

NEW ENERGY VEHICLES POLICY

2025-30

ACKNOWLEDGEMENT

This policy is the result of a collaborative effort of various federal and provincial government entities, automobile industry, academia, and financial institutions. 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 deep dive 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, Sustainable Development Policy Institute (SDPI) 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.

TABLE OF CONTENTS

.....	0
ACKNOWLEDGEMENT	1
LIST OF ACRONYMS	4
EXECUTIVE SUMMARY	6
CHAPTER 1	8
INTRODUCTION	8
1.1 CONTEXT	8
1.2 CURRENT STATE OF NEW ENERGY VEHICLES	9
1.3 KEY POLICY GAPS	10
1.4 POLICY OBJECTIVES	10
1.5 SCOPE OF THE POLICY	11
CHAPTER 2	12
POLICY TARGETS AND KEY INTERVENTIONS	12
2.1 POLICY TARGETS	12
2.2 CLIMATE GOALS AND EMISSION REDUCTION	12
2.3 OIL IMPORT SAVINGS	13
2.4 HEALTH AND SAFETY BENEFITS	13
2.5 OPPORTUNITY FOR DEVELOPMENT OF NEW INDUSTRY AND GREEN JOBS	14
2.6 LOWER OPERATING COST AND ENERGY FLEXIBILITY	14
2.7 KEY INTERVENTIONS	15
CHAPTER 3	16
MANAGING THE SUPPLY SIDE	16
3.1 LOCAL PRODUCTION OF NEW ENERGY VEHICLES	16
3.2 FAIR MARKET PRINCIPLES	16
3.3 EASE OF DOING BUSINESS COMMITMENT	17
3.4 NATIONAL VEHICLE EMISSION EFFICIENCY STANDARD	17
3.5 CRITICAL MINERALS RESOURCING	17
3.6 NEW ENERGY APPRENTICESHIP AND NEW ENERGY SKILLS PROGRAM	18
3.7 ACCESS TO GREEN FINANCING, TRADE AND INVESTMENT FACILITATION	18
CHAPTER 4	20
CHARGING INFRASTRUCTURE	20
4.1 CHARGING INFRASTRUCTURE TARGETS	20
4.2 POWER TARIFF	20
4.3 CHARGING REGULATIONS	21
4.4 VIABILITY GAP FUNDING	21
4.5 NATIONAL MAPPING TOOL	22
CHAPTER 5	23
AUGMENTING NEV DEMAND	23
5.1 COST SHARING SCHEME	23
5.2 FREE REGISTRATION AND EXEMPTION FROM TOLLS	24
5.3 EASING ACCESS TO CREDIT FOR NEVS	25
5.4 FUNDING THE TRANSITION	25
5.5 MODEL ELECTRIC MOBILITY CITIES	26

5.6	PUBLIC PROCUREMENT OF NEW ENERGY VEHICLES	27
5.7	TRANSITION OF PUBLIC TRANSPORT	27
5.8	PUBLIC AWARENESS AND COMMUNICATION	27
5.9	REPLACEMENT SCHEME	28
5.10	BUYER’S RIGHTS	28
CHAPTER 6	.....	30
INSTITUTIONAL SUPPORT	.....	30
6.1	NEW ENERGY VEHICLES CENTER.....	30
CHAPTER 7	.....	31
REGULATIONS, SAFETY AND PERFORMANCE STANDARDS	.....	31
7.1	VEHICLE SAFETY AND PERFORMANCE STANDARDS.....	31
7.2	LICENSING REQUIREMENT	32
CHAPTER 8	.....	33
CLIMATE CHANGE AND ENVIRONMENT – CHALLENGES AND OPPORTUNITIES	.....	33
8.1	ENVIRONMENTAL SAFEGUARDS AND END OF LIFE CYCLE PLANNING	33
8.2	LEVERAGING CARBON CREDITS AND CLIMATE FINANCE	33
CHAPTER 9	.....	35
IMPLEMENTATION FRAMEWORK	.....	35
9.1	NATIONAL ACTION PLAN.....	35
9.2	POLICY OWNERSHIP, MEASURING AND REPORTING SUCCESS	35
9.3	CONTINUOUS REVIEW AND COURSE CORRECTION	36
9.4	DEVELOPING SYNERGIES	36
9.5	SUPPLEMENTAL DOCUMENTS & INITIATIVES TO SUPPORT POLICY	37
APPENDIX	.....	40
NATIONAL ACTION PLAN	.....	40

