

MODULE

6



ECONOMICS, FINANCE AND CAPACITY BUILDING FOR TRANSFORMATIVE CHANGE IN TRANSPORT



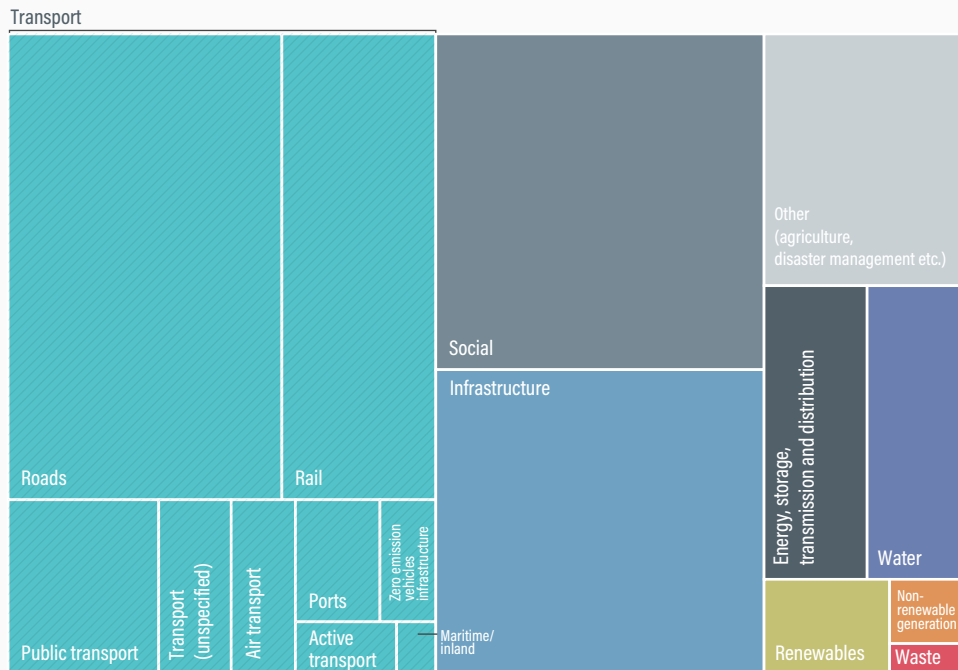
MODULE

6.1



FINANCING SUSTAINABLE TRANSPORT IN TIMES OF CONSTRAINED PUBLIC BUDGETS

FIGURE 1. G20 investments (in USD millions) in transport compared to other sectors, 2022



In 2022, central governments in the G20 countries directed a substantial 42% of their total infrastructure investment to the transport sector (USD 416 billion, out of a total of USD 990 billion). This was more than double the share allocated to social infrastructure (17%) and roughly 2.5 times the combined investment in the energy, communications, and water and waste sectors.

FIGURE 2. Survey of instruments used to finance public transport infrastructure projects, 2024

Average answer (1 lowest - 5 highest)

