



transportation sector stakeholders' report

Nigerian Transportation
Sector: Review and Key
Impact Report

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Introduction

This Stakeholders' Report reviews key legal, regulatory, and policy developments in Nigeria's transportation sector during 2025. The period was characterised by heightened regulatory intervention, fiscal restructuring, and stronger alignment with regional and international transport frameworks.

The transportation sector remains central to Nigeria's economic growth, trade facilitation, national security, and regional integration. In response to persistent infrastructure gaps, safety concerns, fragmented governance structures, and rising logistics costs, regulators in 2025 intensified reform efforts that are aimed at recalibrating the legal and institutional landscape governing the sector.

This Report highlights major policy initiatives, regulatory instruments, and sector-wide reforms introduced during the review period and provides a forward-looking outlook for 2026 to guide operators, investors, and regulators.

Executive Summary/High- impact Issues

The 2025 regulatory year marked a structural shift in Nigeria's transportation governance model.

Rather than isolated interventions, reforms reflected a coordinated push toward safety harmonisation, fiscal discipline, environmental sustainability, digitalisation, and regional integration.

Key high-impact Developments included:

- **Federal approval of the National Land Transport Policy**, 2025, establishes a unified framework for road and rail governance.
- **Senate advancement of the Electric Vehicle (EV) Transition and Green Mobility Bill**, signalling regulatory movement toward low-emission transport systems.
- **Announcement of the NCAA Zero-Debt Strategy**, effective January 2026, requiring Advance Payment Guarantees (APGs) for airlines.
- **Amendments to Motor Vehicle Aggregator Guidelines**, strengthening oversight of ride-hailing and urban mobility platforms.
- **Introduction of multimodal accident investigation regulations** by the Nigerian Safety Investigation Bureau (NSIB).
- **Operationalisation of the AfCFTA Air Corridor**, integrating transportation policy with continental trade frameworks.

Collectively, these measures reflect that the transport sector is transitioning toward a more compliance-driven, technology-enabled, and sustainability-conscious regulatory environment.

Legal and Regulatory Developments

National Land Transport Policy, 2025

In 2025, the Federal Government approved the National Land Transport Policy, providing a coherent framework for road and rail transport governance. Before this development, the land transport subsector operated under fragmented regulatory authority with overlapping federal, state, and local mandates.

It emphasizes safety, sustainability, efficiency, and intermodal integration. It formally recognises transportation as an enabler of economic development and social inclusion, while also addressing long-standing issues such as poor infrastructure maintenance, unregulated commercial transport operations, and weak enforcement mechanisms.

KEY FEATURES

Greater Regulatory Clarity

The Policy reduces longstanding ambiguity arising from overlapping federal, state, and local mandates by articulating clearer institutional roles and coordination mechanisms. This clarification is expected to minimise jurisdictional disputes, streamline approvals, and provide operators and investors with improved certainty regarding licensing, enforcement authority, and compliance obligations across road and rail subsectors.

Implications for Stakeholders

- a. Greater regulatory clarity.
- b. Anticipated subsidiary regulations to operationalise policy objectives.
- c. Increased compliance expectations in commercial road and rail operations.
- d. Expanded PPP opportunities in infrastructure and mobility services.

Electric Vehicle (EV) Transition and Green Mobility Bill

This bill, which advanced through the Nigerian Senate in 2025, represents a landmark legislative initiative to formalise the adoption of electric and low-emission vehicles. The Bill establishes a legal framework to regulate EV imports, manufacturing, and deployment, while promoting cleaner energy alternatives, fleet modernisation, and infrastructure development, including nationwide EV charging networks.

The legislation also outlines standards for battery safety, disposal, and lifecycle management, creating regulatory clarity for private sector actors and investors. By advancing the Bill in 2025, Nigeria signaled its commitment to environmental responsibility within the transport sector, recognising the intersection of sustainable mobility, public health, and long-term operational efficiency.