LIST OF ACRONYMS

ADB	Asian Development Bank
AIDEP	Automotive Industry Development and Export Plan
AIIB	Asian Infrastructure Investment Bank
AJK	Azad Jammu and Kashmir
BEVs	Battery Electric Vehicles
CAGR	Compound Annual Growth Rate
CCP	Competition Commission of Pakistan
CDA	Capital Development Authority
CC	Cubic Centimeter
CSR	Corporate Social Responsibility
CTF	Climate Transformation Fund
CVT	Capital Value Tax
DISCOs	Distribution Companies
EDB	Engineering Development Board
EVs	Electric Vehicles
e-Waste	Electronic Waste
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
IsDB	Islamic Development Bank
IEA	International Energy Agency
IKI	International Climate Initiative
IMF	International Monetary Fund
IoT	Internet of Things
IT	Information Technology
KIBOR	Karachi Interbank Offered Rate
KPIs	Key Performance Indicators
kW	Kilo Watt
LCEVs	Light Commercial Electric Vehicles
MAF	Mitigation Action Facility
MoIP	Ministry of Industries and Production
MoIB	Ministry of Information and Broadcasting
NAP	National Action Plan
NDCs	National Determined Contributions
NEAP	New Energy Apprenticeship Programme
NEECA	National Energy Efficiency and Conversion Authority
NEESP	New Energy Skills Programme
NEV	New Energy Vehicle
NEVC	New Energy Vehicles Centre
NEVF	New Energy Vehicles Fund

NHA	National Highway Authority
NTP	National Tariff Policy
NVEES	National Vehicle Emission Efficiency Standard
NVTTC	National Vocational and Technical Training Commission
NEAP	New Energy Apprenticeships Program
MoIP	Ministry of Industries and Production
OEMs	Original Equipment Manufactures
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
PTA	Punjab Transport Authority
PSW	Pakistan Single Window
REEVs	Range Extended Electric Vehicles
ROI	Return on Investment
RSF	Resilience and Sustainability Facility
SBP	State Bank of Pakistan
SC	Steering Committee
tCO ₂	Tons of Carbon Dioxide
TWh	Terawatt-hour
TEVTA	Technical Education and Vocational Training Authority
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
UNFCCC-CDM	United Nations Framework Convention on Climate Change – Clean Development Mechanism
VGF	Viability Gap Financing
WHT	Withholding Tax
ZEVs	Zero-Emission Vehicle

EXECUTIVE SUMMARY

The **New Energy Vehicles (NEV) Policy 2025-30** aims at reduction of greenhouse gas 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, creating green jobs and fostering synergies among the federal and provincial governments to ensure a cohesive approach toward sustainable transportation.

The Government of Pakistan promulgated the National Electric Vehicles Policy in 2019 with ambitious goals to bring vehicular sales to 30% by 2030. Due to various implementation challenges and the COVID-19 pandemic, the policy fell short of its targets. Adoption of electric vehicles picked up marginally with the promulgation of Automotive Industry Development and Export Plan (AIDEP) 2021-26. However, it was viewed that significant improvement will not be possible in the absence of a comprehensive policy framework. The NEV policy envisions converting 30% of new sales to new energy vehicles in two and three wheelers, passenger cars, light commercial vehicles, buses and trucks by 2030. Beyond the policy period, the country has ambitions in reaching NEV sales to 50% by 2040 and 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. Stakeholders were of the view that while the supply-side interventions from the 2019 EV Policy under AIDEP 2021-26 have not been fully implemented, they should continue with necessary corrections to address overlooked issues. There is potential to achieve a high level of localization for two and three-wheelers NEVs within two years if the right policy interventions are applied. A major barrier to NEV adoption is their high upfront cost, necessitating measures to reduce prices closer to those of internal combustion engine vehicles in line with regional and global trends. They 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, they called for a review of the State Bank of Pakistan's conservative auto-finance policies/guidelines to better support NEV adoption and improve financing options.

To address the key policy gaps and implementation barriers, NEV Policy 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 NEV production.
- (b) **Charging infrastructure development:** A robust charging network is critical for NEV adoption. The policy plans for 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 to encourage private sector investment for the setting up of charging stations.