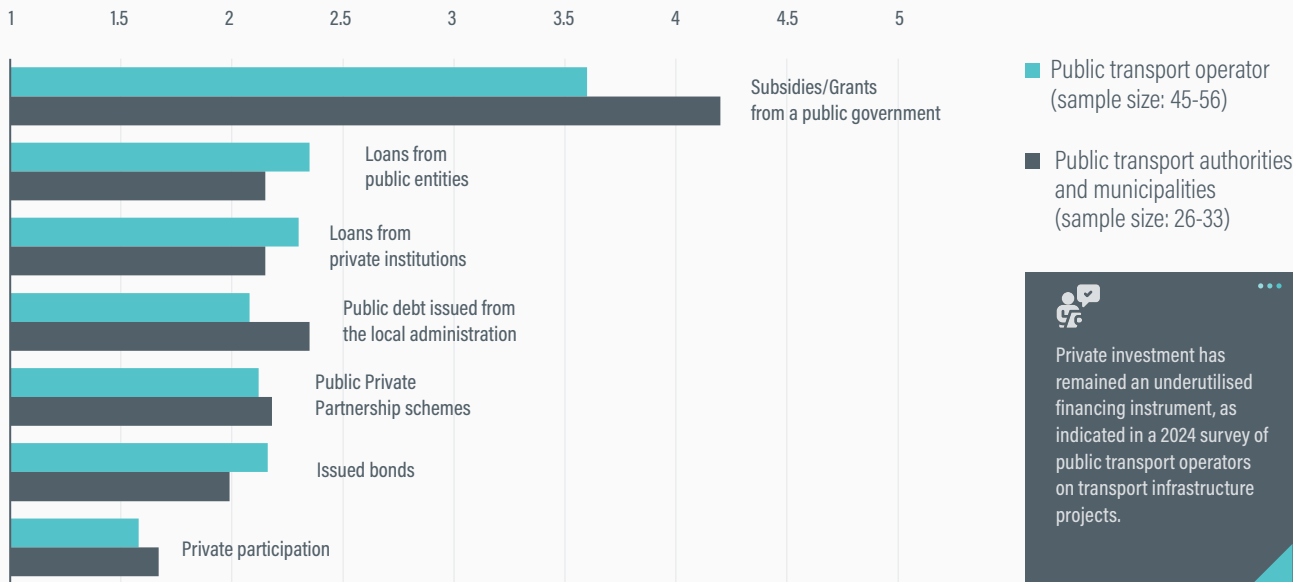
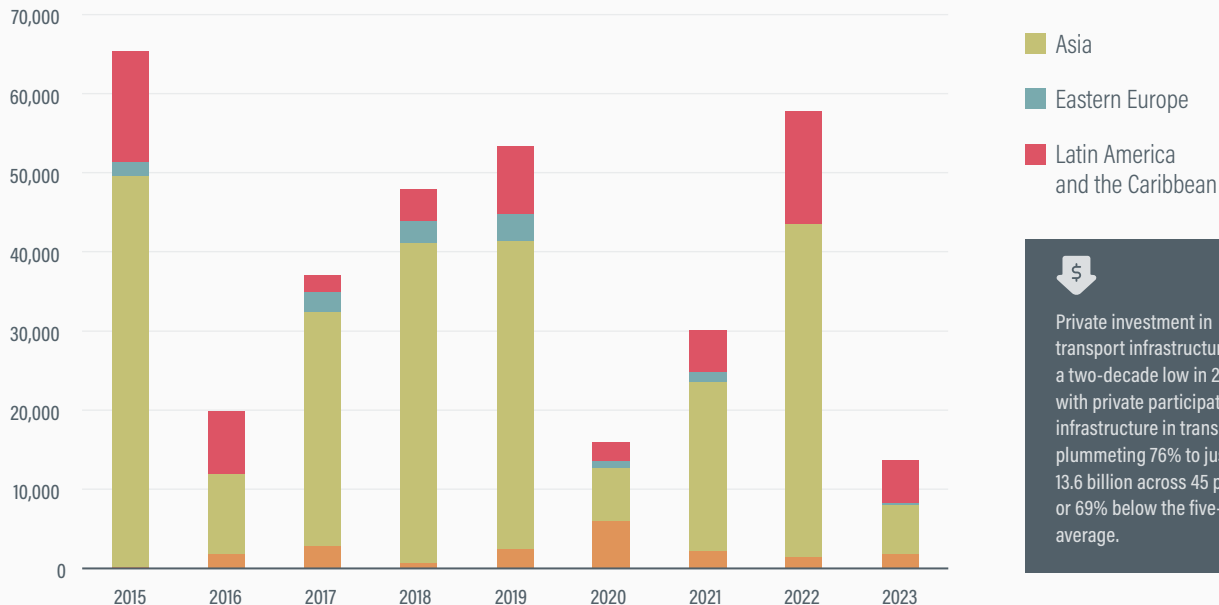


FIGURE 3. Private sector participation in transport infrastructure in low- and middle-income countries, 2015-2023

Million USD



Private investment in transport infrastructure hit a two-decade low in 2023, with private participation in infrastructure in transport plummeting 76% to just USD 13.6 billion across 45 projects, or 69% below the five-year average.