Key Features

1

Regulation of EV imports, manufacturing, and deployment.

The Bill seeks to establish a structured regulatory framework governing the importation, local assembly, manufacturing, certification, and commercial deployment of electric vehicles in Nigeria. This includes technical compliance standards, quality assurance mechanisms, homologation requirements, and registration protocols tailored to EV technology. By formalising regulatory oversight across the EV value chain, the legislation aims to prevent substandard imports, encourage local production capacity, and create a predictable market environment for investors and fleet operators transitioning from internal combustion engine vehicles.

3

Promotion of charging infrastructure development.

The Bill provides a regulatory basis for the establishment and expansion of EV charging infrastructure across federal highways, urban centres, logistics corridors, and commercial hubs. It contemplates licensing frameworks for charging station operators, technical interoperability standards, grid integration requirements, and possible collaboration with electricity distribution companies and renewable energy providers. The development of a nationwide charging ecosystem is expected to reduce range anxiety, encourage fleet conversion, and stimulate investment in energy-transport integration projects.

2

Establishment of safety and lifecycle standards for EV batteries.

Recognising that battery systems are central to EV safety and environmental sustainability, the Bill introduces standards for battery storage, transportation, installation, maintenance, recycling, and disposal. These provisions are designed to mitigate fire risks, environmental hazards, and improper waste management practices. Lifecycle compliance obligations may include traceability systems, end-of-life recycling frameworks, and environmental reporting requirements, thereby aligning Nigeria's EV transition with global best practices on sustainability and circular economy principles.

4

Incentives to encourage adoption of low-emission vehicles.

To accelerate market transition, the Bill proposes fiscal and non-fiscal incentives aimed at reducing the cost burden of EV adoption. These may include customs duty waivers, tax reliefs, import concessions, preferential financing arrangements, and targeted subsidies for fleet operators or public transportation systems. By lowering entry barriers, the incentive framework seeks to stimulate private sector participation, encourage corporate fleet electrification, and gradually reduce Nigeria's reliance on fossil-fuel-dependent transport systems, while contributing to broader climate and environmental objectives.

Implications for Stakeholders:

1

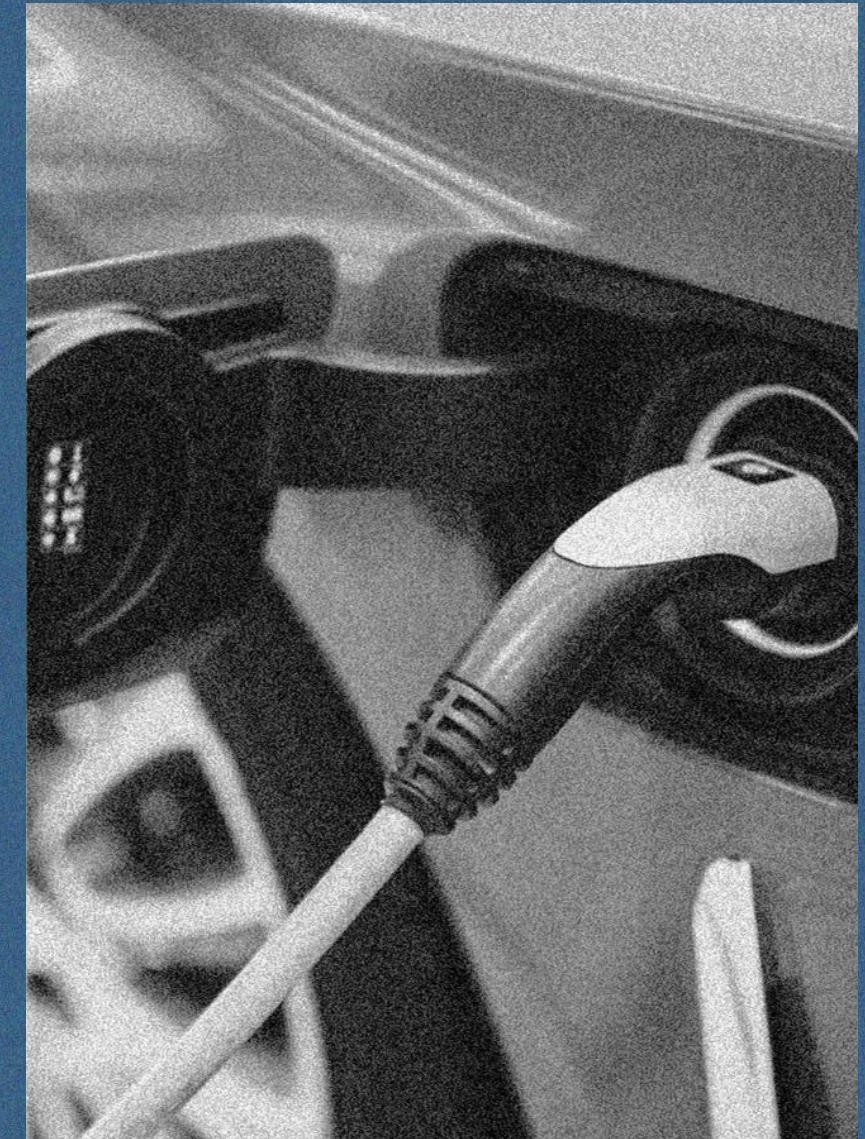
Emerging investment opportunities in EV infrastructure and fleet conversion.