- (c) **Augmenting NEV demand:** To make NEVs more accessible, the policy proposes a revenue neutral cost-sharing schemes, rationalized registration and token fees, 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 emphasizes the adoption of international safety and performance standards for NEVs. It also outlines revamped licensing requirements and improved 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, overseen by a steering committee, will ensure the coordinated implementation of the policy. 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

1.1 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. This number increased significantly to nearly 36 million by 2023 with Compound Annual Growth Rate (CAGR) of 11%.

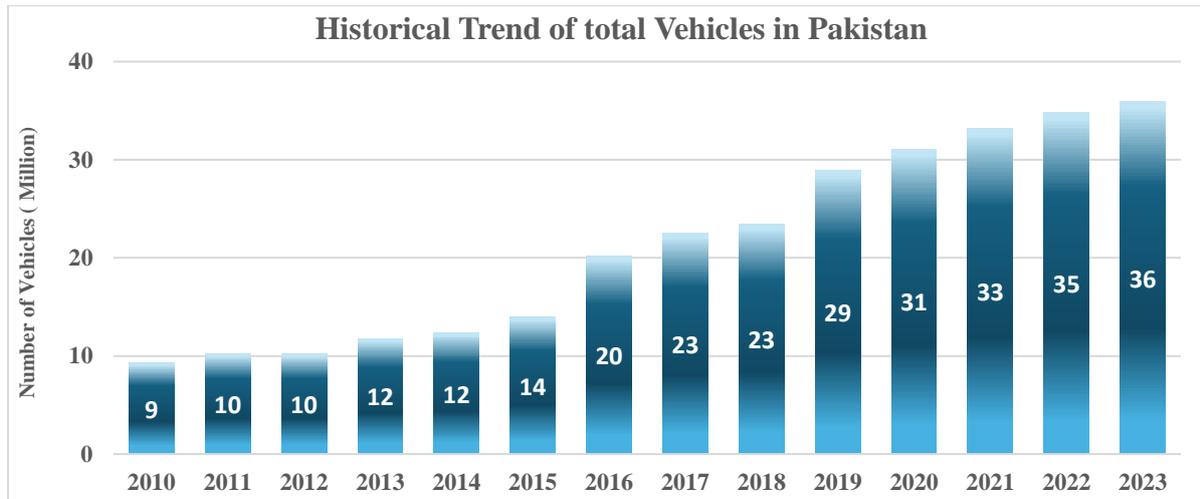


Figure 1 Historical trend of total vehicle in Pakistan

At the same time however, as per 2012 Emissions Inventory of Pakistan, nearly 10% of the 374 million metric tons of carbon dioxide (tCO_2) emissions in Pakistan originated from transport sector¹. This figure increased to 60 million tCO_2 in FY2019-20² 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 Electric Vehicles (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 five years. However, Pakistan is lacking behind many emerging and regional economies in the uptake of NEVs.

In Pakistan's context, apart reduction in the emissions, adoption of NEVs will also trigger the use the surplus power and marked reduction in oil import bill. Pakistan's electricity generation capacity has grown steadily in recent years, but its utilization remains significantly low. In the

¹ https://www.gcisc.org.pk/GHGINVENTORY2011-2012_FINAL_GCISRR19.pdf

² <https://pubs.aip.org/aip/adv/article/14/3/035320/3270873/Transforming-the-transportation-sector-Mitigating>

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 just 49.8%. 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.³

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 detailed transition mechanisms. Pakistan introduced its initial EV policy in 2019, followed by specific incentives in 2021. These measures were integrated into the Auto Industry Development and Export Plan 2021-2026 (AIDEP) by the Ministry of Industries & Production (MoIP).

The COVID-19 pandemic severely disrupted progress on EVs. However, post-pandemic, Pakistani manufacturers have resumed efforts toward production of EVs. By December 2024, a total of 58 manufacturers have secured licenses to produce electric two and three wheelers, while two licenses have been issued for electric car assembly. While the industry shows promising growth, the original policy targets remain unmet.