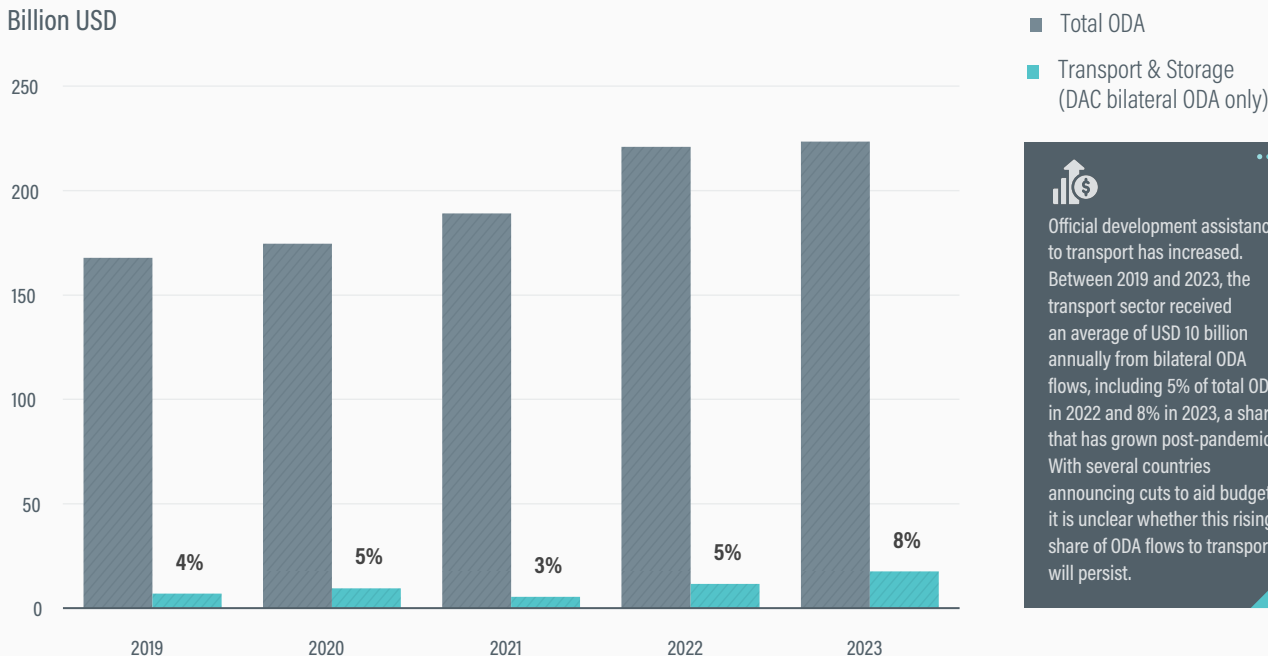
FIGURE 4. Climate finance for transport, by private and public sector, 2023



In 2023, the sector received around USD 545 billion from public and private sources for climate mitigation, seven times below the estimated USD 2.7 trillion needed annually by 2050 to align with global transport climate action targets.

FIGURE 5. Share of bilateral overseas development assistance going to transport, 2019-2023

