEMs, and development financiers.

Case study: Thailand

As of 2024, EVs account for 1.5% of the total vehicle stock in Thailand, with about 700,000 EV registrations.[18] Thailand is looking to become the leading EV manufacturing hub in the region and reach its policy goal of 30@30 (30% of all vehicles domestically produced are EVs by 2030). Under the EV 3.5 incentive package, Thailand provided purchase subsidies and reduced import duties for fully built EVs during the early stages of market development, while linking these benefits to subsequent domestic production requirements. Manufacturers benefiting from the program are required to produce two vehicles domestically for every vehicle imported under the scheme by 2026, increasing to three domestically produced vehicles for every imported vehicle by 2027. This has helped attract investment in vehicle assembly, batteries, components, and the broader EV supply chain while progressively increasing domestic value creation. The key learning from Thailand's approach is how time-bound import incentives can be tied to clear and progressively increasing local production commitments, allowing imports to build the market in the near term while creating a pathway toward domestic manufacturing.



Charging infrastructure policies

EV adoption policies need to be accompanied by a supportive charging infrastructure framework to ensure that infrastructure deployment keeps pace with vehicle uptake. While the draft EV Bill recognizes the importance of a charging infrastructure network and reliable power supply, complementary policies can help reduce the cost and risk of charging investments and create the conditions for infrastructure to scale alongside the EV market. Priority policy measures include:

- **Providing targeted fiscal support for charging and swapping infrastructure.** Targeted fiscal policies can lower the up-front cost of charging infrastructure through capital-cost subsidies, tax exemptions, and other appropriate fiscal measures.
- **Establishing an enabling electricity tariff for EV charging.** A preferential tariff, applied through dedicated meters, can improve the economics of public charging stations, fleet and depot charging, and battery-swapping stations.
- **Improving access to land for charging infrastructure.** Public land can be made available on concessional terms through long-term leases, utilization- or revenue-sharing arrangements, land-related tax incentives, or competitive tenders at preferential rates.
- **Establishing clear and harmonized charging standards.** Standards can cover charging equipment and connectors, electrical and installation requirements,

communication protocols, interoperability, metering and payment systems, equipment testing and certification, and safety requirements.

- **Identifying and prioritizing high-value locations for charging infrastructure.** Mapping projected charging demand against vehicle movement patterns, fleet activity, power availability, land availability, and existing transport infrastructure can help identify priority locations for charging.
- **Strengthening institutional coordination and implementation.** Existing task forces and technical committees, including SON's National Technical Committee on Electric Mobility Standards (NTC 11), can be coordinated through clear roles and implementation mechanisms to streamline decision-making and ensure that technical recommendations translate into action.

RMI's *Developing EV Charging Infrastructure in Nigeria* report provides a more detailed assessment of how coordinated policy action can de-risk investment and accelerate charging infrastructure deployment in Nigeria.

Stakeholders include the Ministry of Power, NERC, Rural Electrification Agency (REA), NASENI, NADDC, SON, state electricity regulators (e.g., LASERC), and charging and battery-swap operators.

Case study: Chile

Chile has emerged as a regional leader in electric mobility in Latin America, supported by a national target for 100% of light- and medium-duty vehicle sales to be zero-emission by 2035.[19] As of December 2025, Chile had 1,503 public charging stations comprising 2,106 connectors, with a cumulative installed capacity of 48.6 MW. To further prepare its charging network for growing EV adoption, the Ministry of Energy published a Public Charging Infrastructure Master Plan in 2026 to guide the development of a nationwide public charging network. The plan identifies priority urban locations and freight corridors for charging infrastructure deployment and includes measures to facilitate the use of government-owned land for charging infrastructure.

Chile has also established regulations and technical requirements covering charging equipment, installation, safety, interoperability, and integration with the electricity distribution network. In addition, the country has established public–private coordination mechanisms to assess charging demand, digital tools that provide information on the status of the charging network, and a performance-based framework to monitor progress. For Nigeria, Chile demonstrates how national infrastructure planning, technical standards, interoperability, data, and coordinated public and private investment can create the enabling conditions for charging infrastructure to scale alongside EV adoption.



Source: LatAm Mobility

Conclusion

Nigeria has an urgent need to reduce transportation costs for millions of households and businesses. At the same time, the nation faces a call to create local jobs. These two needs share a common answer: lay the policy foundation for accelerating EV market growth. As global EV costs decline and adoption rises, Nigerian policymakers can seize the opportunity to bring the benefits of e-mobility to their country.

Announcements of high-level EV adoption and production targets over the past few years are laudable. More recent policies have also begun to trace the outlines of a strong policy framework, with demand-side policies, an acknowledgment of the incentives that will be needed to rapidly expand the country's charging infrastructure network, and ambitious policy to support local EV and EV part manufacturers. But EV policy achievements so far leave crucial remaining gaps.

Each of the five priority areas outlined in this report builds and reinforces the others. A long-term national roadmap can establish the trajectory of the transition, align targets across vehicle segments, and provide the certainty needed to plan investment. Supply-side policies can ensure that a growing range of affordable EVs reaches the Nigerian market, while targeted demand-side measures can address up-front affordability and build the early demand needed to achieve scale. As demand grows, a phased manufacturing strategy can translate market growth into domestic investment, jobs, skills, and progressively greater local value addition. In parallel, charging infrastructure policies can create the conditions for private investment in reliable and accessible charging and swapping networks that keep pace with vehicle adoption.

Realizing this opportunity will require coordinated action across government, sustained consultation with industry and other stakeholders, and a clear focus on implementation. A clear, coordinated, and well-sequenced policy framework can provide the certainty and market conditions needed to move from early EV adoption to sustained deployment at scale, enabling Nigeria to more rapidly achieve its economic, affordability, and emissions goals.

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