Table 1 EV Policy 2019 Targets and achieved numbers

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		

Given this context, the need for bringing in a new policy to accelerate the adoption of EVs is evident. For this new policy, a concerted effort was made to critically review the 2019 EV policy to determine gaps, and hear all stakeholders, most importantly the budding EVs industry. The MoIP, in collaboration with the Engineering Development Board (EDB), held over 80 meetings with key stakeholders, including federal agencies, provincial governments, financial

³ Pakistan’s electric grid is currently 40% renewable and is expected to grow to 60% renewable by 2030. Due their efficiency, NEVs required 65% less energy in their operations. Overall, only 20% or less oil equivalent is needed to travel the same distance in a NEV.

institutions, regulatory bodies, original equipment manufacturers (OEMs), vehicle parts manufacturers, service providers, 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 EV Policy 2019 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 internal combustion engine 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 up of charging stations; attractive power tariff structure is urgently required to encourage charging infrastructure growth; and
- (f) The current conservative Auto-finance regime of the State Bank of Pakistan (SBP) needs a review in case of NEVs.

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 whole-of-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 seasonal smog.
- (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).
- (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 of 50 kilometres in pure electric mode on a single charge with zero tailpipe emissions. Moreover, during the policy period, the definition of NEVs in this document may be revised based on technological trends in Zero Emission Vehicles (ZEVs) as and when they emerge.

Furthermore, the policy outlines a phase wise 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

2.1 Policy Targets

EV Policy 2019 failed to meet its five years targets. Despite this setback the NEV Policy 2025-30 still aims to achieve 30% of new vehicle sales by 2030. This policy targets accelerated adoption of NEVs to reach its 2030 targets. Beyond the policy period, Pakistan aims to achieve an ‘ambition’ of 50% of new vehicle sales as NEVs by 2040, and 100% of new vehicle sales as NEVs by 2050 across all segments. To this end, Pakistan has ambition to reach 100% Zero-Emission Vehicle (ZEVs) fleet by 2060.

Table 2: NEV Adoption Targets

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 / LCVs	186	382	588	806	1,034	2,996
Total vehicles	125,500	266,415	424,178	600,340	796,582	2,213,015

For charging infrastructure deployment, Phase 1 of 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 policy approval.

Subsequently, the policy outlines a phased 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 for opportunistic charging, swapping stations for two- and three-wheelers, and Level 1 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 deployed each year.

Table 3: Planned deployment of charging stations per year

	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 total emissions and has the highest reliance on fossil fuels. A recent study illustrates that such emissions contribution in larger cities is much higher and is a leading cause of environmental degradation, health issues, economic cost with periodic

episodes of smog⁴. 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 *tCO_{2e}* from the transport sector by 2030. It is expected that additional economic benefits from such a reduction will be around USD 405 million in terms of savings on health spending and enhanced productivity within policy period.

Table 4: Yearly emission saved from NEVs (million *tCO_{2e}*)

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

2.3 Oil Import Savings

According to PES 2023-24, Pakistan consumed 16.7 million tons of oil, with about 77% of it used by the transport sector in year 2023. The oil consumption in the transport sector alone is projected to rise to 18 million tons, driven by growing economic demands and a young population with a median age of less than 21 years, leading to more people vying for vehicular use. 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 or (total 1.823 million tons of oil equivalent) by 2030, strengthening its economy and enhancing energy security.

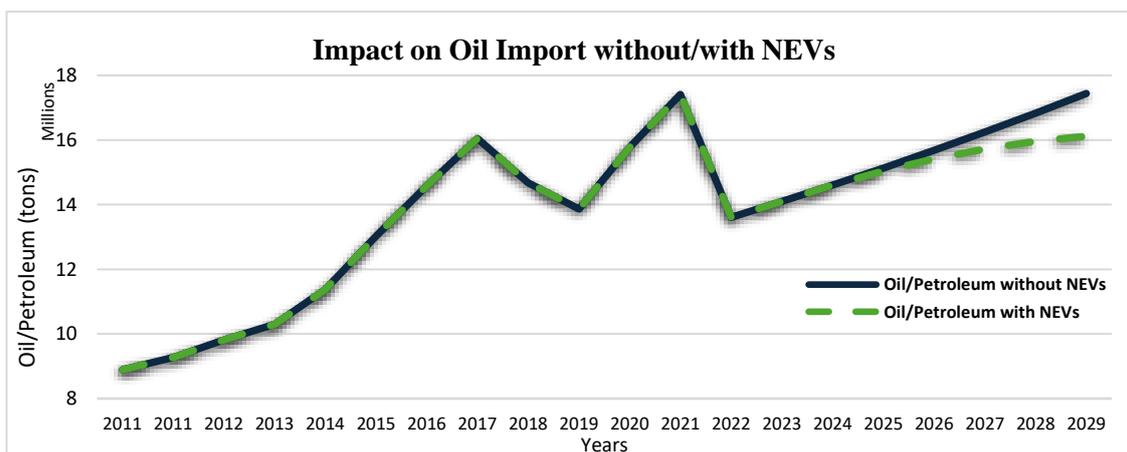


Figure 2 Historical utilization of Oil, and impact on Oil utilization with and without NEVs

