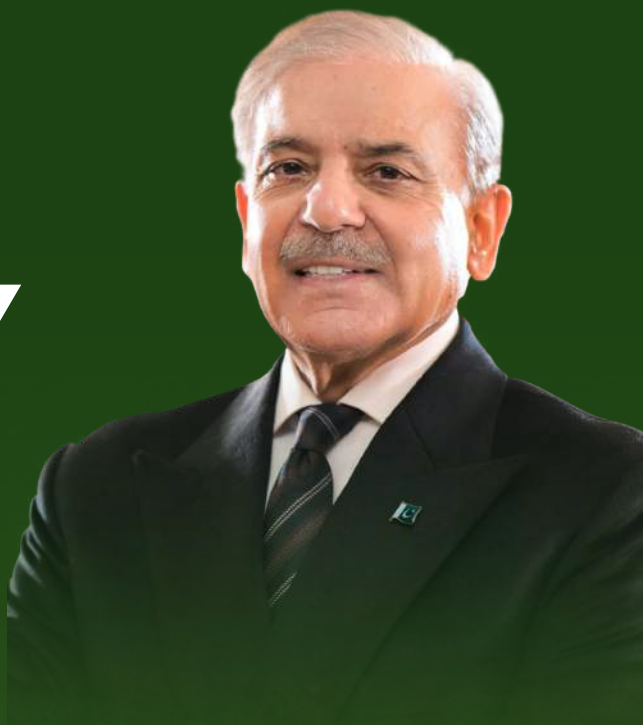
REMIT | Revenue Mobilisation, Investment & Trade

EDB

PAVE Pakistan Accelerated Vehicle Electrification Program

UK International Development
Partnership | Progress | Prosperity



NEW ENERGY VEHICLE POLICY

GOVERNMENT OF PAKISTAN

& PAVE Rollout

MINISTRY OF INDUSTRIES & PRODUCTION

NEW ENERGY VEHICLE POLICY LAUNCH

This policy is the result of a collaborative effort of various ministries and departments of the federal and provincial governments, automobile industry, battery manufacturers, academia, development partners, financial institutions and public at large. We at the Ministry of Industries & Production acknowledge their invaluable contribution in this regard.

We also extend our gratitude to the Steering Committee constituted by the Prime Minister for their leadership and guidance throughout the development of this policy. Special appreciation is also extended to the members of Working Groups constituted by the Steering Committee for developing a deeper understanding into various thematic areas of the policy. Their dedication had been instrumental in shaping a comprehensive and forward-looking framework.

We also recognize the support provided by international and local experts from REMIT and Lahore University of Management Sciences (LUMS) who provided critical technical assistance and shared insights to ensure the policy aligns with global best practices and local aspirations.

LIST OF ACRONYMS

ADB	Asian Development Bank
AIDEP	Automotive Industry Development and Export Policy
AIIB	Asian Infrastructure Investment Bank
AJK	Azad Jammu and Kashmir
BEVs	Battery Electric Vehicles
CAGR	Compound Annual Growth Rate
CC	Cubic Centimetre
CCP	Competition Commission of Pakistan
CDA	Capital Development Authority
CSR	Corporate Social Responsibility
CTF	Climate Transformation Fund
CVT	Capital Value Tax
	Development Mechanism
DISCOs	Distribution Companies
e-Waste	Electronic Waste
EDB	Engineering Development Board
EVs	Electric Vehicles
FCEVs	Fuel Cell Electric Vehicles
FD	Federal Government
FED	Federal Excise Duty
GB	Gilgit Baltistan
GCF	Green Climate Fund
GEF	Global Environment Facility
GHG	Greenhouse Gas
GST	General Sales Tax
GVG	Green Vehicles Guide
HEC	Higher Education Commission
ICE	Internal Combustion Engine
IEA	International Energy Agency
IKI	International Climate Initiative
IMF	International Monetary Fund
IoT	Internet of Things
IsDB	Islamic Development Bank
IT	Information Technology
KIBOR	Karachi Interbank Offer Rate
KPIs	Key Performance Indicators
kW	Kilo Watt
LCEVs	Light Commercial Electric Vehicles
Level 1 Charging	Slowest charging option, utilizing a standard 220-240V outlet and can delivers 1-3 kW of power, suitable for overnight home-based charging
Level 2 Charging	Requires a dedicated 220-240V outlet and delivers power at 4-22 kW, depending on the system's capabilities, suitable for workplaces, shopping centres etc.

LIST OF ACRONYMS

Level 3 Charging	Fastest charging option, utilizing direct current (DC) at 400-800V or higher, power output ranges from 50 kW to over 350 kW, depending on the charger and vehicle capabilities. Level 3 charging can replenish 80% of a vehicle's battery in 20-40 minutes, making it suitable for highway and quick stops.
MAF	Mitigation Action Facility
MoIB	Ministry of Information and Broadcasting
MoIP	Ministry of Industries and Production
NAP	National Action Plan
NAVTTC	National Vocational and Technical Training Commission
NDCs	Nationally Determined Contributions
NEAP	New Energy Apprenticeship Programme
NEECA	National Energy Efficiency and Conservation Authority
NESP	New Energy Skills Programme
NEV	New Energy Vehicle
NEVC	New Energy Vehicles Centre
NHA	National Highway Authority
NTP	National Tarif Policy
NVEES	National Vehicle Emission Efficiency Standard
OEMs	Original Equipment Manufactures
P3A	Public Private Partnership Authority
PD	Power Division
PES	Pakistan Economic Survey
PG	Provincial Government
PHEVs	Plug-in Hybrid Electric Vehicles
PM	Particulate Matter
PPP	Public Private Partnership
PSQCA	Pakistan Standards and Quality Control Authority
PSW	Pakistan Single Window
PTA	Punjab Transport Authority
REEVs	Range Extended Electric Vehicles
ROI	Return on Investment
RSF	Resilience and Sustainability Facility
SBP	State Bank of Pakistan
SC	Steering Committee
tCO2	Tons of Carbon Dioxide
TEVTA	Technical Education and Vocational Training Authority
TWh	Terawatt-hour
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNFCCC-CDM	United Nations Framework Convention on Climate Change – Clean
VGF	Viability Gap Funding
WHT	Withholding Tax
ZEVs	Zero-Emission Vehicle

EFFECTIVE SUMMARY

The New Energy Vehicles (NEV) Policy 2025-30aims at reduction of vehicular emissions, improvement of air quality, enhancing the productive use of excess electricity generation capacity in the system and lowering oil import. It also seeks to lay the foundations for development of a competitive local NEV industry, transfer of technology and creating green jobs. It also intends to foster synergies among the federal and provincial governments to ensure a cohesive approach toward sustainable transportation.

This policy builds on the earlier 2019 National Electric Vehicles Policy. The 2019 policy had an ambitious goalto bring electric vehicular sales to 30% of new vehicles sales by 2030. Due to various implementation challenges and the COVID-19 pandemic, the policy fell short of this target. Adoption of electric vehicles picked up marginally with the promulgation of Automotive Industry Development and Export Policy (AIDEP) 2021-26. However, it was viewed that no significant improvement will be achieved in the absence of a comprehensive policy framework.

The NEV Policy envisions converting 30% of new sales of bikes, rikshaws, passenger cars, light commercial vehicles, buses and trucks to new energy vehicles by 2030. Beyond the policy period, the country has ambitions in reaching NEV sales to 50%by 2040and aiming for a net-zero transport fleet by 2060. To set a clear path toward the 2030 goals and to make up for the lost time, yearly NEV sales targets are determined for each vehicular segment during the policy period.

The NEV Policy team at the Ministry of Industries & Production undertook extensive consultation with over on hundred stakeholders from industry, government entities, academia, development partners, civil society, and others. These consultations concluded that while the supply-side interventions from the 2019 policy and AIDEP 2021-26 have not been fully implemented, these should continue with necessary corrections to address overlooked issues. It was also recognized that given their simpler design and existing level of technical capacities in the automobile industry, there is a real potential to achieve a high level of localization for electric bikes and rikshaws within the next two years if right policy interventions are applied. A major barrier to NEV adoption is their high upfront cost. This necessitates measures to reduce prices closer to those of internal combustion engine (ICE) vehicles in line with regional and global practices. Consultations also highlighted the need for stronger coordination and synergy between various federal and provincial entities to streamline NEV adoption. Additionally, the current power tariff structure for commercial charging offers low returns on investment, requiring immediate adjustments to encourage the growth of charging infrastructure. Lastly, stakeholders called for a review of State Bank of Pakistan's conservative auto-finance guidelines to better support NEV adoption and improve financing options.

To address the key policy gaps and implementation barriers, NEVPolicy has four key interventions to reach the 2030 targets:

a) **Supply side management:** To support local production, the policy encourages investment in NEV manufacturing, ensures fair market practices, and introduces ease-of-doing-business measures. It also aims to establish a National Vehicle Emission Efficiency Standard and promote the sourcing of critical minerals for production of batteries and other electric parts.

b) **Charging infrastructure development:** A robust charging network is critical for NEV adoption. The policy plans for setting up of 3,000 charging stations by 2030, including Level 3 fast chargers and Level 2 chargers. It also introduces power tariff structures, regulatory frameworks, and the use of viability gap funding (VGF) to encourage private sector investment for setting up of charging stations which may not be commercially viable initially due to less than optimal demand or other reasons.

c) **Augmenting NEV demand:** To make NEVs more accessible, the policy proposes a revenue neutral cost-sharing scheme, rationalized registration and token fees structure, and toll exemptions. It also emphasizes public procurement of NEVs, the establishment of model electric mobility cities, and gradual transition of public transport fleets to NEVs.

d) **Institutional support:** The policy envisages establishment of a New Energy Vehicles Center (NEVC) to inter alia promote research and innovation, keep an account of emissions reduction achieved through adoption of NEVs under the policy for leveraging green funds, render advise on the development of safety and performance standards for NEVs and tracking progress toward policy goals.