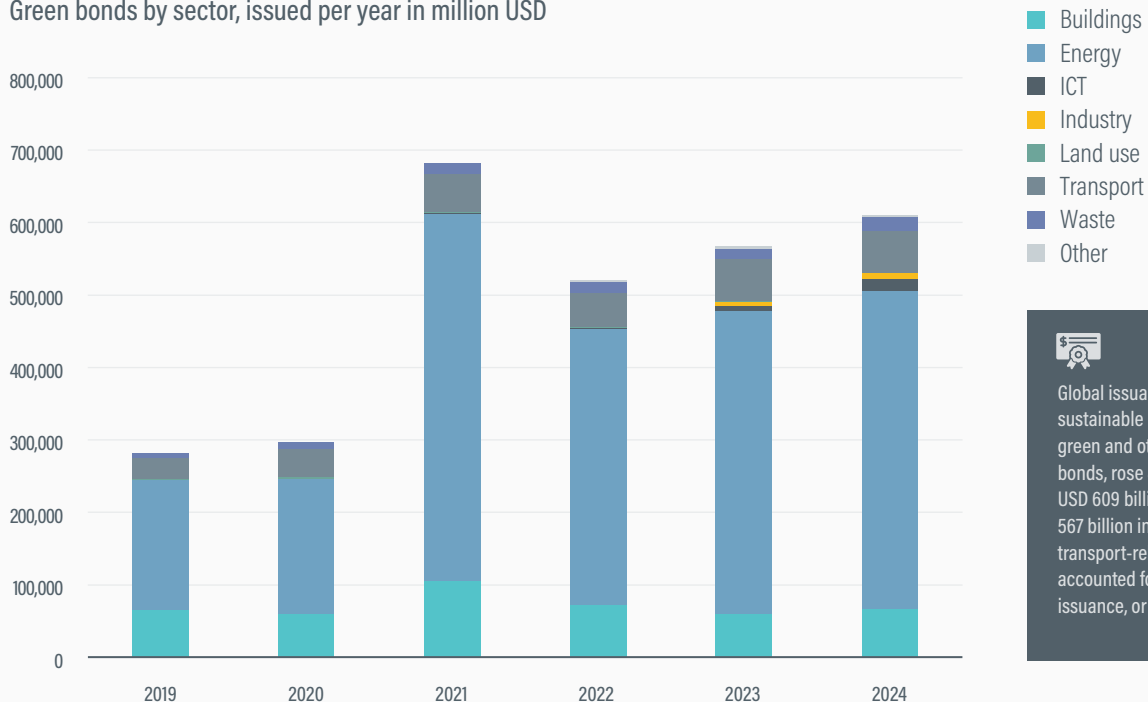
Billion USD



Official development assistance to transport has increased. Between 2019 and 2023, the transport sector received an average of USD 10 billion annually from bilateral ODA flows, including 5% of total ODA in 2022 and 8% in 2023, a share that has grown post-pandemic. With several countries announcing cuts to aid budgets, it is unclear whether this rising share of ODA flows to transport will persist.

FIGURE 6. Sustainable bond issuance by sector, 2019-2024

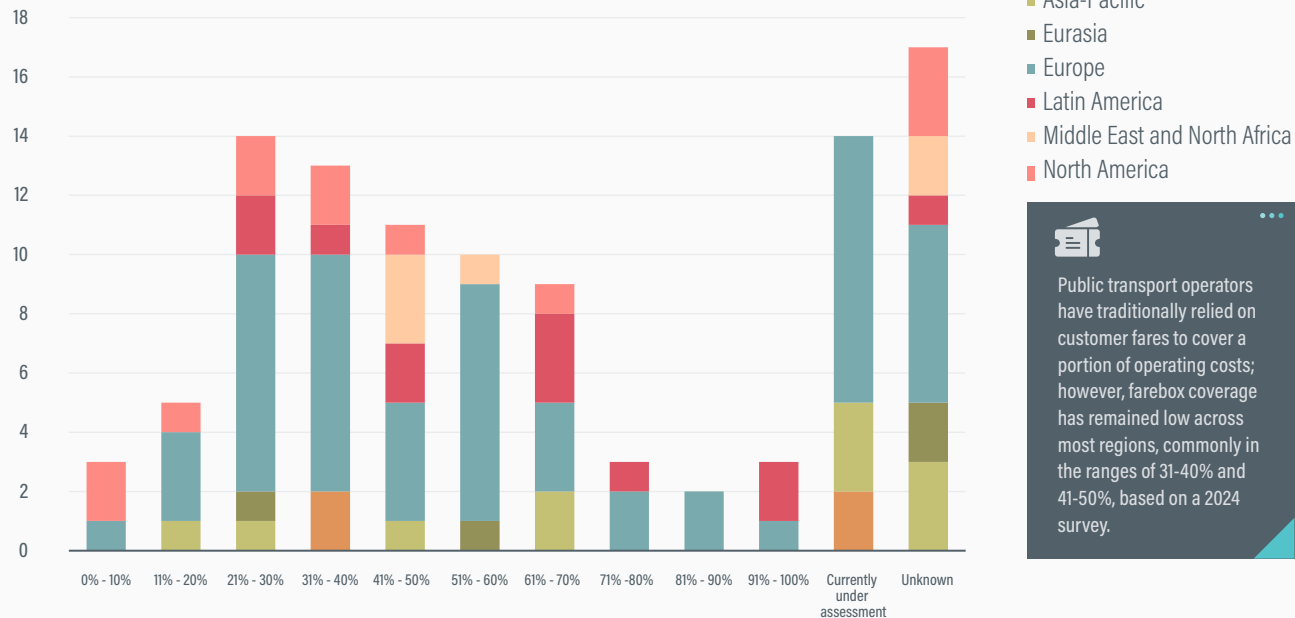
Green bonds by sector, issued per year in million USD



Global issuance of sustainable bonds, including green and other thematic bonds, rose 8% in 2024 to USD 609 billion, up from USD 567 billion in 2023; however, transport-related bonds accounted for just 9% of total issuance, or USD 57 billion.