2.4 Health and Safety Benefits

Air quality in larger cities in Pakistan is significantly impacted by particulate matter (PM), particularly PM_{2.5}, which poses severe health risks. These fine particles, originating from

⁴Sectoral Emissions Inventory, Lahore, The Urban Unit, Government of the Punjab

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. Table 5 shows the impact of air quality on health and economy which can be saved from NEV uptake in the country.

Table 5 Better air quality impact on health and economy due to NEVs

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Air Quality impact on health and economy (in Rs. Billion)	6	13	20	29	38	105

2.5 Opportunity for Development of New Industry and Green Jobs

Transition to NEVs can catalyze the development of jobs and new skillsets in Pakistan across the NEV ecosystem including manufacturing, charging infrastructure development, 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 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 Internet of Things (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-wheeler category.

2.6 Lower Operating Cost and Energy Flexibility

Studies indicate that on the average an ICE vehicle consume around 10 Liters of fuel per 100 km, costing an individual around PKR 2,600⁵. In comparison, an equivalent electric vehicle uses around 14 kWh of electricity per 100 km, costing an individual roughly PKR 840⁶. Further, BEVs are more efficient as these can turn over 70% of electrical energy into kinetic

⁵ Fuel Price: Rs. 260 per liter (As of December 2024)

⁶ Electricity rate: Rs. 60 per kWh (As of December 2024)

energy. On the contrary, internal combustion engine vehicles can only convert a quarter (25%) of energy from chemical energy to kinetic energy.

2.7 Key Interventions

This policy to achieve targets is based on 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 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 2030 and will also lay the foundation for future direction beyond its stipulated timeframe. It is a national policy and will be delivered in collaboration with provinces, regional governments, industry, businesses and citizens at large.

The policy provides for a comprehensive framework for regular quarterly 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 subsequent chapters.

CHAPTER 3

MANAGING THE SUPPLY SIDE

3.1 Local Production of New Energy Vehicles

Being a relatively new technology, the most likely scenario is that most of the NEVs, especially in the four wheelers category, entering in Pakistan's market 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 90% localization in respect of ICE two and three wheelers and 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, by March 2025, 58 certificates for local assembly and manufacturing of two and three-wheeler and 2 licenses for local assembly of four-wheeler NEVs have already been issued. Simultaneously, the local assembly and production capacity of electric two and three-wheeler has risen to 2 million vehicles per annum till March 2025.

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 prior to the conclusion of AIDEP 2021–26 as part of a new automobile sector policy,

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, businesses compete not only on prices but also to innovate resulting in additional gains for customers. It is expected that a competitive market will enhance overall economic efficiency and benefit both the industry and users.

Further, steps will be taken as and where required to avoid price dumping in NEV market.

3.3 Ease of Doing Business Commitment

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 provincial government entities. 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.

Further, Pakistan Single Window (PSW) facility will be available for import or export related procedures.

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 makers will be encouraged to supply automobiles that are more fuel efficient, including the NEVs. The standards will help set up an average target of carbon emissions per kilometer for the fleet of new vehicles sold each year. Any automobile maker who exceeds the target will earn credits, as in case of several other jurisdictions, the standard is likely to assist in increased supply of low and ZEVs.

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 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

Ministry of Industries & Production (MoIP) in collaboration with National Vocational & Technical Training Commission (NAVTTTC) 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 integrate NEV related curriculum into the existing education programs offered to students at universities.

Similarly, provincial governments will also establish trainings programs on battery technologies, electric motor, power electronics, charging and others. Additionally, with Technical Education & Vocational Training Authority (TEVTA), vocational trainings programs will be launched to equip technicians and mechanics with skills for NEV maintenance, repair and charging infrastructure installation.