2

New compliance standards relating to environmental reporting and safety.

3

Gradual shift toward greener logistics operations.



Subsidiary Regulations and Regulatory Directives

Urban Mobility and Motor Vehicle Aggregator Guidelines (Amended 2025)

Urban mobility regulation intensified in 2025 through amendments to the Motor Vehicle Aggregator Guidelines.

Voluntary tipping mechanism for passengers.

The amended Guidelines formally recognise the ability of passengers to voluntarily tip drivers through regulated digital channels. This provision introduces structured transparency into driver compensation models, ensuring that gratuities are processed within platform systems rather than through informal arrangements. It also promotes fairness, traceability, and improved driver welfare without altering the regulated fare structure.

Option for same-sex driver requests.

Passengers are now permitted to request same-sex drivers based on personal safety, cultural, or comfort considerations. This provision reflects increased regulatory sensitivity to passenger protection and inclusivity concerns, particularly in urban environments. Platforms will be required to adapt their digital systems to accommodate such preferences while ensuring non-discriminatory implementation and operational feasibility.

Penalties for unjustified trip cancellations.

The Guidelines introduce sanctions for drivers or operators who engage in repeated or unjustified trip cancellations. This measure is aimed at improving service reliability, discouraging discriminatory or exploitative practices, and strengthening consumer confidence in aggregator platforms. It signals a shift toward stricter performance monitoring and accountability standards within digital mobility ecosystems.

Enhanced safety and service reliability standards.

The amendments reinforce compliance obligations relating to driver verification, vehicle condition standards, passenger identification protocols, complaint resolution mechanisms, and digital tracking systems. By elevating safety and service benchmarks, the regulatory framework positions urban mobility as a structured and professionally regulated subsector, reducing tolerance for informal operations and strengthening oversight of platform-based transportation services.

