



POLICY BRIEF

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Beyond the Directive: A Legislative Framework for Nigeria's 100,000-Kit CNG Transition

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Executive Summary

In March 2026, the Federal Government of Nigeria issued a presidential directive mandating the immediate nationwide deployment of 100,000 Compressed Natural Gas (CNG) conversion kits under the Presidential Initiative on CNG (Pi-CNG). This policy aims to reduce transport costs, cushion the effects of rising petrol prices, and accelerate Nigeria's transition to cleaner energy. While the directive demonstrates strong executive commitment, there remains a significant gap between policy ambition and implementation reality. Key challenges include inadequate refueling infrastructure, high conversion costs, weak regulatory backing, and uneven nationwide access.

This policy brief argues that executive directives alone are insufficient to sustain Nigeria's CNG transition. A comprehensive legislative framework is required to institutionalize incentives, regulate standards, ensure equitable access, and guarantee long-term sustainability.

Addressing the gap in the Presidential directive and the development of a comprehensive legislative framework to support and sustain Nigeria's CNG transition beyond the current presidential directive, the brief hereby recommends as follows:

- i. Enactment of a National CNG Transition Act to provide legal basis for CNG adoption. The National Assembly may also define national targets (short, medium, long-term), and mandate annual reporting and compliance.
- ii. Legislate minimum state-by-state infrastructure coverage and mandate private sector participation through PPPs.

1. Introduction

Nigeria's transport sector has historically relied on petrol and diesel despite possessing one of Africa's largest natural gas reserves. Following the removal of fuel subsidies and rising global oil prices, the Federal Government initiated the Presidential CNG Programme in 2023 as a

dual strategy for energy transition and cost reduction for citizens¹.

The urgency of this transition intensified in 2026 due to global energy shocks linked to geopolitical tensions, which pushed petrol prices above ₦1,000 per litre in Nigeria. In response, the President directed the deployment of 100,000 CNG kits within

¹ The State House. (2023). President Tinubu Approves Establishment of Presidential CNG Initiative: Targets Nationwide Adoption of Workshops for Smooth Transition to CNG—Fuelled Vehicles. *The Presidential Villa State House*.

<https://statehouse.gov.ng/president-tinubu-approves-establishment-of-presidential-cng-initiative-targets-nationwide-adoption-of-workshops-for-smooth-transition-to-cng-fuelled-vehicles/>



weeks, signalling a rapid scale-up approach².

However, achieving meaningful impact requires more than directives. It requires law-backed systems, incentives, and accountability mechanisms.

Consequently, this brief advocates for the development of a comprehensive legislative framework to support and sustain Nigeria's CNG transition beyond the current presidential directive.

Specifically, the brief aims to bridge the gap between the government's 100,000-kit CNG transition directives and the actual implementation on ground by proffering legislative interventions geared towards addressing the challenges of weak regulation.

2. Current Policy Framework

The 2026 directive mandates the deployment of 100,000 CNG conversion kits nationwide³. This is to be rollout within 2–3 weeks. Part of the directives includes the expansion of conversion centres and refuelling infrastructure, which is to focus on reducing transport costs for Nigerians⁴. The Presidential Initiative on CNG (Pi-CNG) has recorded some significant milestone which includes: over 100,000

vehicles already converted in Nigeria⁵; while over \$2 billion⁶ in investment mobilized 337 conversion centres nationwide and over 62 refuelling stations operational across 28 states; while 77 stations are under development⁷. Additionally, there has been deployment of CNG buses and tricycle and the training of over 1,000 technicians⁸.

The CNG transition is designed to reduce petrol demand, lower transportation costs, promote domestic gas utilization, and cut emissions. Also, it aims to improve energy security. Despite the progress recorded so far, several structural gaps remain:

- i. **Infrastructure deficit:** as reported by the Presidential Compressed Natural Gas Initiative (PCNGI), only about 62 operational refuelling stations for a population of over 200 million. Infrastructure concentrated along select corridors (e.g., Lokoja–Abuja–Kaduna–Kano). Rural and southern regions remain underserved. Limited accessibility discourages adoption.
- ii. **Scale mismatch:** 100,000 kits are insufficient relative to

² Angbulu, S. (2026). Tinubu orders deployment of 100,000 CNG kits in three weeks. *Punch NG*. <https://punchng.com/tinubu-orders-deployment-of-100000-cng-kits-in-three-weeks/>

³ Ibid.