3.7 Access to Green Financing, Trade and Investment Facilitation

Proliferation of NEVs will hinge upon the ability of OEMs in particular and the automotive sector supply chain in general to manufacture enough vehicles and parts to meet policy targets during a stipulated timeframe in each of the NEV categories. This may require relevant OEMs and their supply chain partners to upgrade their manufacturing facilities in some cases and/or maintain sufficient raw material inventories in order to keep the growing market segment adequately supplied with requisite NEVs. One of the salient factors for OEMs and related parts manufactures to meet the delivery requirements will be the ability of the overall automotive support ecosystem to make readily available and ample financing.

MoIP shall work with relevant ministries and stakeholders to explore multilateral and bi-lateral climate fund financing options which can be channeled into the NEV green initiative. Efforts will be made to solicit funding from Multilateral Developments Partners and donor agencies to attract funding for the proliferation of NEVs. Financing solutions, especially green supplier financing solutions offer potentially lucrative co-finance avenues for development partners and private sector to work together.

Further, development of NEV infrastructure will offer potentially lucrative financing opportunities through the use of blended finance. As mentioned in the “Charging infrastructure” section of the policy, the GoP shall make available VGF to make those charging stations palatable for investment which otherwise may not offer attractive total returns. MoIP shall work with relevant ministries and stakeholders to not only offer VGF through public-private partnerships (PPP) but also encourage banking sector, development partners and other climate investment funds to structure blended finance program(s) which can finance such private sector-led bankable projects which also offer risk defeasance opportunities.

There are myriad global green financing windows available which may be tapped to enhance financing available across the capital structure for the adoption of NEVs. However, in order to tap such financing windows, such global green funds ought to be made aware of the number of financing and investment opportunities on the horizon pursuant to NEV Policy interventions. MoIP will, in coordination with other relevant stakeholders, develop a robust database of such global climate and green financing funds and work on a marketing plan to ensure relevant funds

remain abreast of financing and investment opportunities in the local NEV ecosystem. Further, it is critical that such funds are offered best-in-class business facilitation services in the event they wish to set-up on-shore operations. This will require close coordination amongst a number of government entities and regulatory bodies such as the SBP, SECP and so on. MoIP will ensure that due care and diligence is offered to this aspect under the Steering Committee periodic reviews.

CHAPTER 4

CHARGING INFRASTRUCTURE

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 3⁷ 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 (mentioned in Table 6) including fast chargers, level 2⁸ chargers, swapping stations for 2&3-wheelers, and level 1⁹ charging in parking lots for 2&3-wheelers, in a phased manner during the policy period.

Table 6: Planned deployment of charging stations per year

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

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 GB and 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

Efforts have been made to offer an affordable power tariff for charging stations. Additionally, these stations will be integrated with smart metering systems to ensure efficient and cost-effective energy consumption.

⁷ Level 3 Charging is a fastest charging option, utilizing direct current (DC) at 400-800V or higher. Its 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.

⁸ Level 2 charging requires a dedicated 220-240V outlet and delivers power at 4-22 kW, depending on the system's capabilities. It is suitable for workplaces, shopping centres etc.

⁹ Level 1 is the slowest charging option, utilizing a standard 220-240V outlet and can delivers 1-3 kW of power. Level 1 is suitable for overnight home-based charging.

Effort will also be made to allow bus operators that have established their own charging stations are eligible for the same affordable rate to encourage adoption of NEV buses and promote a greener public transport system.

The Power Division and the relevant Distribution Company (DISCO) will 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, DISCOs will be encouraged 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 Conservation 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. The Ministry will share a model regulation with the provincial and regional governments within six months of the promulgation of this policy. 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 for charging is expected to provide sufficient Return on Investment (RoI) to attract investment for setting up of charging stations. However, feasibility of setting up charging stations is expected to vary on a case-to-case basis, contingent on several factors including location, vehicle throughput, 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 Financing (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.

Table7: Estimated VGF requirement for deployment of charging stations

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Number of Public Charging Stations	36	57	83	120	155	450
Financing (Rs. Million)	180	285	413	600	773	2250

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 P3A to establish a framework to further strengthen the governance and risk management associated with the VGF for charging infrastructure. 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 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, including the Asian Development Bank (ADB), International Finance Corporation (IFC), 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

To support ease in locating a particular charging facility, MoIP will develop and deploy a national mapping tool. Apart from assisting the drivers, the national map will facilitate planning and inform future investment.