FIGURE 7. Reported farebox coverage rates by region, 2024

Number of responses (107 in total)



Public transport operators have traditionally relied on customer fares to cover a portion of operating costs; however, farebox coverage has remained low across most regions, commonly in the ranges of 31-40% and 41-50%, based on a 2024 survey.

FIGURE 8. Per capita fossil fuel subsidies by region, 2015-2023

Fossil fuel subsidies by region in USD per capita, 2015 to 2023

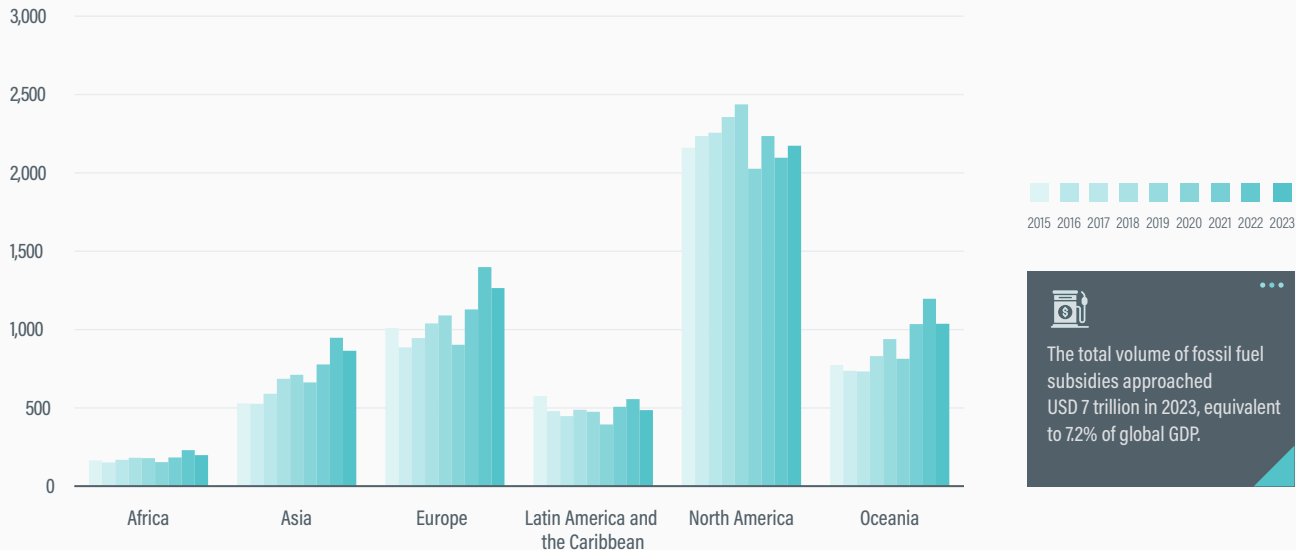


FIGURE 9. Net tax implications of electric vehicle adoption based on International Energy Agency policy scenarios, 2023-2035