⁴ Angbulu, S. (2026). Tinubu orders deployment of 100,000 CNG kits in three weeks. *Punch NG*. <https://punchng.com/tinubu-orders-deployment-of-100000-cng-kits-in-three-weeks/>

⁵ Punch NG. (18 January 2026). Over 4,600 tricycles, 100,000 vehicles run on CNG in Nigeria – Official. *Punch NG*. <https://punchng.com/over-4600-tricycles-100000-vehicles-run-on-cng-in-nigeria-official/>

⁶ Punch NG. (31 March 2026). FG secures \$2bn CNG investments, targets \$5bn by 2027. *Punch NG*. <https://punchng.com/fg-secures-2bn-cng-investments-targets-5bn-by-2027/>

⁷ Presidential Compressed Natural Gas Initiative. (2026). Nigeria's clean energy

transport revolution. PCNGI. <https://pci.gov.ng/>
⁸ National Automotive Development Council. (2026). NNPCCL trains over 1,000 car mechanics on conversion of vehicles to CNG across Nigeria. *NADDC*.

<https://www.facebook.com/naddcouncil/posts/the-specialised-mechatronic-training-on-the-repair-and-maintenance-of-petrolcng-1142883371351164/>



- Nigeria's vehicle population. The transition lacks clear phased targets and timelines. The implication is that minimal macroeconomic impact without scale expansion.
- iii. **High conversion costs:** Upfront costs remain prohibitive for commercial driver and low-income households.
 - iv. **Weak legal and regulatory Framework:** No comprehensive CNG Transition Act. Current programme operates largely through executive coordination. Policy inconsistency and weak enforcement.
 - v. **Fragmented institutional coordination:** Multiple agencies involved: NNPC, NMDPR, Pi-CNG, and State governments. This leads to overlaps, inefficiencies, and accountability gaps.
 - vi. **Public awareness and trust deficit:** Limited awareness of safety standards and conversion benefits persists. This however, leads to resistance and slow behavioural change.

3. Issues and Implications

- i. **Economic implications:** Continued reliance on petrol sustains exposure to global price volatility. SMEs face rising transport and logistics costs.
- ii. **Social implications:** Unequal access may deepen regional inequality. Urban bias in infrastructure deployment.

- iii. **Environmental implications:** Delayed transition prolongs emissions and pollution.
- iv. **Political economy implications:** Executive-driven policy risks reversal under future administrations. Weak legislative backing undermines investor confidence.
- v.

4. Global Evidence: What Successful CNG Transitions Requires

International experience from the most successful CNG-transition economies demonstrates that presidential or executive declarations, when not backed by statutory frameworks, produce initial enthusiasm but structural stagnation. The following country cases are instructive for Nigeria's legislature.

i. INDIA — Statute-Driven Expansion

India's CNG expansion is the most cited global success story and the most directly applicable model for Nigeria. The Petroleum and Natural Gas Regulatory Board (PNGRB) Act established a statutory City Gas Distribution (CGD) licensing framework under which private operators receive exclusive geographical authorisations in exchange for mandatory minimum work programmes and enforceable delivery targets. Between 2017–18 and June 2024, the number of CNG stations grew from 1,349 to 7,011—a fivefold increase in six years (Business Standard/PNGRB, 2025; Smart Utilities, 2024). By March 2025, CNG vehicle registrations had reached 8.2 million, a 25 percent growth in two years⁹. India's CGD network now covers 88 per cent of the country's geographical area and 98 per cent of its

⁹ IBEF (2025). 'India Eyes 126 Million PNG Connections, 18,000 CNG Stations by 2034.' India Brand Equity Foundation, August 2025.



population through 300 authorised geographical areas¹⁰. The lesson: statutory mandatory work programmes with revocation penalties converted executive ambition into market delivery.