CHAPTER 5

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. 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 internal combustion engine 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, commercial vehicles and charging stations. 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, commercial vehicles, which represent around 5% of this segment, will be eligible for cost-sharing benefits. Similarly, vans, constituting 50% of the total bus segment, and LCVs, accounting for 60% of the truck segment, will also be supported under this initiative.

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 an 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;
- (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 depending *inter alia* on his income and 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 Rs. 65,000 and Rs. 400,000 for two and three wheelers respectively. In the case of four wheelers, vans, light commercial vehicles, trucks and buses, it will be Rs.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 is as given at Table 8 below.

Table 8 Yearly Declining Cost Sharing on NEVs¹⁰ (in Rs. Billion)

Type	2025-26	2026-27	2027-28	2028-29	2029-30	Total 2030
Percentage ¹¹	100%	100%	80%	60%	40%	
Two wheelers @Rs. 65,000	7.54	16.04	20.46	21.75	19.26	85.05
Three wheelers @ Rs. 400,000	1.27	2.66	3.34	3.50	3.06	13.83
Car taxis etc. @200,000	0.06	0.12	0.15	0.16	0.14	0.64
Buses, vans, etc. @ 700,000	0.05	0.10	0.12	0.13	0.11	0.51
LCVs, pick ups etc. @ 300,000	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

5.2 Free Registration and Exemption from Tolls

To encourage the adoption of NEVs in the country, no vehicle registration fee will be charged in Islamabad. Additionally, NEVs 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 motor vehicle registration and annual token fees for NEVs.

¹⁰ Based on number of vehicles given in Table 1

¹¹ The percentage reduction in cost sharing will be affected either by proportionate reduction in the number of targeted vehicles or reduction in the cost sharing.

In addition, the NHA shall exempt NEVs from any 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 the 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. the maximum financing limit is PKR 3 million and the maximum tenor is of three years. 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 the 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, feebates as a levy on internal combustion engines will be imposed. 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.

A levy on the first sale of locally manufactured and imported (whether old or new) two and three-wheelers internal combustion engine vehicles @ 1%, four-wheelers up to 1300cc @ 1%, four-wheelers 1300cc-1800cc @ 2%, and four-wheeler above 1800cc @ 3%, and buses & trucks @ 1% could result in additional estimated revenue of Rs. 122 billion for the policy period.

As indicated by Table 9, the total fiscal space resulting from the proposed levy will be sufficient to meet year on year requirement of the cost sharing scheme.

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

Feebate on conventional vehicles	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Two and three wheelers @ 1%	3.00	2.96	2.91	2.85	2.76	14.48
Four wheelers (below 1300cc) @1%	3.24	3.23	3.21	3.19	3.16	16.02
Four wheelers (1300cc-1800cc) @ 2%	3.82	3.81	3.79	3.76	3.72	18.89

Four wheelers (above 1800 cc) @ 3%	11.37	11.33	11.27	11.19	11.08	56.24
Buses and trucks @ 1%	3.30	3.28	3.27	3.25	3.24	16.34
Total revenues	24.72	24.61	24.45	24.23	23.96	121.97

The rate of the proposed levy will be reviewed during the policy period to compensate for any shortfall in the revenue against requirement for cost sharing scheme.

It is viewed that while 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 account of reduction in oil import, additional revenues received from productive use of surplus electric power, health and productivity gains due to improved environment and possible carbon credits are taken into account as indicated in Table 10 below.

Table 10 Net positive fiscal Impact due to NEV uptake¹²

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
Cost sharing	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

Further, NEVC will maintain a complete verifiable record of GHG and carbon mitigation for access to carbon credits and similar funds. The significance of this initiative lies in leveraging carbon credits as a financial resource. 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.

5.5 Model Electric Mobility Cities

To facilitate the 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.

¹² Table 10 illustrates the anticipated positive fiscal impact associated with the adoption of NEVs, The adoption of NEVs presents opportunities to generate new revenue streams, such as increased electricity utilization, 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.

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 authorities 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.

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.

The 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. This guide will assist buyers to choose vehicles which are more environment friendly as well as lead to cost

saving for them. This Guide will be updated quarterly and will be made available on the internet.

