

**Nextier**

# **Accelerating Nigeria's Energy Transition with Mandatory CNG-Powered Vehicles**



[www.thenextier.com](http://www.thenextier.com)  
[info@thenextier.com](mailto:info@thenextier.com)

# Policy Brief



## Introduction

President Bola Tinubu's recent directive mandating the procurement of compressed natural gas (CNG)-powered vehicles by all government ministries, departments, and agencies is a significant step towards advancing Nigeria's energy transition agenda. This policy brief by the Nextier outlines the implication of this directive on Nigeria's Decade of Gas initiative and the broader energy transition plan.

## Background

Nigeria's Decade of Gas initiative, launched in 2021 by President Muhammadu Buhari, was designed to tap the country's substantial gas reserves to drive economic growth and development. CNG, while not entirely devoid of emissions, emits lower levels of CO<sub>2</sub> compared to conventional fuels, positioning it as a transitional element within Nigeria's energy transition strategy towards achieving net-zero emissions targets. Nigeria has strategically embraced the Decade of Gas initiative as a foundational phase in its journey towards sustainable energy practices. Even though Nigeria is the 9th largest country with natural gas reserves globally, its domestic gas utilization has been underwhelming, with most of the gas directed towards the export market.



## President Tinubu's Directive

President Tinubu's directive aligns with the objectives of the Decade of Gas initiative by promoting the domestic use of natural gas. The President's mandate on procuring CNG-powered vehicles will reduce Nigeria's reliance on traditional petrol-dependent vehicles and set an example for the private sector and the general populace to follow suit. This move is expected to increase the country's natural gas demand significantly.

## Implications for the Decade of Gas Initiative

- **Increased Domestic Gas Utilization:** The mandatory procurement of CNG-powered vehicles will create a substantial new market for natural gas within Nigeria. This increased demand will incentivize further gas exploration, production, and distribution infrastructure investment.
- **Environmental Benefits:** CNG-powered vehicles produce lower emissions than traditional petrol-dependent cars, contributing to Nigeria's efforts to combat air pollution and mitigate climate change. This aligns with global trends towards cleaner energy sources and sustainable development.
- **Economic Growth and Job Creation** The Decade of Gas initiative aims to attract foreign direct investment, generate revenue through royalties and taxes, and create more jobs. The mandatory adoption of CNG-powered vehicles contributes to achieving these goals by stimulating economic activity in the gas sector and related industries.
- **Energy Security and Cost Reduction:** This directive will improve the country's energy mix and reduce reliance on imported petroleum products. With this, Nigeria can enhance its energy security

and mitigate the impact of volatile global oil prices. Additionally, CNG is more cost-effective than petrol, offering potential savings for the government and consumers.

creating opportunities for private investors to key into the project. This includes establishing refuelling stations along major transportation routes and in urban centres.

## Policy Recommendations

- **Policy Implementation:** Not until this recent directive from the President to encourage CNG production, the decade of gas policy has previously received less attention towards its implementation. The presidency and the relevant regulatory agencies should follow up to ensure effective implementation and enforcement of the directive across all government agencies, with clear timelines and targets for transitioning to CNG-powered vehicles.
- **Infrastructure Development:** The federal and sub-national governments need to invest in expanding CNG refuelling infrastructure to support the growing fleet of CNG vehicles nationwide while
- **Public Awareness and Education:** There is a need to launch a comprehensive public awareness campaign to educate citizens about the benefits of CNG-powered vehicles, dispel myths or misconceptions, and encourage widespread adoption. This should be done through the National Orientation Agency while involving relevant CSOs and NGOs.
- **Private Sector Engagement:** The government should collaborate with private sector stakeholders, including vehicle manufacturers and energy companies, to incentivize the production and adoption of CNG-powered vehicles and support the development of related technologies.

## Our Conclusion

President Tinubu's directive to mandate the procurement of CNG-powered vehicles represents a significant opportunity to advance Nigeria's energy transition agenda and realize the objectives of the Decade of Gas initiative. Nigeria can achieve sustainable economic growth, improve environmental quality, enhance energy security, and reduce transportation costs for its citizens if we leverage the country's abundant natural gas resources. Effective implementation of this policy directive, supported by strategic investments and public-private partnerships, will be critical in realizing these benefits and positioning Nigeria as a leader in the global transition to cleaner energy sources.

## Author

**Omata David Omakoji**, Technical Associate Nextier Power



Nextier