ii. PAKISTAN — Regulatory Framework and Tax Incentives

Pakistan introduced CNG commercially in 1992 through a deliberate legislative and regulatory strategy: the government promulgated Pakistan CNG Rules, declared all CNG station equipment and vehicle conversion kits exempt from import duty and sales tax for five years, and permitted the import of used compressors to reduce startup costs¹¹. The result was rapid market formation: by the early 2000s, Pakistan had become the third largest CNG vehicle economy in the world¹². Nigeria's current situation—where conversion kits cost up to ₦1.7 million per vehicle and remain predominantly imported without duty exemptions—mirrors Pakistan's pre-1992 bottleneck. The lesson: tax and tariff legislation, not just executive directives, create the price signals that drive mass adoption.

iii. ARGENTINA — Consumer Subsidies and Certified Technicians

Argentina built one of Latin America's largest CNG fleets through a combination of consumer conversion subsidies, mandatory fitment standards, and a robust certified technician ecosystem. As of 2025, Argentina has over 5,000 certified CNG technicians, compared to

Nigeria's current 320¹³. Nigeria's conversion infrastructure is not just constrained by kit supply; the absence of a statutory technician certification and training framework constrains it. BusinessDay (2025) documented that conversion centres in Apapa, Mushin, and Ikeja lay idle not for lack of demand but for lack of kits and certified technicians—a human capital gap that only legislation mandating training standards can systematically close.

iv. NEW ZEALAND — The Warning on Policy Reversal

New Zealand launched the world's first commercial CNG programme in the 1980s but subsequently reversed course as oil prices fell and political priority shifted. Pakistan's own experience between 2013 and 2022 provides a similar warning: policies designed to ban the issuance and renewal of new CNG licenses had a 'detrimental effect on market and entrepreneurial activity,' with a 'clear policy-driven roll-back' that reversed years of progress¹⁴. The lesson for Nigeria is precise: without statutory anchoring, CNG progress is reversible at the next change of administration or oil price cycle. Executive initiatives can be dissolved by executive action; Acts of Parliament require parliamentary repeal.

v. IRAN — Capital Investment at Scale

Iran spent over \$3 billion on CNG infrastructure in 2008–2009 alone, converting 2.9 million vehicles by 2011 to become the world's largest CNG vehicle economy, leveraging its vast natural gas reserves, directly analogous to Nigeria's.

¹⁰ Mordor Intelligence (2024). India City Gas Distribution Market—Industry Analysis. December 2024.

¹¹ Aziz, N. et al. (2014). 'Development of Natural Gas as a Vehicular Fuel in Pakistan: Issues and Prospects.' Energy Policy,

¹² Aziz, N. et al. (2014). 'Development of Natural Gas as a Vehicular Fuel in Pakistan: Issues and

Prospects.' Energy Policy, Elsevier. DOI: 10.1016/j.enpol.2014.01.028.

¹³ LPG in Nigeria (2025). 'High Conversion Costs Stall Nigeria's CNG Dream.' LPGinNigeria.com, April 2025

¹⁴ Ibid



5. Legislative Recommendations for the National Assembly

To bridge the gap between executive ambition and implementation reality, the following legislative actions are recommended for the National Assembly:

- i. **Enactment of a National CNG Transition Act:** Establish a statutory legal basis for CNG adoption, defining national targets (e.g., 50% of public transport converted by 2030) and creating a dedicated CNG Transition Fund (Ishaka, 2026).
- ii. **Fiscal Incentives and Custom Duty Waivers:** Amend the Finance Act to provide a five-year zero-percent VAT and customs duty waiver on all CNG-related equipment, mirroring the Indian model to lower the cost of entry for SMEs (Mordor Intelligence, 2024).
- iii. **Mandatory "Gas-First" Procurement:** Legislate a requirement that 30% of all new

vehicles purchased for government ministries, departments, and agencies (MDAs) must be CNG-compliant, ensuring a guaranteed "anchor demand" for the industry (Pi-CNG, 2025).

- iv. **Establishment of the Nigeria Gas Vehicle Monitoring System (NGVMS):** Mandate a real-time digital tracking system for all converted vehicles to ensure safety standards are maintained and to prevent the use of substandard kits (Channels TV, 2026).

6. Conclusion

The 100,000-kit directive is a bold and necessary step toward economic relief and energy transition. However, for this to become a transformative policy, the National Assembly must institutionalize the framework through law. A robust legislative architecture will ensure continuity beyond the current administration, attract critical private investment, and provide equitable energy access to all Nigerians.

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