5.9 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 after three years depending upon 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 indicates that the buyers faced several problems in relation to delays in the delivery of automobiles despite advance payment and non-provision of information on the delivery schedule by the suppliers. This lack of transparency led to rent seeking. The middlemen could 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 database (portal) will be established by the EDB. This database will fetch information from manufactures and suppliers. Similarly, all manufacturers and suppliers will develop their central database (portal) as well. 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 applied 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. 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 sixty days of the booking. In case the delivery is delayed beyond sixty days, the manufacture 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 sixty days delivery period, the buyer shall have an option either to continue the order or ask the manufacturer of 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 manufactures 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

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.

CHAPTER 7

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 20 March 1958, commonly known as the 1958 Convention. Pakistan acceded to the Agreement on 24 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 has however, not issued enforceable rules to implement the UN or equivalent vehicle regulations issued under the 1958 convention. Pursuant to item number 3, Part II of the Federal Legislative List of the Constitution, the Federal Government will enact a law to promote the NEV sector as an industry. This will enable the adoption of uniform national standards and otherwise support countrywide development of NEVs industry.

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. 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.

The aforesaid statute will be put in place by the MoIP, 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. Certificates will be issued in three categories viz. (a) import, (b) assembling and manufacturing of a foreign vehicle, and (c) manufacturing of an indigenous vehicle. All certificates issued in the first two categories will include a time bound commitment for local value addition.

The 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 ENVIRONMENT – CHALLENGES AND OPPORTUNITIES

8.1 Environmental Safeguards and End of Life Cycle Planning

From the environmental point of view, the main concern around NEVs is the mining of rare earth metals, lithium and cobalt for manufacturing of battery cells. Since battery cells are unlikely to be manufactured domestically anytime 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.

This will bring regulations to establish environmental standards for 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 of batteries, promoting sustainable practices and responsible management of materials throughout their lifecycle. The regulations will promote responsible recycling of batteries and electronics.

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 the 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 and regional 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 the 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 but not limited to leveraging carbon credits, accessing climate funds such as GCF, MAF, IKI, CTF, GEF, and other relevant funding windows from World Bank, IMF, ADB, IsDB, AIIB and so on.

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

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, provincial and regional 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.

All relevant agencies shall submit quarterly progress reports to the MoIP which will be the focal Ministry for the implementation of the policy.

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 MoIP. 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) ministers of the four provinces as well as AJK and GB in-charge of transport; and (d) head of the EDB e) any co-opted member deem appropriate to assist the committee in its functions. Secretary Industries shall also be 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 and panel of experts for advice in general or a particular matter of its interest from academia, research institutes, think tanks etc.

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

The working groups will report progress on policy outcomes and targets *inter alia* against the indicators given in the implementation matrix listed at Appendix 3 to 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 2026, 2028, and 2030—spanning the policy period, to address barriers, incorporate feedbacks, and propose actionable adjustments.

9.4 Developing Synergies

Any 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 kilowatt (kW) rating to an equivalent 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 Provincial motor vehicle laws also require revisions to address inconsistencies and ambiguities in regulations. 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 rescue department like (Rescue 1122) will train their first responders to effectively handle 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.

The proposed registration procedure will *inter alia* provide for distinctive number plates for NEVs. Such a distinction is necessary to allow 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.

Further, in the interest of lowering the cost of their acquisition and use, all provincial and regional governments are expected 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/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 gradually transit to NEVs in their public procurements, especially in relation to intra-city public transport. Such a transition is likely to result in cost savings when calculated in term of life cycle of the NEV.

9.5 Supplemental Documents & Initiatives to Support Policy

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 Centers & Certification:** 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 the roadmap.

Appendix
National Action Plan

Ser	Lead Agency	Required Action(s)	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, NEVF before Cabinet	3 months
		Submission of draft legal framework for providing statutory status to EDB	3 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 Vehicles Fund (NEVF)	6 months
		Establishment of New Energy Vehicles Center (NEVC)	6 months
		Setting up a system for collection and management of NEV carbon mitigation data	6 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	3 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	2 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	
Circulation of model regulations for registration of NEVs to all provinces, AJK and GB			
2	Ministry of Energy - Power Division	-	-
		Approval of charging infrastructure related regulations	3 months
		Ensuring expedient provision of electric connection to charging stations	3 months
		Inclusion of time taken in approval and provision of electric connection to charging stations as a KPI for DISCOs	1-month

3	Ministry of Finance (MoF)	Timely allocation of budget for demand incentivization 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 part in accordance with the provisions of section 3.1.	3 months
		-	3 months
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	
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
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
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