The policy also addresses following key areas which are critical for the adoption of NEVs in Pakistan:

a) **Regulations and standards:** The policy aims at adoption of safety, quality and performance standards for NEVs. It also aims at setting up regulations for battery safety, recycling, and disposal to mitigate environmental risks associated with NEVs.

b) **Climate change and environmental safeguards:** The policy addresses environmental concerns related to NEVs, particularly the recycling and disposal of batteries and electronic waste. It aims to leverage carbon credits and access international climate finance to support the NEV transition.

c) **Implementation framework:** A National Action Plan given at the end of the policy, overseen by a steering committee, will ensure implementation of the policy in coordination with the relevant federal and provincial government entities and other stakeholders. The plan includes regular reviews and updates to align with technological advancements and market trends. The policy also encourages provincial and regional governments to develop their action plans and work towards common goals.

d) **Supplemental initiatives:** The policy also lists down the legal and regulatory framework that will be developed subsequently to address areas such as enforceable standards, environmental safeguards and vehicle registration process. It also emphasises on the need for raising public awareness and integration of NEVs into public transport systems. These initiatives will support the overall goal of creating a sustainable and efficient NEV ecosystem in Pakistan.

In summary, the NEV Policy 2025-30 is an ambitious, forward-looking policy designed to transform Pakistan's transport sector through the adoption of NEVs, contributing to environmental sustainability, economic growth, and energy efficiency in the transport sector.

CHAPTER 1
INTRODUCTION

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1.1 The Context

Automobile industry holds strategic significance for Pakistan due to its potential to attract investment, drive growth, support technology transfer and create employment opportunities. In Pakistan, the automobile sector has grown rapidly over the past decade. In 2010, the total number of vehicles, was approximately 9 million only. This number increased significantly to nearly 36 million by 2023with Compound Annual Growth Rate (CAGR) of 11%.

At the same time however, as per 2012 Emissions Inventory of Pakistan, nearly 10% of the 374 million metric tons of carbon dioxide (tCO2) emissions in Pakistan originated from the transport sector. This figure increased to60milliontCO2 in FY2019-20 showing a CAGR of 5.3%.These emissions are a serious cause of concern as they materially burden the economy through reduced productivity and increased healthcare expenditures.

Worldwide, there is a significant movement towards decarbonizing the road transport sector. The main driver of this transformation are the electric vehicles (EVs). However, hydrogen fuel cells and other zero emission-based technologies are also catching up. Both the EVs and other technologies are witnessing rapid advancement with the aim of achieving reliability, greater range and reduction in the life cycle cost of vehicles. Further, on the supply side, a vast number of governments are taking affirmative actions to accelerate adoption of New Energy Vehicles (NEVs). As a result, globally the EVs accounted for 18% of all vehicles sold in 2023, a notable rise from 2% in 2018 marking substantial growth over the five years period. However, Pakistan is lacking behind many emerging and regional economies in the uptake of EVs.

In Pakistan's context, besides achieving reduction in emissions, the adoption of NEVs in Pakistan will also trigger productive use of surplus power and marked reduction in oil import bill.

Pakistan's electricity generation capacity has grown steadily in the recent years, but its utilization remains significantly low. In the fiscal year 2023-24, the system had an available capacity of 253 TWh, yet only 126.5 TWh was utilized, reflecting a utilization rate of around 50%. Likewise, in FY 2022-23, the available energy stood at 232 TWh, with only 131 TWh (56%) being utilized. With an additional 30 TWh of capacity expected to come online between 2024 and 2027, the gap between capacity and demand may widen further. NEVs offer a promising solution to increase productive and sustainable electricity demand, as the existing system is reasonably equipped to support their additional load.

In 2024, Pakistan spent over USD 16 billion on import of petroleum products. Pakistan Economic Survey (PES) 2023-2024 indicates that transport sector was the largest consumer of oil, comprising 77.3% of total demand in FY 2023. This demand further increased by 2.59%, reaching 79% in FY 2024, necessitating even higher oil imports and intensifying the country's foreign exchange challenges. Adoption of NEVs can substantially reduce the need for oil import and foreign exchange requirement, thus helping balance of payment situation for Pakistan.

1.2 Current State of New Energy Vehicles

Adoption of NEVs will require a medium to long-term policy framework featuring a detailed transition mechanism. In 2019, the Ministry of Climate Change and Environmental Coordination (MoCC&EC) introduced Pakistan's first Electric Vehicles Policy. This policy set ambitious targets on adoption of electric vehicles and provided specific measures and incentives for their achievement. However, these measures and incentives could not be implemented for various reasons Additionally, COVID-19 pandemic severely disrupted progress on EVs. Hence, the policy targets were missed by a large margin.

EV Penetration Targets	Medium Term Targets (5 - years)	Long Term Targets (2030)	Ultimate Targets (2040)
Two & Three Wheelers	Target - 500,000	50% of the new sales in 2/3W and Buses 30% of the new sale in 4W (Cars) & Trucks	90% of all new vehicle sale
	Achieved - 50,000		
Buses	Target - 1,000		
	Achieved - 200		
Four-Wheelers	Target - 100,000		
	Achieved - 3,000		
Trucks	Target - 1,000		
	Achieved - <10		

Table 1: EV Policy 2019 EV Adoption Targets and Achieved Numbers

Finally, certain incentives of the 2019 policy were integrated into the Auto Industry Development and Export Policy 2021-2026 (AIDEP) of the Ministry of Industries & Production (MoIP) and became effective partially. With these incentives in place, the number of electric vehicles has risen from a mere 567 in 2021 to over 80,000 by June 2025. Further, Pakistani manufacturers have resumed efforts towards local production of Evs especially in the two and three wheeler segment. These efforts have intensified with the expectation of the promulgation of this new and comprehensive policy. As a result, by July 2025, a total of 65 manufacturers have secured certificates to produce electric two and three wheelers locally, while two certificates have been issued for local assembly of electric cars and SUVs. Besides this, several other large manufacturers of electric cars with global presence have shown interest in entering into Pakistan's market as well. Further, expecting that the policy will lead to increased electric vehicles volumes, investment in electric battery assembly and manufacturing is also picking up.

Given this context, the need for a new policy to accelerate adoption of NEVs and development of ancillary infrastructure is evident. In order to set out the right policy interventions, a concerted effort was made to critically review the 2019policy to determine gaps, and hear all stakeholders, most importantly the budding EVs industry. MoIP, in collaboration with the Engineering Development Board (EDB), held over eighty (80)meetings with the key stakeholders, including federal agencies, provincial governments, financial institutions, regulatory bodies, original equipment manufacturers (OEMs), vehicle parts manufacturers, service providers, battery manufacturers, academia, research institutions and private businesses.

1.3 Key Policy Gaps

Stakeholders' consultation and internal review indicates the need for additional efforts in the following areas:

a) Although these have not been fully implemented till now, the supply side interventions of the 2019 policy adopted under AIDEP, 2021-26 were favoured for continuation. However, a higher rate of sales tax has been applied on sale of a locally manufactured part as compared to a similar imported part. This situation adversely impacts local part manufacturers and needs rectification by bringing the rate of sales tax applied on imported parts at par with the rate applicable to locally manufactured part.

b) With the given capacity of the automobile industry, it is possible to achieve a very high percentage of localization in two and three wheelers NEVs in a few years with right policy interventions, however, necessary safeguards will be required to ensure that the nascent NEV industry remains competitive internationally and open to new entrants right from the beginning.

c) Key obstacle in NEV adoption is the high upfront cost of acquisition, which raises the need for taking affirmative measures to bring their prices as near to the prices of ICE vehicles as possible in line with the regional and global practice.

d) There is a need for deeper coordination and developing synergies between various entities within the federal government as well as the federal government and provinces.

e) Power tariff structure for commercial charging offers very low return on investment in setting upof charging stations; attractive power tariff structure is urgently required to encourage charging infrastructure growth; and

f) The current auto-finance regime imposes a credit limit of PKR. 3 million and a tenor limit of 3 to 5 years. Since the prices of NEVs cars exceed this limit, it will be appropriate for the State Bank of Pakistan (SBP)to review this regime in case of NEVs especially since cars are not likely to attract a subsidy under the policy.

This policy, inter alia, intends to build on these identified areas, comprehensively reassess the current industry landscape, set aggressive but achievable targets, and establish an enhanced incentive framework to sustain long-term growth in Pakistan's NEV sector.

1.4 Policy Objectives

Through a combination of regulatory framework,supply and demand incentivization, and with a wholeof the government approach, this policy intends to achieve the following objectives:

a) Help achieve Pakistan's Nationally Determined Contributions (NDCs) in reducing GHG emissions, leading inter alia to improved air quality and mitigation of seasonalsmog;

b) Enhance sustainable and productive use of excess electric power generation capacity throughout the year while enhancing road transport efficiency to reduce the oil import bill;

c) Develop a wider ecosystem for adoption of NEVs including establishing a network of charging stations, workforce development, promoting innovation and entrepreneurship;

d) Develop NEV and parts industry to reduce production cost and exploit potential for export;

e) Develop and enforce NEV quality, performance and safety regulations and environmental safeguards including battery and electronics recycling and safe disposal;

f) Foster synergies within the federal government as well as between the federal and provincial entities, including Gilgit Baltistan (GB) and Azad Jammu & Kashmir (AJK); and

g) Implement a robust mechanism to monitor progress and to review and realign the policy in view of emerging needs.

1.5 Scope of the Policy

Sustainable mobility encompasses a broad spectrum of advanced vehicle technologies aimed at reducing emissions and minimizing reliance on conventional fuels. These technologies include Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), Range-extended Electric Vehicles (REEVs) and Fuel Cell Electric Vehicles (FCEVs). For ease, all these categories have been collectively referred to as NEVs in this policy.

For the purpose of this policy, in two and three wheelers category, only fully BEVs will be considered as NEVs. For four wheelers, buses, vans, Light Commercial Vehicles (LCVs), and trucks, PHEVs will also qualify, provided they achieve a minimum range of 50 kilometres in pure electric mode on a single battery charge with zero tailpipe emissions. Moreover, during the policy period, the

definition of NEVs in this document may be revised based on technological advancement in Zero Emission Vehicles (ZEVs) as and when they emerge.

Furthermore, the policy outlines a phased deployment plan for the required charging infrastructure for different segments of NEVs. It also includes provisions for establishing a NEV Center to support NEV transition, foster research on emerging technologies, and build institutional capacity in the sector.