Implications for Stakeholders:

1

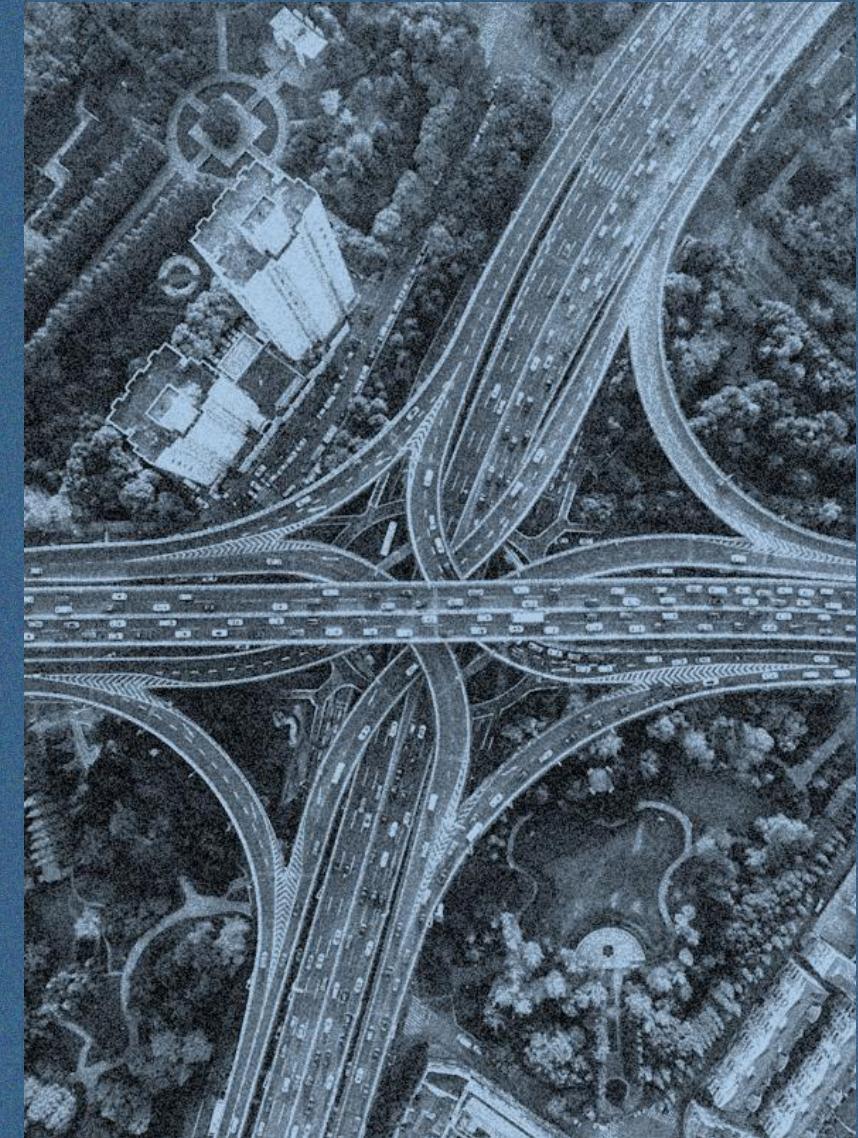
Increased compliance obligations for ride-hailing platforms.

2

Investment in digital compliance systems and driver training.

3

Formalisation of urban transport governance.



NSIB Multimodal Accident Investigation Regulations

In 2025, transport safety regulation in Nigeria took a more structured and forward-looking direction with actions led by the Nigerian Safety Investigation Bureau (NSIB).

In July 2025, NSIB unveiled a series of regulatory instruments designed to enhance the investigation of accidents across multiple transport modes, marking a significant shift from fragmented safety practices toward a harmonised, multimodal safety framework driven by international best practices.



Key Developments

1

Finalisation of Maritime Casualty Investigation Regulations.

The NSIB progressed towards finalising dedicated regulations governing the investigation of maritime casualties, including incidents occurring on inland waterways, ports, and coastal operations. These regulations are designed to standardise investigative procedures, reporting timelines, evidence preservation protocols, and stakeholder cooperation requirements. By formalising investigative processes within the maritime domain, the framework aims to enhance transparency, improve safety accountability, and generate structured safety data capable of informing future regulatory and operational reforms.

2

Development of Rail and Track Accident Investigation Regulations.