MODULE

6.2



CAPACITY BUILDING FOR TRANSPORT TRANSFORMATION



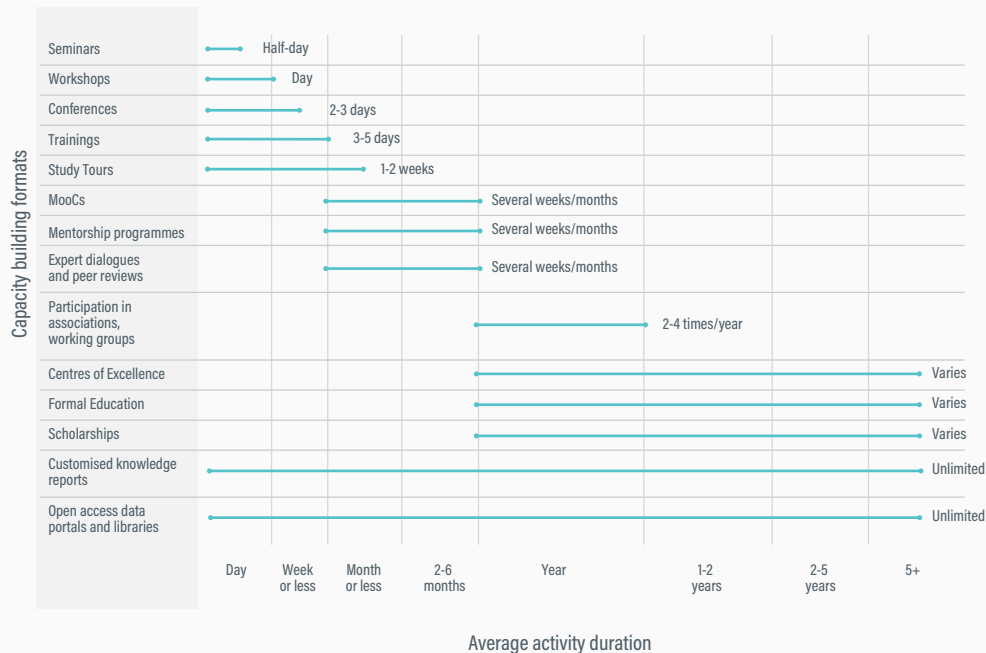
FIGURE 1. Overview of capacity development levels

The capacity levels - Interrelated and mutually reinforcing



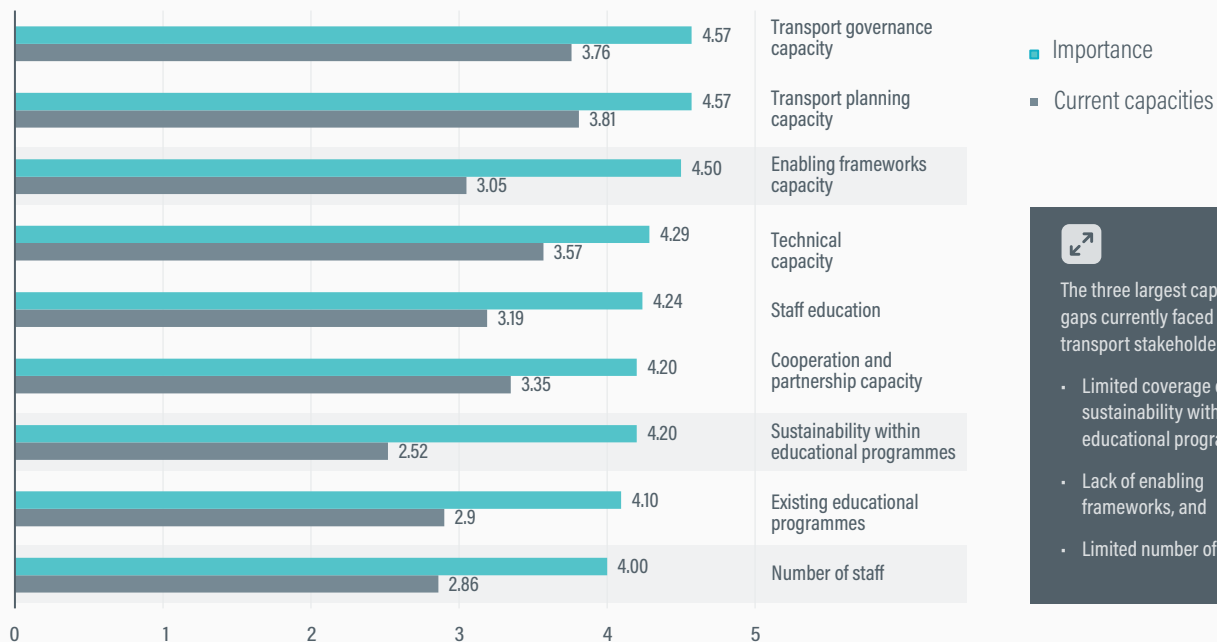
FIGURE 2. Comparison of average durations of the identified 14 capacity building formats

Comparison of average durations of the identified 14 capacity building formats



A wide range of capacity building formats is available, varying in duration and intensity

FIGURE 3. Average capacity gaps identified in 21 transport entities across 20 cities



The three largest capacity gaps currently faced by transport stakeholders are:

- Limited coverage of sustainability within educational programmes
- Lack of enabling frameworks, and
- Limited number of staff