The policy also suggests amendments to existing laws or introduction of new laws to provide a sound and sustainable foundation for the NEV ecosystem.

CHAPTER 2
POLICY TARGETS AND KEY INTERVENTIONS

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2.1 Policy Targets

The 2019 policy failed to meet its five years targets. Despite this setback the NEV Policy 2025-30 aims at making up the lost ground and achieve the target of taking NEVs sale to 30% of new vehicle sales by 2030.Beyond the policy period, Pakistan aims to achieve an 'ambition' of NEVs sale to reach 50% of new vehicle sales by 2040, and 100% of new vehicle sales by 2050 across all segments. To this end, Pakistan has ambition to reach 100% Zero-Emission Vehicle (ZEVs) fleet by 2060.

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
2-Wheelers	116,053	246,728	393,408	557,590	740,898	2,054,676
3-Wheelers	3,171	6,644	10,442	14,588	19,106	53,950
4-Wheelers	5,947	12,369	19,296	26,758	34,785	99,155
Buses, vans etc.	144	291	443	599	760	2,238
Trucks, vans, LCVs	186	382	588	806	1,034	2,996
Total vehicles	**125,415**	**266,415**	**424,178**	**600,340**	**796,582**	**2,213,015**

Table 2: NEV Adoption Targets 2025-30

For charging infrastructure deployment, in the first phase, the policy focuses exclusively on installing Level 3 fast-charging stations at 40 strategically located sites, primarily along the motorways and N5, to be completed within six months of the policy approval. This will be achieved in close collaboration with Ministry of Communication, National Highway Authority, Oil Marketing Companies (OMC) and service providers of the motorways.

Subsequently, the policy outlines a gradual approach for deployment of 3,000 charging stations by 2030. This expanded network will include a mix of Level 3 fast chargers, Level 2 chargers, swapping stations for two and three wheelers, and Level1 chargers in parking lots for two and three wheelers. The plan also emphasizes covering urban infrastructure by integrating charging stations within cities and prioritizing gradual deployment of charging facilities at the existing fuel stations in cities and along highways. Table 3 below provides the number of public charging station to be deployed each year.

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Public Charging Stations	240	380	550	800	1030	3000

2.2 Climate Goals and Emission Reduction

Transport makes up more than a quarter of the total emissions and has the highest reliance on fossil fuels. A recent study illustrates that emissions contribution from transport sector in the larger cities is much higher and is a leading cause of environmental degradation, health issues and related economic cost. This also constitutes a major reason behind periodic episodes of smog. It is expected that decarbonizing road transport system can help reverse this trend.

Pakistan's climate goal, as outlined in its NDCs, intends to set a cumulative ambitious target of overall 50% reduction of its projected emissions by 2030, with 15% from the country's own resources and 35% subject to provision of international grant financing.

This policy intends to reduce approximately 4.5 million tCO2e from the transport sector by 2030. This corresponds to a potential accrual of USD 58.53 million in revenue through a certified carbon credit mechanism.

2025-26	2026-27	2027-28	2028-29	2029-30	Total
0.12	0.36	0.74	1.29	2.0	**4.5**

Table 4: Yearly Emission Saved with NEVs Adoption (million tCO_2e)

2.3 Oil Import Savings

Pakistan Economic Survey (PES) 2023-24 indicates that Pakistan consumed 16.7 million tons of oil, with about 77% of it used by the transport sector in the year 2023. The oil consumption in the transport sector alone is projected to rise to 18 million tons by 2030, driven by growing economic demands and a young population with a median age of less than 21 years, leading to more people vying for vehicles. Transitioning to NEVs offers a significant opportunity to reduce oil imports and outflow of foreign exchange. By achieving its NEV adoption targets, Pakistan could potentially save up to USD 0.95 billion or1.823 million tons of oil equivalent by 2030, strengthening its economy and enhancing energy security.

2.4 Health and Safety Benefits

Air quality in larger cities in Pakistan is significantly impacted by particulate matter (PM), particularly PM2.5, which poses severe health risks. These fine particles, originating from various sources such as vehicle emissions and industrial activities, can penetrate deep into the lungs and bloodstream, exacerbating respiratory issues, cardiovascular diseases, and other health problems. Different data sources indicate that in cities like Lahore, PM2.5 levels can exceed safe limits significantly, contributing to the formation of smog, which reduces visibility and aggravates health conditions like asthma and allergies especially for children, elderly and pregnant women. The main contributor to these harmful emissions is the on-road vehicles. Transitioning to NEVs offers a solution by eliminating tailpipe emissions, significantly reducing the release of harmful PM and other pollutants. As more NEVs are adopted, air quality will improve, leading to a reduction in

smog and health-related issues, while also helping Pakistan meet its clean air targets and lower its disease burden from air pollution. This shift not only enhances public health but also contributes to a more sustainable and environmentally friendly transportation system.

2025-26	2026-27	2027-28	2028-29	2029-30	Total
0.12	0.36	0.74	1.29	2.0	**4.5**

Table 5: Better Air Quality Impact on Health and Economy due to NEVs in PKR Billion

2.5 Opportunity for Development of New Industry and Green Jobs

Transition to NEVs can catalyze development of additional jobs and new skill sets in Pakistan across the NEV ecosystem including manufacturing, charging infrastructure development, Internet of Things (IoT) and innovation.

One of the significant new opportunities is the possible transition of the existing lead battery manufacturing industry into advanced battery assembling and manufacturing. Simultaneously, it could help advance the existing motor making industry to accommodate the specific demands of NEVs. This transition will not only generate new employment opportunities but also encourage the development of high-quality motors, batteries, and other critical components. Furthermore, the growing importance of software in the NEV value chain presents a significant opportunity for Pakistan, particularly in the development of Information Technology (IT) and IoT devices and sophisticated software solutions that enhance the overall driving experience, vehicle performance and fleet management.

There is also an opportunity for significant localization of NEVs and their parts, especially in the two and three wheelers category.

2.6 Lower Operating Cost and Energy Flexibility

Studies indicate that at a petrol price of PKR 260 per litre, an internal combustion engine (ICE) vehicle averaging 10 litres per 100 km incurs a running cost of PKR 26 per km. In comparison, an equivalent electric vehicle consuming 14 kWh per 100 km and charged at PKR 60 per kWh has a running cost of PKR 8.4 per km, making it approximately 68% cheaper per km than the ICE vehicle.

Further, Battery Electric Vehicles (BEVs) are more efficient as these can turn over 70% of electrical energy into kinetic energy. On the contrary, ICE vehicles can only convert around a quarter (25%) of energy from chemical energy to kinetic energy. Hence adoption of NEVs will bring benefits not only for individual users but also for the economy at large.

Moreover, meeting electric vehicle adoption targets will create an additional demand for 3492 GWh of energy over the policy period. This will allow productive use of excess power available in the grid system leading to reduction in capacity payments.

At the same time, it will allow energy efficiency by adjusting demand to off-peak hours. NEVs are inherently a year-round load and will therefore provide a much-needed boost to augment productive energy demand on the grid. Additionally, flexible nature of the NEV load will improve the load factor of the national grid which leads to improved economic viability of the power sector.

2.7 Key Interventions

This policy aims to achieve its targets through various interventions in four key areas (a) increasing the supply of quality but affordable NEVs, (b) establishing infrastructure to support use of NEVs, (c) incentivizing demand, and (d) establishing an institutional basis to enable adoption of NEVs. These interventions in turn rely on a number of actions.

The planned outcomes of the policy are (a) enhanced availability of NEVs, (b) reduction in road transport emissions, (c) increased access to charging facilities to remove range anxiety, (d) increased local manufacturing and recycling, (e) reduction in cost of acquisition and thus increased affordability, and (f) reduction in cost of operation and availability of after sale services to influence users' preference.

This policy's implementation period will be till the end of FY2030. However, it intends to also lay the foundation for future direction beyond its stipulated time frame. It is a national policy and will be delivered in collaboration with provinces, regional governments, industry, businesses and citizens at large.

For this purpose, policy provides for a comprehensive framework for regular progress reviews and annual comprehensive reviews. The aim is to bridge up coordination gaps and ensure timely adjustments in the delivery framework to suit emerging needs.

The key interventions and actions are elaborated in the subsequent chapters.

CHAPTER 3
MANAGING THE SUPPLY SIDE

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3.1 Local Production of New Energy Vehicles

NEVs technology is relatively new and has not been adopted in Pakistan. Therefore, most of the NEVs, especially in the cars and public service vehicles category, entering in Pakistan's market during the initial years of this policy will be imported. However, this approach may not be sustainable in the longer run as it will further worsen the balance of trade on the one hand and lead to higher cost of NEVs on the other, thus inhibiting their widespread adoption. This necessitates production of NEV and their parts inside Pakistan. It is also clear that Pakistan has a very narrow window of opportunity to capitalize on the emerging demand for NEV production and assembling and their key components locally.

Experience has shown that vehicle prices have reduced considerably through localization especially in areas where Pakistan has a competitive advantage. The possibility of successful localization of NEV is high due to large number of common parts with ICE based vehicle. Pakistan has already achieved more than 90% localization in respect of ICE two and three wheelers and around 50% in case of ICE cars. Further, Pakistan has an established industrial base for manufacturing of traction motors, electric and electronic equipment and ancillary modules, battery systems and IT and IoT systems which are the key components of any NEV. It is considered that this competitive advantage can be quickly, and cost effectively diverted towards this NEV market.

Considering these factors, Pakistan's automobile industry is poised for localization of NEVs. In this context, as of July, 2025, fifty-six (56) certificates for local assembly and manufacturing of two and nine (9) certificates for three-wheelerhave been issued. There is an equal interest in NEV cars and SUVs market. As of July,2025 two (2) certificates have been issued for assembling plug-in-hybrid SUVs while two(2) certificates have been obtained for local assembly of NEV cars. The existing total local assembly and production capacity of electric two and three-wheeler has risen to two 2 million vehicles per annum. However, much of this capacity is heavily under utilized. It is viewed that the demand side interventions of this policy will contribute to full utilization of this capacity.