The introduction of Rail and Track Accident Investigation Regulations represents a significant step toward strengthening rail safety governance in Nigeria. The proposed framework seeks to establish clear procedures for investigating derailments, track failures, signalling malfunctions, and other operational incidents within the rail network. It is expected to define reporting obligations for rail operators, infrastructure concessionaires, and maintenance contractors, while clarifying institutional coordination mechanisms between safety investigators and sector regulators. This development reflects growing recognition of rail transport as a strategic national asset requiring robust oversight.

3

Alignment with international best practices (IMO and other frameworks).

The regulatory instruments are being developed in alignment with internationally recognised safety frameworks, including the International Maritime Organization (IMO) Casualty Investigation Code and comparable global rail safety standards. This alignment is intended to ensure credibility, technical consistency, and global interoperability in Nigeria's transport safety regime. By adopting internationally accepted investigative benchmarks, Nigeria enhances investor confidence, improves cross-border operational compatibility, and strengthens its compliance posture within regional and global transport systems.

4

Emphasis on actionable safety recommendations.

Beyond incident reporting, the NSIB framework places particular emphasis on generating practical, evidence-based safety recommendations aimed at preventing recurrence of accidents. This shifts the focus from reactive incident documentation to proactive risk mitigation. Operators may therefore face increased obligations to implement corrective measures, update operational protocols, and demonstrate compliance with safety advisories issued following investigations. The approach signals a move toward a preventive, data-driven safety culture across maritime and rail subsectors.

Implications for Stakeholders:

1

Strengthened safety compliance across transport modes.

2

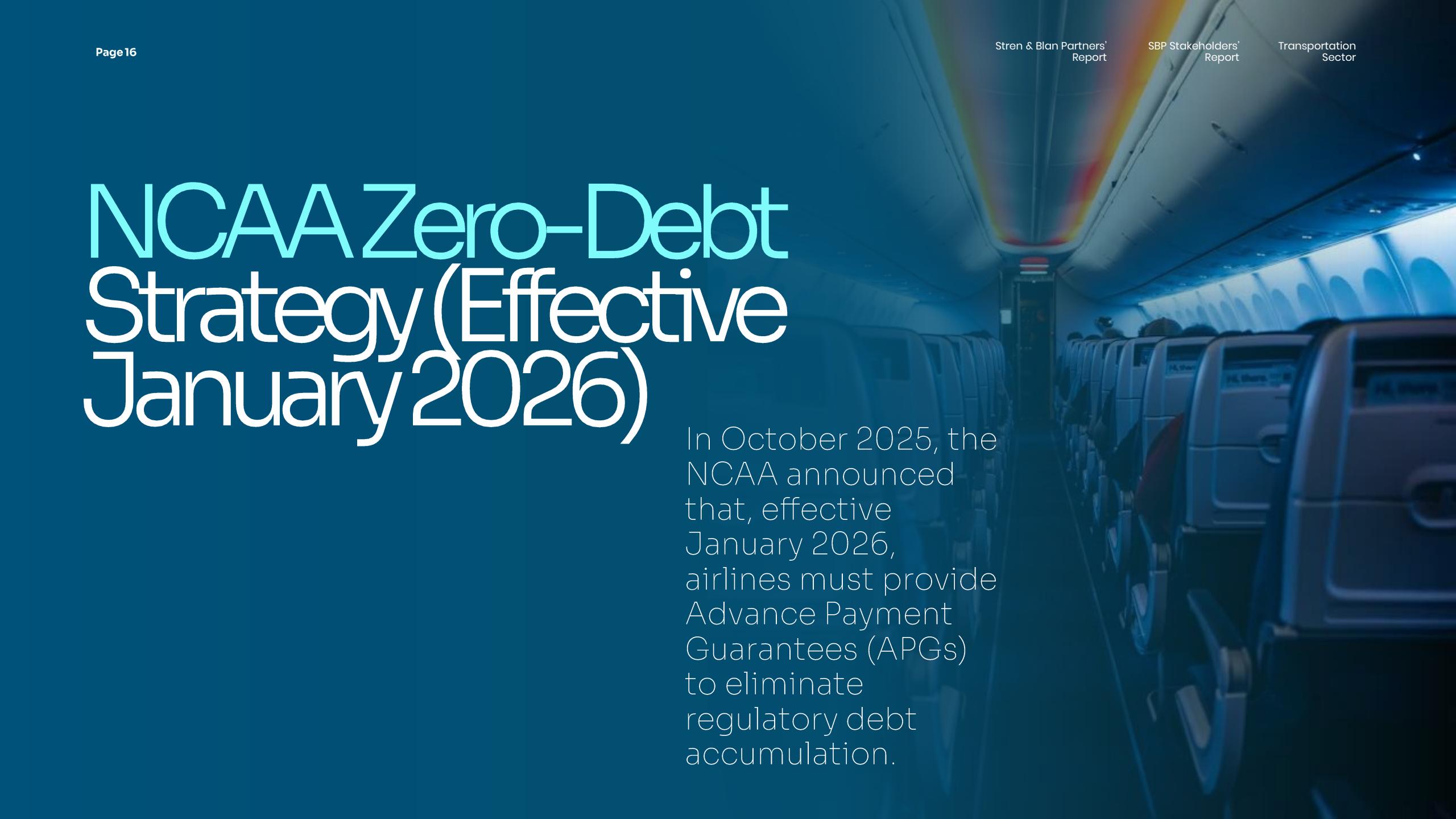
Increased reporting and cooperation obligations.

