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WRI Brazil, ITDP Brazil, and BTG Pactual lead proposal for fund to accelerate decarbonization of public transport

This new credit fund seeks to create a favorable environment for transitioning the country to zero-emission public transport.

NEW YORK, UNITED STATES // RIO DE JANEIRO, BRAZIL, November 17, 2025 — The high cost of vehicles and infrastructure is the main barrier to the transition to electric buses in Brazilian cities. This challenge, recognized by financiers and operators, makes financing more expensive and slows the adoption of clean technology, keeping Brazil behind neighbors such as Chile and Colombia in the energy transition. In this context, a new credit fund being structured by [WRI Brazil](#), [ITDP Brazil](#), and BTG Pactual seeks to create a favorable environment for the decarbonization of public transportation in Brazil by financing the acquisition of more than 1,700 electric buses by public transportation operators.

The fund is part of the project “Electric buses and industrial transformation in Brazil: accelerating the just and green transition,” a proposal led by WRI Brazil and co-led by ITDP Brazil, which is being prepared for submission to the Mitigation Action Facility, a multi-donor program that provides technical support and climate financing for ambitious mitigation projects in priority sectors.

Structured in partnership with BTG Pactual, the Ministry of Cities, and the Ministry of the Environment and Climate Change, and in technical cooperation with the Catalytic Finance Foundation and C40 Cities, the proposal is in the detailing phase until May 2026. If implemented, it could avoid 2.7 million tCO₂e while contributing to a just transition and improved quality of life in cities.

In an announcement during the [COP30 Local Leaders Forum](#), BTG Pactual, selected as the financial manager of the mechanism through a process conducted by WRI Brazil and the Catalytic Finance Foundation, committed to contributing €24 million of €80 million needed to operate the fund. The Mitigation Action Facility also plans to contribute €16 million to cover initial losses, helping to attract new investments.

— Capacity building, industry, and just transition —

The cities of Belo Horizonte, Curitiba, Rio de Janeiro, and Salvador are expected to be the first cities to access the fund, which includes, in addition to the financial mechanism, components of technical assistance, promotion of public policies, and national industry. These alternatives aim to



ensure conditions not only for operators' investments but also for the process to leave a positive legacy for cities, industry, and the country. At the forefront of the gender equity and social inclusion component, ITDP Brazil conducted a sector diagnosis to develop a Gender Equity and Social Inclusion (GESI) Action Plan.

"The mechanism is being designed with best practices in Gender Equity and Social Inclusion (GESI) at its core. These principles are not add-ons, but fundamental pillars. This means creating tangible opportunities for women throughout the public transport value chain — from bus manufacturing to operations — and improving service quality to make public transport truly inclusive for all," said Clarisse Cunha Linke, Executive Director of ITDP Brazil.

"The electrification of the fleet is not just a technological change — it is a structural transformation that requires coordination between governments, companies, and the financial sector. The fund helps align these actors and create an environment conducive to the transition," explains Magdala Satt Arioli, Transportation Decarbonization Manager at WRI Brazil.

"Enabling the transition to electric models is essential to improving the quality of life for millions of citizens and helping the country get on track to achieve emissions neutrality by 2050," said Luis Antonio Lindau, director of the Cities program at WRI Brazil. "Blended finance mechanisms, such as this fund, are key to making electromobility a reality."

The project is in the Detailed Preparation Phase of the Mitigation Action Facility. This is a competitive stage, and the fund's Board decision on financing and implementation will follow a comprehensive evaluation of the proposal in 2026. The Mitigation Action Facility funds the project on behalf of the German Ministry for the Environment, Climate Action, Nature Conservation, and Nuclear Safety, the UK Department for Energy Security and Net Zero, the Danish Ministry of Climate, Energy, and Utilities, the European Union, and the Children's Investment Fund Foundation (CIFF).

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*The **Institute for Transportation and Development Policy (ITDP)** is a global nonprofit that works with cities worldwide to design and implement high-quality transport systems and policy solutions that make cities more livable, equitable, and sustainable. **ITDP Brazil (itdpbrasil.org)** is ITDP's regional office based in Rio de Janeiro.*

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