At the same time, it is understood that tariff protection for the automobile sector are extensive, result in distortion and thus need to be brought down. However, to ensure a smooth transition and policy continuity, existing incentives for NEVs as provided under the AIDEP 2021–26 shall remain in effect till the end of the policy period i.e June 30, 2026. Thereafter, all applicable tariffs including customs duty, additional customs duty, and regulatory duty shall be gradually adjusted in accordance with the principles laid out in the NTP 2025–30. In this context, special duty regimes currently applicable to the auto sector, including those under the 5th Schedule to the Customs Act,

1969 will be gradually phased out by 2030. Furthermore, any preferential sales tax treatment extended to localized components shall also be gradually withdrawn by 2030. Further, the lower rate of sales tax applied on sale of certain imported parts will be adjusted to bring it at par with the rate applicable to similar locally manufactured parts.

To support industry adjustment and maintain a stable investment environment, MoIP will develop and publish a detailed transition roadmap well before the conclusion of AIDEP 2021-26 as part of a new policy for the automobile sector which will inter alia include post June 2026 tariff structure for NEVs.

3.2 Fair Market Principles

While encouraging localization, it will be ensured that there are no entry barriers to otherwise eligible businesses. This principle will be strictly enforced to avoid market monopolization.

The Competition Commission of Pakistan (CCP) will ensure that the NEV market remains competitive. It is expected that competition will not only bring the prices down but will also force businesses to innovate resulting in additional gains for the customers. Thus, a competitive market will enhance overall economic efficiency and benefit both the industry and users.

Further, steps will be taken as and where needed to avoid price dumping in the NEV market. This will in turn require a review of existing mechanism for maintain market vigilance and brining efficiency in procedures for effectively and expeditiously handling individual cases.

3.3 Ease of Doing Business Commitment

With a view to ease doing of business, EDB will provide single window services for aspirant importers, assemblers and manufacturers of NEVs. For this purpose, EDB will also act as an interface for any approval required from any other federal and provincial agency. EDB will define time lines for grant of various regulatory approvals which will be strictly followed.

To create transparent process that ensures accountability, the EDB will revamp and digitalize its processes immediately after promulgation of the policy.

Furthermore, Pakistan Single Window (PSW), Pakistan's digital platform for trade, will be made available for the automobile manufacturers and assemblers for import or export related procedures, including issuance of licences and certificates, quota allocation and adjustments, import authorization, levying of duties and taxes and annual reconciliations. EDB will also automate its processes for obtain statistics on industrial production and compliance with vehicles safety, quality and environmental standards under WP29 regime.

The ease of doing business aspect will be overseen by the steering committee. The steering committee will establish a system to receive grievances and to address these in an expeditious manner.

3.4 National Vehicle Emission Efficiency Standard

By 2028, Pakistan will introduce National Vehicle Emission Efficiency Standard under which automobile manufacturers and assemblers will be encouraged to supply automobiles that are morefuel efficient, including the NEVs. The standards will help set upan average target of carbon emissions per kilometer for the fleet of new vehicles sold each year. Any automobile manufacturer or assembler who exceeds the target will earn credits.

As in case of several other jurisdictions where such an arrangement has been applied, adoption of standard is likely to assist in increased supply of lower and Zero Emission Vehicles (ZEVs) in Pakistan. This intervention is important given transport sector's large contribution to the deteriorating air quality, especially in the larger cities.

3.5 Critical Minerals Resourcing

Due to their unique electronic and magnetic properties, critical minerals such as rare earth metals, lithium, zinc and cobalt form the basis for the most, if not all, technologies which underpin NEVs and batteries. The International Energy Agency (IEA) forecasts that demand for minerals to use in EVs and battery storage could grow at least 30 times by 2040.

Pakistan's indigenous critical mineral sources can provide a foundation for its decarbonisation efforts. Accordingly, Pakistan will develop a strategy to carry out geological studies to validate deposits, explore alternate sources of critical minerals and how these could be used for expanding downstream processing industry.

3.6 New Energy Apprenticeship and New Energy Skills Program

MoIP in collaboration with the National Vocational & Technical Training Commission (NAVTTC) will initiate the New Energy Apprenticeships Program (NEAP) to create 10,000 new energy apprentices and the New Energy Skills Program (NESP) to create 5,000 people strong workforce to help Pakistan to transit to clean energy technologies and create a trained work force for related jobs both for the domestic market and abroad. Additionally, the Higher Education Commission (HEC) will look into the possibility of integrating NEV technology related curriculum into the existing education programs offered to students at universities.

Similarly, provincial governments will also be encouraged to establish trainings programs on battery technologies, electric traction motors, power electronics and charging systems etc through their agencies.

3.7 Access to Green Financing and Investment Facilitation

Proliferation of NEVs will hinge upon the ability of manufacturers and assemblers in particular and the automotive sector supply chain in general, to supply sufficient number of vehicles and parts to meet policy targets for each vehicle segment. This may require upgradation of manufacturing facilities and hence the need for low cost financing.

For this purpose, MoIP shall work with relevant ministries and stakeholders to explore multilateral and bi-lateral climate fund financing options. Efforts will also be made to solicit funding from Multilateral Developments Partners and other agencies.

Further, MoIP will develop a robust database of global climate and green financing funds and work on a marketing plan to ensure that relevant funds remain abreast of financing and investment opportunities in the Pakistan's NEV market. Further, it is critical that such funds are offered best-in-class business facilitation services. This will require close coordination amongst a number of government entities and regulatory bodies such as the State Bank of Pakistan (SBP) and Securities and Exchange Commission of Pakistan (SECP).

CHAPTER 4
CHARGING INFRASTRUCTURE

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4.1 Charging Infrastructure Targets

For quick up-take of NEVs, need for charging stations is essential. As an immediate measure, the National Highway Authority (NHA) will establish forty Level 3 charging stations in six months following the policy approval. These charging stations will be located along all motorways and selected sections of N5 at an average gap of around 120 kilometres. These stations will enable use of NEVs between major cities in Pakistan.

The policy further aims to established 3,000 charging stations including fast chargers, level 2 chargers, swapping stations for two and three wheelers, and Level 1 charging in parking lots, in a phased manner during the policy period.

Type of Charging station	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Level 3 charging stations	84	133	193	280	360	1050
Level 2 charging stations	60	95	137	200	258	750
Level 1 charging stations	48	76	110	160	206	600
Swappable battery stations	48	76	110	160	206	600
Total	**240**	**380**	**550**	**800**	**1030**	**3000**

Table 6: Planned Deployment of Charging Stations 2025-2030

Above numbers are indicative and may be modified by the steering committee as per emerging needs remaining within the indicative fiscal space for VGF.

The number of roadside charging stations will be gradually increased, with the goal of establishing one charging station every 50 kilometres along major highways by 2030.

The main responsibility for establishing the target number of charging stations will rest with the NHA and respective authorities of the four provincial governments as well as the governments of Gilgit Baltistan (GB) and Azad Jammu & Kashmir (AJK).

It will be mandatory for all oil marketing companies to ensure that 10% of their oil dispensation stations in each province, where they hold a license to operate, must be equipped with a Level 3 charging station.

4.2 Power Tariff

A new power tariff of PKR. 39.7/kWh for commercial charging stations has been fixed which allows sufficient profit margins to attract investment on the one hand and affordable charging services

for the users on the other. Effort will also be made to allow bus and fleet operators that have established their own charging stations eligible for this rate to encourage adoption of electric public service vehicles.

Power Division and relevant Distribution Company (DISCO) will work to integrate all charging stations with smart metering systems to ensure efficiency and cost-effectiveness.

Furthermore, Power Division and the relevant DISCO will also take necessary steps to ensure a continuous and reliable electricity supply to charging stations, keeping them operational 24/7. Additionally, all requests for new electricity connections to charging stations will be processed and completed within three weeks. The installation and consistent operation of electricity connections to charging stations will be part of DISCO's Key Performance Indicators (KPIs), which will be reviewed as part of the policy implementation framework.

Additionally, Power Division will encourage DISCOs to regularly study the future growth of NEVs and their impact on the electricity grid. The findings should be included in their medium-term load forecasts to guide investment planning and infrastructure expansion.

4.3 Charging Regulations

National Energy Efficiency and Conversation Authority (NEECA) has developed regulations to promote a more efficient and simplified licensing process for installation of commercial public charging stations. While charging ports will be designed to accommodate various types of NEVs, NEECA will ensure that a standardized charging port is used across all stations in the interest of promoting consistency and interoperability between different vehicle models and charging stations.

NEECA and EDB will work closely to establish national standards for the swappable batteries to ensure compatibility, safety, and efficiency across the industry. This framework is critical for the uptake of battery-swapping systems in Pakistan and shall be adopted within three months of the promulgation of this policy.

To increase access to charging facilities, MoIP will work with the four provincial governments as well as the governments of GB and AJK on updating the relevant building regulations to ensure that all new and existing buildings, especially multi-residential and office buildings, are designed, constructed and fitted out to enable the installation of renewable energy and charging stations. An effort will be made to provide charging facilities at parking stations and other public places. MoIP will share a model regulation with the provincial and regional governments in this regard. The regulation will also focus on ensuring the safety of charging at designated locations, and will address safety concerns at non-designated charging areas, particularly in multi-residential buildings.

4.4 Viability Gap Funding

The new power tariff is expected to provide sufficient Return on Investment (RoI) to attract investment for setting up of charging stations on commercial basis. However, feasibility of setting up charging stations is expected to vary on a case-to-case basis, contingent upon several factors including location, vehicle throughput and the number of stations in close proximity that may influence price charged to the end-customer. Therefore, a scheme will be offered to assist businesses in developing charging stations on Public-Private Partnership (PPP) basis. Under this scheme, private sector proposals will be assessed on a case-to-case basis to determine the need for Viability Gap Funding (VGF) to make commercially unattractive proposals viable to the extent they are required for the overall development of the charging infrastructure network. For this purpose, the estimated VGF requirement for 15% of total stations develop each year is given at Table 7 below.