3

Movement toward evidence-based regulatory oversight.



NCAA Zero-Debt Strategy (Effective January 2026)



In October 2025, the NCAA announced that, effective January 2026, airlines must provide Advance Payment Guarantees (APGs) to eliminate regulatory debt accumulation.

Key Objectives

1 **Improve fiscal discipline.**

The initiative seeks to instill stronger financial governance within the aviation sector by ensuring that airlines meet their statutory financial obligations in a timely and structured manner. By requiring Advance Payment Guarantees (APGs), the NCAA aims to reduce reliance on post-operation billing and debt recovery mechanisms, thereby promoting forward-looking financial planning and disciplined revenue management among operators.

2 **Prevent arrears in regulatory charges.**

A core objective of the Zero-Debt Strategy is to eliminate the persistent accumulation of unpaid regulatory fees, service charges, and oversight costs owed to the NCAA. By introducing a prepayment or guarantee-based compliance model, the regulator reduces exposure to financial defaults and strengthens its capacity to sustain operational oversight functions without funding disruptions.

3 **Enhance financial accountability in aviation.**

The policy reinforces transparency and accountability by linking operational continuity to demonstrable financial compliance. Airlines will be required to maintain adequate financial safeguards as a condition for regulatory approval, signalling a shift toward stricter compliance monitoring and reduced tolerance for informal payment arrangements. This framework is expected to promote sector-wide financial stability, improve regulatory confidence, and align Nigeria's aviation governance with international best practices in fiscal oversight.

Implications for Stakeholders:

1

Immediate financial restructuring for airlines.

2

Increased compliance and documentation requirements.

3

Greater regulatory scrutiny of airline operations.



Additionally, the NCAA emphasised digital compliance tools for monitoring passenger misconduct and operational disruptions, signalling increasing digital oversight in aviation governance.

AfCFTA Air Corridor and Regional Trade Integration

In 2025, Nigeria operationalised the AfCFTA Air Corridor to improve connectivity with East and Southern Africa. The ECOWAS Tariff Schedule under AfCFTA was also gazetted.

Implications:

- Reduced logistics costs.
- Enhanced SME export participation.
- Greater coordination between aviation regulators and customs authorities.
- Increased cross-border compliance requirements.



Judicial and Enforcement Developments

While 2025 did not witness landmark transportation decisions altering sector governance,

regulatory enforcement posture strengthened considerably.