	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Number of chargingstations	36	57	83	120	155	450
Indicative VGF (PKR Million)	180	285	413	600	773	2250

Table 7: Estimated VGF Requirement for Deployment of Charging Stations

While the eligibility framework and procedural requirements for Viability Gap Funding (VGF) are already provided under the Public-Private Partnership Authority Act, 2017 and its associated regulations, MoIP will work with Public Private Partnership Authority (P3A) to establish a framework to further strengthen governance and risk management associated with the VGF for charging stations. This framework will inter alia provide for an open, competitive and transparent process which is consistent with international good practice and minimizes contingent liability risk for the federal government. This framework will also provide a clear criteria for eligibility of projects for VGF. In the interest of transparency, invitations for VGF, list of interested bidders and successful bidders will be published. Such strengthening and risk management of public private partnership framework, particularly quantification of related contingent liabilities will be a precondition for the roll out of the VGF.

The initial funding for VGF shall be allocated through the federal budget, while opportunities for blended financing shall be actively pursued in collaboration with international development partners and green finance initiatives. The VGF framework and its implementation will adhere to international best practices, ensuring fiscal discipline and minimizing contingent liabilities for the government.

4.5 National Mapping Tool

Range anxiety associated with minimum charging options is another main barrier to NEV adoption. While the deployment of a suitably dense network of charging stations will ease this problem, it is essential to equip an NEV user with a capacity to easily locate a particular charging facility. Hence, MoIP will develop and deploy a national mapping tool to provide spatial and other relevant information on the commercial charging stations across Pakistan. Apart from assisting NEV owners, by fetching data on current travel patterns and future demand, the national map will facilitate in planning and optimizing the deployment of charging infrastructure as well.

CHAPTER 5
AUGMENTING NEV DEMAND

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AUGMENTING NEV DEMAND

5.1 Cost Sharing Scheme

The policy sets ambitious targets for NEV adoption. To this end, a major challenge in adoption of NEVs is their higher upfront acquisition cost relative to ICE vehicles. A comparison of cost of NEV and ICE vehicles for Pakistan indicates that NEV prices for end user are higher than those of the ICE vehicles by approximately 47-100% in case of two wheelers, 123% for three wheelers, 20-65% for four wheelers and LCVs, and 40-90% for buses. This price difference is in line with the global trends.

To realize long term economic and environmental benefits of NEVs adoption, worldwide governments offer subsidies, tax rebates and other concessions to bridge the gap between the price of an electric and ICE vehicle in as much as possible to incentivize demand by influencing users' preferences.

In line with global practices, Pakistan will incentivize demand for NEV to achieve policy targets. However, the emphasis will be on two and three wheelers as these mainly serve low-income groups and constitute around 87% of the vehicle population. The other focus areas will be public transport and commercial vehicles. The selected NEV categories will be incentivized through a gradually declining cost sharing scheme. The funds required to implement cost sharing scheme will be provided through the federal budget.

Further, within the four-wheeler category, cars which are used as public service vehicles such as taxi, which represent around 5% of this segment, will be eligible for cost-sharing benefits.

The cost sharing will be reduced gradually as the prices of NEVs, particularly for two and three wheelers, are expected to reach price parity with ICE vehicles by the end of policy period as a result of localization and development in technology. However, this approach is tentative and may be reviewed as market conditions evolve.

In order to maintain value for money, only those NEVs which meet a minimum performance, safety, environment protection and after sales service provision criteria approved by the steering committee will be eligible to participate in the cost sharing scheme.

EDB will develop bean end to end digitalized system for access to cost sharing scheme to ensure transparency, enable timely reimbursement of subsidies, and prevent duplication of cost sharing claims from various schemes across the provinces.

The cost sharing may be offered in accordance with any of the following methods:

a) At the point-of-sale under which cost share will be directly deducted from vehicle's selling price, price difference will be reimbursed to the manufacturers after third-party verification;
b) Direct bank transfer to the buyer after third party verification of vehicle purchase and registration; and
c) Subsidized financing through partner financial institutions.

No person shall be allowed to obtain more than one NEV in the same vehicle category under the scheme within a stipulated period as set by the steering committee. Further, any NEV obtained under the scheme shall not be transferred for a minimum time as approved by the steering committee. In addition, the steering committee may, from time to time, decide who shall be eligible for participating in the scheme or otherwise impose any additional condition for access to the cost sharing scheme.

The steering committee shall also determine the exact amount of cost sharing for a particular category or type of vehicle and the method of its transfer in view of appertaining circumstances. However, the initial reference amount for cost sharing shall be PKR65,000 and PKR. 400,000 for two and three wheelers respectively. In the case of four wheelers, vans, light commercial vehicles, trucks and buses, it will be PKR.15,000 per kWh battery or 5% of invoice value, whichever is lower.

An estimate of the total of amount of subsidy required during a particular year for all vehicles based on the aforesaid reference price is as given at Table 8below.

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Two wheelers @PKR 65,000	7.54	16.04	20.46	21.75	19.26	85.05
Three wheelers @ PKR 400,000	1.27	2.66	3.34	3.50	3.06	13.83
Car taxis etc. @ PKR 200,000	0.06	0.12	0.15	0.16	0.14	0.64
Buses, vans, etc. @PKR700,000	0.05	0.10	0.12	0.13	0.11	0.51
Trucks, LCVs etc. @ PKR300,000	0.03	0.07	0.08	0.09	0.07	0.35
Total	**8.95**	**18.99**	**24.16**	**25.62**	**22.64**	**100.37**

Table 8: Yearly Cost Sharing on NEVs (in PKR. Billion)

Anticipating that larger volumes and technology advancement will result in reduction of NEV price, the subsidy per vehicle will be gradually reduced from the second year of the policy onward. It will be reduced to 80% in the third year of the policy, 60% in the fourth year and 40% in the fifth year. However, the need and extent of reduction shall be reviewed by the steering committee and if required adjustment may be made in the interest of achieving policy targets.

5.2 Free Registration and Exemption from Tolls

To encourage their adoption no vehicle registration fee will be charged for all NEVs registered in Islamabad. Additionally, NEVs registered in Islamabad will be exempted from the annual token fee.

In the like manner, provincial governments, as well as the governments of GB and AJK, will be encouraged to waive off motor vehicle registration charge and annual token fees for NEVs.

In addition, NHA will be encouraged to exempt NEVs from toll on motorways and national highways. As the thrust of this policy is on the faster adoption of intra-city two and three-wheeler NEVs, the revenue loss from these exemptions is expected to be minimal

It is expected that these measures will help further reduce recurring costs associated with owning an NEV making them a more attractive and affordable option for users.

5.3 Easing access to credit for NEVs

Presently, SBP regulations impose two restrictions on automobile financing i.e. maximum financing limit of PKR 3 million and the maximum tenor of three years for vehicles with engine capacity of more than 1000 cc and five years for vehicles with engine capacity upto 1000 cc. Moreover, minimum down payment is capped at 30% of the price. This has resulted in dampening automobile demand as end-customers have to furnish higher equity on vehicle purchase and service larger Equal Monthly Instalments (EMI) due to restricted tenor requirements. In order to propagate the demand for NEVs, MoIP will work with SBP to explore the possibility of revising aforesaid limits in respect of NEVs. Such a review will be informed by the overarching need for maintaining financial stability. Further, an equal emphasis will be laid on developing systems to assess credit worthiness of borrowers of NEVs.

Further all Pakistani banks have green banking targets and will be encouraged to include NEV financing in their green financing portfolio.

5.4 Funding the Transition

In order to create fiscal space for supporting cost sharing scheme and the viability gap funding for charging infrastructure, a levy on the first sale and import internal combustion engine vehicles will be imposed through an Act of Parliament in accordance with their engine capacity and use i.e. for private or public service purposes. For removal of any ambiguity, it is clarified that this levy shall apply to both new and old imported internal combustion engine vehicles. Although the additional revenues from this levy will be transferred to the federal government, however, Finance Division will take measures to ring fence this amount for the envisaged purpose. This is critical for the success of the policy, achieving envisaged targets and thus ultimately reaping the benefits from transition to new energy vehicles in the mid to long term.

If applied at @ 1% of the invoice price of vehicles with engine capacity less than 1300 cc as well as public service vehicles such as buses, trucks, vans etc.@ 2% with engine capacity of1300 ccto 1800 cc, @ 3% with engine capacity of more than 1800cc, the levy can result in additional estimated revenue of PKR. 122 billion for the policy period. As indicated by Table 9 below, the total fiscal space resulting from the proposed levy will be sufficient to meet year on year requirement of the cost sharing scheme.

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Less than 1300 cc @ 1%	3.00	2.96	2.91	2.85	2.76	14.48
From 1300 ccto 1800 cc @2%	3.24	3.23	3.21	3.19	3.16	16.02
More than 1800 cc @ 3%	3.82	3.81	3.79	3.76	3.72	18.89
Buses, trucks vans etc. @ 1%	3.30	3.28	3.27	3.25	3.24	16.34
Total	**24.72**	**24.61**	**24.45**	**24.23**	**23.96**	**121.97**

Table 9: Estimated Revenues from NEV Adoption Levy (in PKR. Billion)

The steering committee will continuously review the rate of the proposed levy during the policy period to compensate for any shortfall in the revenue against requirement for cost sharing scheme and other valid charges related to adoption of NEVs given under this policy including NEV related skills development, building institutional capacity and setting up necessary apparatus and regime for testing of vehicles against approved safety, quality and environmental standards. If needed, any adjustment will be affected after obtaining permission from the Federal Government.

The adoption of NEVs presents opportunities to generate new revenue streams, such as increased use of electricity present in the grid, reductions in the oil import bill, revenue from selling carbon credits, and savings from minimized environmental impacts. Collectively, these factors contribute to a positive fiscal impact. It is viewed that while the proposed levy will ensure that the policy is revenue neutral, the net fiscal impact of NEV adoption far exceeds the cost if savings likely to accrue on the aforesaid account and health and productivity gains due are taken into consideration. An estimate in this regard is given at Table 10 below.

In order to create capacity for maintaining a verifiable record of GHG and carbon mitigation through this policy for access to carbon credits and similar funds Further, a New Energy Vehicles Center (NEVC) will be established. For this purpose, NEVC will work closely with the Ministry of Climate Change (MoCC) which is the designated authority responsible for establishing a centralized mechanism to monetize these carbon credits.

NEVC will also support MoIP in implementing this policy as well as rendering advise on NEV related technologies.

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Savings in fuel	13.83	42.96	88.96	153.54	238.57	537.87
Revenues from use of surplus power	4.54	14.04	28.98	49.86	77.21	174.63
Health & productivity gains	6.03	12.76	20.25	28.59	37.83	105.46
Possible carbon credits	0.39	1.21	2.51	4.34	6.76	15.22
Total savings	**24.79**	**70.97**	**140.71**	**236.33**	**360.37**	**833.17**
Fiscal impact of cost sharing scheme	8.95	18.99	24.16	25.62	22.64	100.37
Net impact	**15.83**	**51.98**	**116.55**	**210.71**	**337.73**	**732.80**

Table 10: Net Positive Fiscal Impact of NEV Adoption Targets

5.5 Model Electric Mobility Cities

To facilitate quick adoption of NEVs, Islamabad will be designated as a model electric mobility city. In the first phase, suitable areas within the Islamabad will be designated as NEVs zones.

The Capital Development Authority (CDA) will take measures to establish a suitably dense infrastructure of fast-charging stations, battery swapping facilities, and free NEV-only parking lots. Similarly, CDA will work with businesses to augment options for electric buses and ridesharing electric taxis, that will enhance public transport. These zones will also host EV-friendly commercial spaces and public awareness hubs to educate citizens.

These zones will serve as pilot areas for testing and showcasing NEV projects, acting as role models for future expansion of the infrastructure across other areas in the city. The lessons learned from these pilot zones will guide broader implementation strategies, ensuring a scalable and efficient transition. A separate five-year budgeted plan for this purpose will be prepared and implemented by CDA.

MoIP will work closely with the provincial governments including GB and AJK, to encourage them to create similar model cities within their jurisdictions.

5.6 Public Procurement of New Energy Vehicles

Immediately after promulgation of this policy, all new purchase of two and three wheelers in the federal government entities shall be NEVs. After 2027, the federal government shall purchase only NEVs. However, this condition shall not apply in case a suitable NEV is not available in the required category of vehicles.

Furthermore, to promote sustainable transportation, the federal government will mandate installation of at least one electric vehicle charging station at all its offices and apartment buildings by 2027.

MoIP will work closely with the provincial governments including GB and AJK, to encourage them to adopt a similar system for public procurement of NEVs.

5.7 Transition of Public Transport

Almost the entire intra-city public transport system is owned and run by the provincial governments. MoIP will work closely with the provincial governments to encourage them to prepare roadmaps for transitioning public transportation fleets to NEVs. This transition will lower operating costs for public transport, reduce the need for subsidies in this sector, and promote sustainable transportation within the provinces.

For Islamabad, CDA will take measures to transit to all NEVs intra-city public transport system by 2030. Ride-hailing companies and taxi service providers in Islamabad will be also encouraged to implement projects for the use of NEVs. A separate five years budgeted plan for this purpose will be prepared and implemented by CDA.

5.8 Public Awareness and Communication

The Ministry of Information and Broadcasting (MoIB) will take measures to raise awareness, promote participation, and influence users' preferences towards NEVs, ensuring that the message reaches a broader audience across all sections of society.

The MoIP will publish a Green Vehicles Guide (GVG) to provide easy to understand information and tools on environmental impacts of various types of vehicles available in Pakistan, including electric and hybrid vehicles, as well as their running cost. The GVC will assist buyers to choose vehicles which are more environment friendly as well as lead to cost saving for them. The GVC will be updated quarterly and will also be made available on the internet.

5.9 Vehicle Replacement Scheme

As and when after December 2027, the Steering Committee considers it appropriate, it may, with the approval of the Federal Government, introduce a scheme allowing exchange of ICE vehicles with NEVs. While in the initial years of its implementation, this policy focuses only on infusion of NEVs, it will also focus on reduction of the then existing ICE vehicle population depending upon the success achieved during the initial years. The broader structure of the scheme will be that any owner of an ICE vehicle who wishes to swap it for a NEV will be offered a credit on the basis of the original value of his vehicle. The old vehicle will subsequently be seized and scrapped by the government, removing it from the road. As a general principle, in order to maximize environmental advantage, the scheme will focus on the older and most pollutant vehicles first.

5.10 Buyer's rights

Experience of the automobile market in Pakistan indicates that the buyers faced several problems in relation to delays in the delivery of automobiles despite advance payment. There are also complaints in respect of non-provision of information on the delivery schedule by the suppliers. This lack of transparency leads undesirable practices including opportunity for middlemen to buy and hold a large number of automobile stock and charge a premium for prompt delivery.

To arrest such a repeat in case of NEVs, MoIP shall through the EDB, take measures to ensure that all NEVs manufacturing and supplying companies display the status of all vehicles booked by them along with advance payments received and tentative delivery schedule online. For this purpose, a central data base will be established by the EDB. This database will fetch information from manufactures and suppliers. Similarly, all manufacturers and suppliers will develop their database as well which will integrate with central data base. Both the databases will be available for public view.

In addition, in case the price of a NEV has been paid in advance in full or in part, any later change in the price shall be charged to the buyer only to the extent of the remaining payment. If, for example, full payment of a vehicle has been made at the time of booking, there shall be no change in the price. However, if a duty or tax is varied in between the advance payment and delivery of the vehicle, such variation may be affected being not in the control of the manufacturer or supplier. It may be noted that such variation may, in certain cases, result in lesser price for the buyer if the duty or tax rate is revised downward. Further, no manufacturer or supplier shall link booking of a NEV to advance payment exceeding 20% of the maximum retail price.

It will be most desirable that sufficient NEVs are available in stock ready to be delivered. If for any reason, vehicles are to be delivered after booking, these shall be delivered within a maximum period sixty days of the booking or such other period as is considered appropriate by the steering committee. In case the delivery is delayed beyond the allowed period, the manufacturer or supplier booking the order shall compensate the buyer by reimbursing him or making adjustments in the final price a penalty worked out @ KIBOR+3% on the advance payment received. Further, after the lapse of allowed delivery period, the buyer shall have an option either to continue the order or ask the manufacturer or supplier for reimbursement of the advance payment plus penalty amount. In case of the latter, the penalty amount shall be worked out from the date of initial booking till the date of final payment received by the buyer @ KIBOR+3% on the advance payment received.

The enforcement of aforesaid measures shall be the responsibility of EDB. All manufacturers and suppliers shall be liable to assist the EDB in this respect including supply of any information required by it from time to time.

The manufacturers and suppliers shall amend their booking order forms accordingly under intimation to the EDB.

The MoIP will bring a suitable legislation to provide necessary legal cover for effective implementation of this part. Such a legislation shall also include suitable pecuniary and other penalties to curb violation.

CHAPTER 6
INSTITUTIONAL SUPPORT

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INSTITUTIONAL SUPPORT

6.1 New Energy Vehicles Center

The federal government will also establish the New Energy Vehicles Center (NEVC) with the objective of developing a hub for research, development, and innovation to support sustainable transportation, proliferation of local NEVs industry, attracting local and foreign investment, and emissions reduction from the transport sector.

The NEVC will be expected to render policy and expert advice to the MoIP as well as the industry and other stakeholders. It would also assist in setting quality and safety standards as well as environmental safeguards in relation to NEVs. NEVC will work with appropriate academic and technical training institutions in developing qualified workforce in the field of batteries, motors, electronics, software etc., to meet automotive sector's emerging requirements locally and internationally.

The NEVC will inter alia have facilities for testing and standardization, data analytics and simulation laboratories.

The NEVC will also handle carbon accounting and track annual carbon savings from NEV usage. This data will be used for monitoring, evaluation, and further initiatives such as earning carbon credits or meeting NDC targets.

Further, NEVC will remain responsible for continuous monitoring and evaluating the impact of its interventions to gauge their efficacy, make adjustment where required and submit regular reports to the MoIP.

6.2 Vehicles Testing Facility

Pakistan commenced manufacturing of automobiles in 1953. On the average, now Pakistan produces 1.7 million vehicles out of which 1.5 million are motorcycles. However, Pakistan does not have any facility for testing vehicles for safety, quality and environmental impact at the manufacturing stage. As indicated by Table 9, it is expected that sufficient surplus funds collected through levy on ICE vehicles will remain available after satisfying the need of the cost sharing scheme. This surplus fund will be used to create sufficiently adequate and economically viable vehicles testing facility, focusing primarily on two and three wheelers which constitute the bulk of local production.

CHAPTER 7
REGULATIONS, SAFETY AND PERFORMANCE STANDARDS

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REGULATIONS, SAFETY AND PERFORMANCE STANDARDS

7.1 Vehicle Safety and Performance Standards

Pakistan is a signatory to the Agreement concerning the Adoption of Uniform Conditions of Approval and Reciprocal Recognition of Approval for Motor Vehicle Equipment and Parts done at Geneva on 20th March 1958, commonly known as the 1958 Convention. Pakistan acceded to the Agreement on 24th February, 2020. The Agreement provides a legal framework wherein acceding countries have agreed on a common set of technical prescriptions and protocols for "type approval" of vehicles and components and their reciprocal recognition. Type approval or certificate of conformity is granted to a product that meets a minimum set of regulatory, technical and safety requirements. Once any acceding country grants a type of approval, every other acceding country is obliged to accept that type approval and regard that vehicle or item of motor vehicle equipment as legal for import, sale and use. Currently, there are 168 UN Regulations appended to the 1958 Agreement; most regulations cover a single vehicle component or technology. Pakistan however, has not promulgated any law to enforce any safety, quality and environmental standards for the manufacturing of vehicles. Pursuant to item number 3, Part II of the Federal Legislative List of the Constitution, allows the Federal Government to enact a law to promote the automobile manufacturing as an industry. This will enable the adoption of uniform national standards and otherwise support countrywide development of automobile industry including NEVs.

Pakistan however, has not promulgated any law to enforce any safety, quality and environmental standards for the manufacturing of vehicles. Pursuant to item number 3, Part II of the Federal Legislative List of the Constitution, allows the Federal Government to enact a law to promote the automobile manufacturing as an industry. This will enable the adoption of uniform national standards and otherwise support countrywide development of automobile industry including NEVs.