The year was summarily marked by:



- ◀ Increased fiscal compliance enforcement in aviation.
- ◀ Strengthened safety enforcement through NSIB regulatory tools.
- ◀ Heightened scrutiny of aggregator compliance in urban mobility.

The absence of major judicial reversals suggests judicial deference to regulatory initiatives during the review period. However, anticipated litigation may arise in 2026 regarding federal-state regulatory overlaps in land transport and urban mobility governance.

Outlook For 2026

The 2025 regulatory trajectory suggests that 2026 will be characterised by:

Implementation of the NCAA Zero-Debt Strategy.

Airlines will be required to comply with Advance Payment Guarantee obligations, signalling stricter financial oversight and reduced tolerance for delayed regulatory payments.

Possible passage or further advancement of the EV Transition Bill.

Legislative progress may formalise standards for EV deployment, battery safety, and charging infrastructure, accelerating environmental compliance obligations.

Expanded public-private partnership frameworks under the National Land Transport Policy.

Government is expected to deepen private-sector participation in infrastructure financing, rail modernisation, and mobility services.

Operational rollout of NSIB multimodal safety regulations.

New maritime and rail investigation frameworks are expected to become fully operational, increasing reporting duties and compliance with safety recommendations.

Increased digital compliance monitoring across transport subsectors.

Regulators are likely to expand technology-based oversight tools for monitoring safety, financial compliance, and operational performance.

Greater integration of transportation policy with AfCFTA trade mechanisms.

Transport regulation will increasingly align with regional trade objectives, particularly in air cargo, customs coordination, and logistics facilitation.

What Stakeholders Should Anticipate In 2026

Institutionalised Safety Oversight and Mandatory Corrective Action Compliance

With the rollout of NSIB's multimodal investigation frameworks, safety oversight will likely shift from reactive investigation to structured compliance verification. Operators in maritime and rail subsectors should anticipate more rigorous incident reporting obligations, follow-up audits, and documented implementation of safety recommendations. Failure to adopt corrective measures may attract sanctions or reputational risk.

Environmental and Sustainability-Based Regulatory Pressure

If the EV Transition Bill progresses further, transport operators—particularly fleet owners and logistics companies—may face incremental environmental compliance obligations. These could include emissions reporting, fleet modernisation targets, battery lifecycle management standards, and participation in sustainability frameworks aligned with national climate commitments. Investors may also increasingly demand ESG-aligned operational strategies.

Increased Public-Private Partnership (PPP) Engagement and Infrastructure Financing Models.

Under the National Land Transport Policy, the government is expected to deepen engagement with private investors for rail modernisation, logistics corridors, intelligent transport systems, and highway infrastructure. Stakeholders should anticipate structured concession opportunities, viability gap funding models, clearer risk allocation frameworks, and enhanced due diligence requirements.

Greater Federal-State Coordination and Jurisdictional Clarification.

Ongoing harmonisation efforts may lead to clearer delineation of authority between federal and subnational transport regulators. However, stakeholders should monitor potential jurisdictional overlaps, particularly in urban transport licensing, taxation, and enforcement actions. Litigation or policy clarification in these areas could significantly affect operational models.

Conclusion

The cumulative legal and regulatory developments of 2025 reflect a transportation sector undergoing structured reform and institutional strengthening.

Through the National Land Transport Policy, EV legislative initiatives, multimodal safety regulations, aviation fiscal discipline reforms, and AfCFTA integration, Nigeria established a multidimensional regulatory framework balancing safety, sustainability, accountability, and competitiveness.

For stakeholders, 2025 marked a decisive shift from fragmented governance to coordinated regulatory oversight. As implementation deepens in 2026, operators, investors, and regulators must prioritise compliance alignment, financial discipline, digital integration, and strategic engagement to remain competitive within Nigeria's evolving transportation landscape.

About Stren & Blan Partners

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