The key question in this regard is the extent of regulatory control. While extensive regulatory control will lead to high quality vehicles it will also lead to a high regulatory burden and consequent increase in costs. To strike a balance between the two, a phased approach to regulatory control will be implemented in the medium-term. In terms of regulatory control this will mean that:

a) any vehicle that is compliant with the minimum UN or equivalent vehicle safety and performance standards will be allowed for import without further regulatory approvals;
b) any vehicle that is compliant with the minimum UN or equivalent vehicle safety and performance standards will be allowed to be manufactured in Pakistan without further regulatory approvals;

c) any vehicle component or system that is compliant with the minimum UN or equivalent vehicle safety and performance standards shall be allowed to be manufactured in Pakistan without further regulatory approvals;
d) any vehicle that is compliant with national regulatory standards shall be allowed to be manufactured in Pakistan subject to obtaining of type approval, stage approvals or component or system approvals from the EDB or any other authority designated by the federal government; and
e) any vehicle that is destined exclusively for export shall be allowed to be manufactured in Pakistan provided it is compliant with standards of the country of export.

MoIP will place the aforesaid statute before the National Assembly for promulgation, preferably within three months of the promulgation of the policy.

With a view to allow flexibility, specific safety and performance standards will be promulgated through regulations. Such regulations shall among other things provide for:

a) minimum requirements with respect to structural strength and integrity, crash worthiness, impact resistance, speed cap, weight and stability restrictions for different types of NEVs.
b) requirement that NEVs to carry or provide information on (i) energy consumption and efficiency, (ii) electric range, (iii) battery performance, (iv) battery durability, safety, recycling and safe disposal, (v) off-board charging standards, and (vi) a permanent NEV label for easy identification as a special category vehicle in case of an accident, or for road usage purposes.
c) minimum safety standards for battery safety, including thermal management and fire prevention measures to reduce risks of overheating and ensure battery durability;
d) labelling requirement for batteries including (i) safety standards including thermal management and fire prevention measures, (ii) unique identification number, (iii) chemistry, rating, capacity (Ah &Wh), expected number of cycles, temperature range, form factors, number of cells, types of cells, and (iv) recycling and/or disposal methods.

The statute and the regulations shall also put in place appropriate testing requirements The federal government shall therefore provide for the setting up of adequate testing facilities.

Since the EDB has already been declared as secretariat for the 1958 Convention, the enforcement and control in this respect shall continue to rest with it.

National Energy Efficiency and Conservation Authority (NEECA) shall develop standards for charging infrastructure including those related to electrical and fire safety, power plugs to serve different types of NEVs.

7.2 Licensing Requirement

All automobiles are manufactured in Pakistan under a certificate from the EDB. This arrangement ensures appropriate regulatory oversight and direction and shall continue in the case of NEVs as well. Licenses will be issued in three categories viz. (a) for the purpose of import, (b) for the purpose of assembling and manufacturing of a foreign vehicle, and (c) for the purpose of manufacturing of an indigenous vehicle.

EDB will ensure that all local value addition commitments are met, and suitable corrective measures will be taken in case of non-compliance.

CHAPTER 8
CLIMATE CHANGE AND ENVIRONMENTAL ASPECTS

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8.1 Environmental Safeguardsand End of Life Cycle Planning

From the environmental point of view, the main concern around NEVs is the mining of rare earth metals viz. lithium and cobalt, for manufacturing of battery cells. Since battery cells are unlikely to be manufactured domestically any soon, most serious environmental concerns do not apply to Pakistan. However, battery operations and end of life treatment of batteries and other electronic components impose a considerable environmental challenge, especially when the number of NEVs in Pakistan rises as per targets given in the policy.

In order to address this issue, MoIPwill put in place required regulations to establish environmental standards for the recycling processes, ensuring that these operations minimize risks and protect the environment. It will also outline clear instructions for the disposal, refurbishing, and material extraction from batteries and electronic equipment, promoting sustainable practices and responsible management of materials throughout their lifecycle.

Additionally, there is a need to encourage the industry as well as the end users to reuse and repurpose valuable materials from discarded electronics, contributing to a circular economy. This approach will not only reduce waste but also help conserve resources, fostering a more sustainable and efficient system for managing electronic products throughout their lifecycle. For this purpose, this policy proposes a separate framework to cover a broad spectrum of batteries and electronic components, with a particular focus on lithium-ion batteries, which are now most commonly used in the NEVs. The framework will outline various stages of recycling, including collection, transportation, and assessment of battery packs and individual cells. It will also detail the disassembly process, recycling methods, repurposing opportunities, and the final disposal procedures to ensure an environmentally responsible and efficient handling of these materials. Ultimate aim will be to establish a nationwide network of collection and recycling centers to reinforce each other.

For this purpose, the federal government will collaborate with a wide range of stakeholders, including provincial governments, NEVs and parts manufacturers, industry at large, persons involved in recycling, environmental organizations and consumer groups to ensure that production and waste cycles are aligned.

The framework will also focus on developing effective incentives and penalties to support success.

8.2 Leveraging Carbon Credits and Climate Finance

In this policy, Pakistan has set ambitious targets of NEV penetration to achieve GHG mitigation. While the country has set ambitious targets, it has limited availability of financial resources. Therefore, to cover the gap in financing, Pakistan will resort to international climate finance opportunities. This includes leveraging carbon credits, accessing climate funds such as GCF, MAF, IKI, CTF, GEF, and other relevant funding windows from multi-lateral development partners.

Pakistan will also seek technical support from various multilateral and bilateral, and other funding organizations in setting up the support system for NEVs. This includes but not limited to supporting the NEVC, testing facilities, certification modalities, project development, and other support necessary to achieve the accelerated adoption of NEVs.

CHAPTER 9
IMPLEMENTATION FRAMEWORK

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IMPLEMENTATION FRAMEWORK

9.1 National Action Plan

The success of this policy requires a whole of the government approach and a concerted effort by a host of agencies both within and outside the government. Further, these government agencies are placed at both the federal and provincial levels. In order to coordinate their effort and to clearly delineate responsibility for achieving envisaged policy objectives, outcomes and targets, a matrix indicating time bound action plan for each agency is at Appendix to this policy.

Each agency will be expected to complete its respective work while adhering to the timelines indicating in this plan. The steering committee may, in view of appertaining circumstances modify the timelines as it deems fit. Further the steering committee may add any other action in the National Action Plan which it considers is relevant to the adoption of NEVs in Pakistan at any stage.

All relevant agencies shall submit quarterly progress reports to the MoIP which will act as a focal Ministry for the implementation of the policy and the National Action Plan.

9.2 Policy Ownership, Measuring and Reporting Success

The overall responsibility for the delivery of policy objectives and targets and to bring all agencies and partners together for this purpose shall rest with the Steering Committee. The Committee will be headed by the Minister for Industries & Production, or as directed by him by Special Assistant to Prime Minister, on Industries & Production. The other members of the committee shall be (a) federal ministers for Finance, Climate Change, Energy (Power Division) and Communication, (b) federal secretaries of these Ministries and Divisions; (c) head of the EDB(e) any co-opted member deem appropriate to assist the committee in its functions. The Committee shall consult with relevant provincial government at an appropriate level in relation to any action which pertains to it. Further, Secretary Industries shall also work as the Secretary of the Committee. Within these broad parameters, the exact composition of the committee shall be decided by the MoIP. The committee may constitute one or more working groups to assist it in implementation of National Action Plan. It may also constitute panels of experts to seek advice on a matter of interest.

In the first six months after approval of the policy the steering committee will meet once each month. Thereafter, the steering committee will meet at least on a quarterly basis.

The working groups will report progress on policy outcomes and target sinter alia against the indicators given in the implementation matrix listed at Appendix 3to the Steering Committee on monthly basis in the first six months after the policy approval and on quarterly basis thereafter.

The Steering Committee will in turn report progress to the Prime Minister at least on a half yearly basis.

9.3 Continuous Review and Course Correction

The NEV sector is evolving rapidly, driven by advancements in technology, consumer preferences, and global best practices. Regular reviews will ensure that the policy adapts to these changes and addresses these gaps or barriers and will align the government's vision for sustainable transportation. The scope of review includes the following:

a) Cost sharing schemes: Evaluating the financial sustainability and effectiveness of public-private cost-sharing mechanisms for infrastructure development and vehicle subsidies. This will include revisiting funding allocations, incentives, and partnerships with private stakeholders.
b) Market trends and technology advancements: Reviewing progress in vehicle adoption rates, advancements in NEV technologies, and their integration with renewable energy sources like solar and biogas.
c) Environmental and social impact: Assessing the reduction in greenhouse gas emissions and the socio-economic benefits, particularly for marginalized communities.

A total of three comprehensive reviews will be conducted, in first three calendar months of the year 2026, 2028 and 2030 – spanning the policy period, to address barriers, incorporate feedbacks, and propose actionable adjustments.

9.4 Developing Synergies

Success in the promotion of NEVs will depend upon the work of a number of agencies and partners both within and outside the government. Even within the government, there are agencies that are placed at the federal and provincial levels. Hence, it is important that all these agencies and partners work in close coordination and with a unity of purpose.

For effective implementation, all the four provinces and the governments of GB and AJK will be encouraged to develop their own detailed action plans with specific targets, timelines, and responsibilities. These plans could address their unique needs and challenges, considering factors like infrastructure, transportation patterns, and economic development priorities.

In the interest of uniformity, all NEVs will comply to national standards in relation to safety and performance requirements. It is viewed that such uniformity will ensure inter-provincial operability as well create room for export in future. However, on road implementation of the standards shall largely rest with the provinces and regional governments.

Currently, there is no standard procedure for registration of NEV. Motor vehicle registration authorities in some provinces register EVs using a conversion formula that equates vehicles battery capacity in kilowatt (kW) rating to an equivalent internal combustion engine capacity in cubic

centimetre (cc) value. This approach is problematic as it attempts to fit EVs into the existing registration framework designed for ICE vehicles, that are categorized based on engine displacement (cc). To accurately reflect different categories of NEVs in line with international practice, MoIP will share a suggested set of registration rules with all provincial and regional governments within four months of the policy approval, and they will be encouraged to adopt it. From the user's point of view, uniformity in registration procedures will assist in operability and re-registration of vehicles across the provinces. It will also ensure collection of accurate de-segregated data for analysis and effective decision making.

The proposed registration procedure will inter alia examine the possibility for providing distinctive number plates for NEVs. Such a distinction will be helpful in allowing their users access to exemptions on road tolls as envisaged in the policy. Further, this can facilitate the creation of ultra-low emission zones in major cities by easing access control by drawing a visible distinction from ICE vehicles.

The provincial motor vehicles laws also require revision to address inconsistencies and ambiguities. For instance, the standards set by the Pakistan Standards and Quality Control Authority (PSQCA) for 3-wheelers differ significantly from those enforced by Punjab Transport Authority (PTA). This disparity creates challenges, as compliance with PSQCA standards may not align with Punjab's requirements. Therefore, it is essential to resolve these inconsistencies in standards and laws, to streamline and accelerate the adoption of NEVs.

Provincial governments will also be encouraged to train their emergency services provision department such as Rescue 1122, to train their first responders in effectively handling of NEV battery fires, including those occurring within vehicles, at charging stations, and at battery swapping stations. These incidents require specialized protocols and extinguishers to ensure safe and efficient management. Proper training will equip rescue teams with the skills and resources needed to effectively manage and control such fires, ensuring safety and minimizing risks. Similarly, in unfortunate incidents of NEV fires, first responders must be trained in providing the right medical treatment, initiating a need for updated training manuals and training programs in dealing with such medical emergencies.

Further, in the interest of lowering the cost of their acquisition and use, all provincial and regional governments will be encouraged to not to charge any fee for registration and annual renewal of registration of NEVs.

Another area requiring effective cooperation is the development of charging stations in multi-storied and apartment buildings, offices and parking lots. As it falls within their jurisdiction, the provincial and regional governments will be encouraged to amend their building rules, regulations and codes to introduce binding restrictions in this respect. MoIP will share a suggested set of rules with all provincial and regional governments for this purpose.

Moreover, federal government will develop Islamabad as a model electric mobility city. All provincial governments will be encouraged to develop at least one of their cities as a model electric mobility city. The NEVC could provide technical advice and other assistance for this purpose.

Provincial and regional governments will also be encouraged to transit procure NEVs as against ICE vehicles for their internal use. Further, they will be encouraged to transit to NEVs in meeting their requirements of intra-city public transport services. Such a transition is likely to result in cost savings when calculated in term of life cycle of the NEV.

9.5 Supplementary Measures

In addition to the primary NEV Policy, a set of supplemental documents will be developed to address critical areas and facilitate the effective implementation and uptake of NEVs across the country. These documents will focus on key verticals that complement the policy framework and provide clarity on associated regulations and standards.

a) Battery Disposal and Recycling Policy: The transition to NEVs will result in the widespread use of batteries, necessitating a dedicated framework for their recycling and safe disposal. The battery disposal and recycling policy will outline a safe disposal practice to mitigate environmental risks associated with improperly discarded batteries, while clearly defining the roles and responsibilities of manufacturers, consumers, and recycling companies to ensure compliance and promote sustainable battery management.

b) E-Waste Management Policy: The mass adoption of NEVs will also generate electrical and electronic waste (e-waste) from broken, outdated, or obsolete components. To cater that e-waste, the supplemental policy will establish standards for the proper disposal of NEV-related e-waste, including electronic components and systems, while implementing measures to prevent soil and water contamination from hazardous materials. Additionally, it will promote recycling initiatives to recover valuable resources and minimize landfill waste, ensuring an environmentally sustainable approach to managing electronic waste.

c) Revamping Licensing Regime by EDB: The existing manufacturing license process and quota allocation system managed by the EDB will be revamped to enhance efficiency and transparency. A key focus will be on digitizing business processes, creating a streamlined and accessible platform for manufacturers. This modernization will not only simplify application and approval procedures but also ensure equitable distribution of quotas and licenses, fostering a competitive and innovation-driven manufacturing landscape. In line with the new policy EDB will also develop a regime to promote NEV specific vendor industry such as advanced batteries, motors, electronics and IoT, software and others.

d) Regulations and Standardization Development: The development of regulations and standardization for NEVs will be tailored to the local context, taking into account Pakistan's unique dynamics and parameters. These standards will ensure the

compatibility, safety, and reliability of NEV components, vehicles, and infrastructure while fostering alignment with international benchmarks.

e) Establishment of NEV Testing Center& Certification Regime: The need to test vehicles against performance, quality and environmental standards is obvious. For this purpose, EDB will establish testing facilities. The guiding principle in this regard will be to seek collaboration with existing testing facilities in private sector as well as establish critical facilities which cannot be accessed in the private sector through public funding.

f) Vehicle Registration Regime: A new licensing and registration regime will be developed to address the issue of registration of NEVs as mentioned in section 9.4 which will focus on introducing a new registration criteria tailored to unique attributes of NEVs such as motor power, torque, and battery capacity. The policy will also foster provincial integration through a standardized framework to streamline registration processes across the country.

g) Roadmap for achieving zero-emission transport for Pakistan: A structured and phased approach will be adopted, focusing on policy implementation, achieving milestones, and setting progressively ambitious targets to transition Pakistan to a zero-emission transport fleet by 2060. This plan will be reinforced by established policies and initiatives designed to ensure the successful realization of theroadmap.

APPENDIX

APPENDIX

NATIONAL ACTION PLAN

Sr#	Lead Agency	Required Action(s)	Tentative Timeline
A. Federal Ministries and other Entities			
1.	Ministry of Industries & Production, supported by Engineering Development Board, New Energy Vehicles Center	Submission of draft legal framework for constituting NEVC before the Federal Cabinet	3 months
		Submission of draft legal framework for providing statutory status to EDB	6 months
		Revamping manufacturing license processes and quota allocation by EDB	6 months
		Adoption of relevant UNECE/equivalent regulations on NEV quality, performance and safety	6 months
		Development of national standards on NEV quality, performance and safety	6 months
		Regulations on internal combustion engine vehicles emissions and performance standards	1 year
		Establishment of New Energy VehiclesCenter (NEVC)	6 months
		Setting up a system for collection and management of NEV carbon mitigation data	8 months
		Establishment of standardization and calibration facilities for testing quality, performance and safety of NEVs	2 years
		Updated vehicles purchasers invoice template for transfer of ownership of carbon credit rights	6 months
		Coordination with UNFCCC on carbon credit registration	3 months
		Revised business processes for grant of regulatory approvals in relation to NEVs industry as well as charging stations by key federal and provincial entities	6 months
		Establishment of single window for facilitating NEVs regulatory permissions	6 months
		Digitalization of EDB business processes	1 year
		Policy, standards and regulation for environmental safeguards in relation to NEVs, especially end-of-life treatment of batteries	1 year

Sr#	Lead Agency	Required Action(s)	Tentative Timeline
		Circulation of model regulations for registration of NEVS to all provinces, AJK and GB	6 months
		New automobile policy including tariff structure for NEVs	June, 2026
2.	Ministry of Energy - Power Division	Approval of charging infrastructure related regulations	6 months
		Ensuring expedient provision of electric connection to charging stations	6 months
		Inclusion of time taken in approval and provision of electric connection to charging stations as a KPI for DISCOs	6 months
3.	Ministry of Finance (MoF)	Timely allocation of budget for cost sharing scheme and VGF as per policy targets	On-going
4.	Federal Board of Revenue	Bringing rate of sales tax applied on imported parts at par with the rate applicable to locally manufactured	Next financial year
5.	State Bank of Pakistan	Consider including NEVs manufacturing and procurement in the green financing portfolio	3 months
		Re-evaluate existing auto finance regime for NEVs to increase financing and tenure limit	3 months
6.	Ministry of Climate Change & EC	Monetization of carbon credits	2 years
		NDC reporting	On-going
		Facilitating climate finance	On-going
7.	Public-Private Partnership Authority	Promote PP investment in NEVs	On-going
		Assist in rolling out of NEV PPP infrastructure projects	On-going
		Development of procedures for roll out of VGF for charging stations	3 months
8.	Ministry of Education/ NEVTAC	Launch New Energy Apprenticeship Program	6 months
		Development of NEV related skilled workforce to meet domestic needs and possible export	On-going
9.	Ministry of Commerce	Tariff rationalization as indicated in the policy by Tariff Policy Board	3 months
		Notification of import and export conditions	3 months

Sr#	Lead Agency	Required Action(s)	Tentative Timeline
10.	Ministry of Interior/ Capital Development Authority	Development of budgeted plan for establishing Islamabad as a model NE city	6 months
		Phased implementation of plan	5 years
		Revamp approval process for charging stations	3 months
		Updated building codes to support charging infrastructure	3 months
		Develop NEV fire handling procedures and conduct training in these procedures	3 months
		NEV fire handling training	3 months
		Training on safe handling of NEV accidents	3 months
11.	Ministry of Communication	40 charging stations on motorways and highways	3 months
		Rationalization in toll taxes	3 months
		Training on NEV safety	3 months
		Safe handling of NEV accidents	3 months
		First responder training on handling fire burns	3 months
12.	Ministry of Energy - Petroleum Division	Action plan for proliferation of charging station at OMC locations	6 months
		Conduct geological surveys for rare earth metals, lithium, zinc and cobalt	5 years
		Mandate that all new fuel stations will have charging infrastructure	3 months
13.	Ministry of information & Broadcasting	Public awareness campaigns	On-going
B. Provincial Government Departments and other Entities			
14.	Excise & Taxation Departments	Revamped registration regime for NEVs, consider model regulations circulated by federal government in this respect	3 months
		Removal or reduction of registration fee and annual renewal charges for NEVs	3 months
		Distinctive number plate for NEV	6 months
15.	Transport Departments	Consider implementing demand incentivization scheme on the lines of federal scheme	On-going
		Update road worthiness framework for NEVs	6 months

Sr#	Lead Agency	Required Action(s)	Tentative Timeline
16.	Local Government Departments, relevant building control authorities	Update building bylaws to facilitate NEV charging	6 months
		Improve procedures for grant of approvals for establishment of charging stations	3 months
		Consider establishing NEV model cities in line with Islamabad	5 years
17.	Emergency service, traffic police and civil defence authorities	Develop NEV fire handling procedures	3 months
		Training on battery and NEV safety	3 months
		Safe handling of NEV accidents	6 months
		First responder training on handling fire burns	6 months

PAVE

Pakistan Accelerated Vehicle Electrification Program