Ambition to Action: **Financing the Electric Bus Transition**



Institute for Transportation & Development Policy

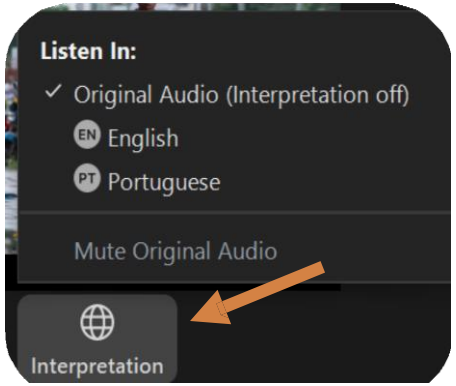
October 2026

ITDP

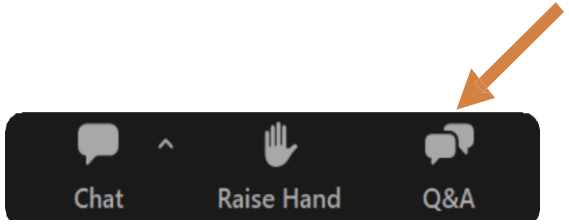
A Few Reminders…

This session will be about 60 minutes and is recorded to share @ITDP_HQ on YouTube

For non-English interpretation, select the language you prefer in the toolbar (Spanish or Portuguese)



The chat box is available for comments, but please submit questions for our speakers using the Q&A function



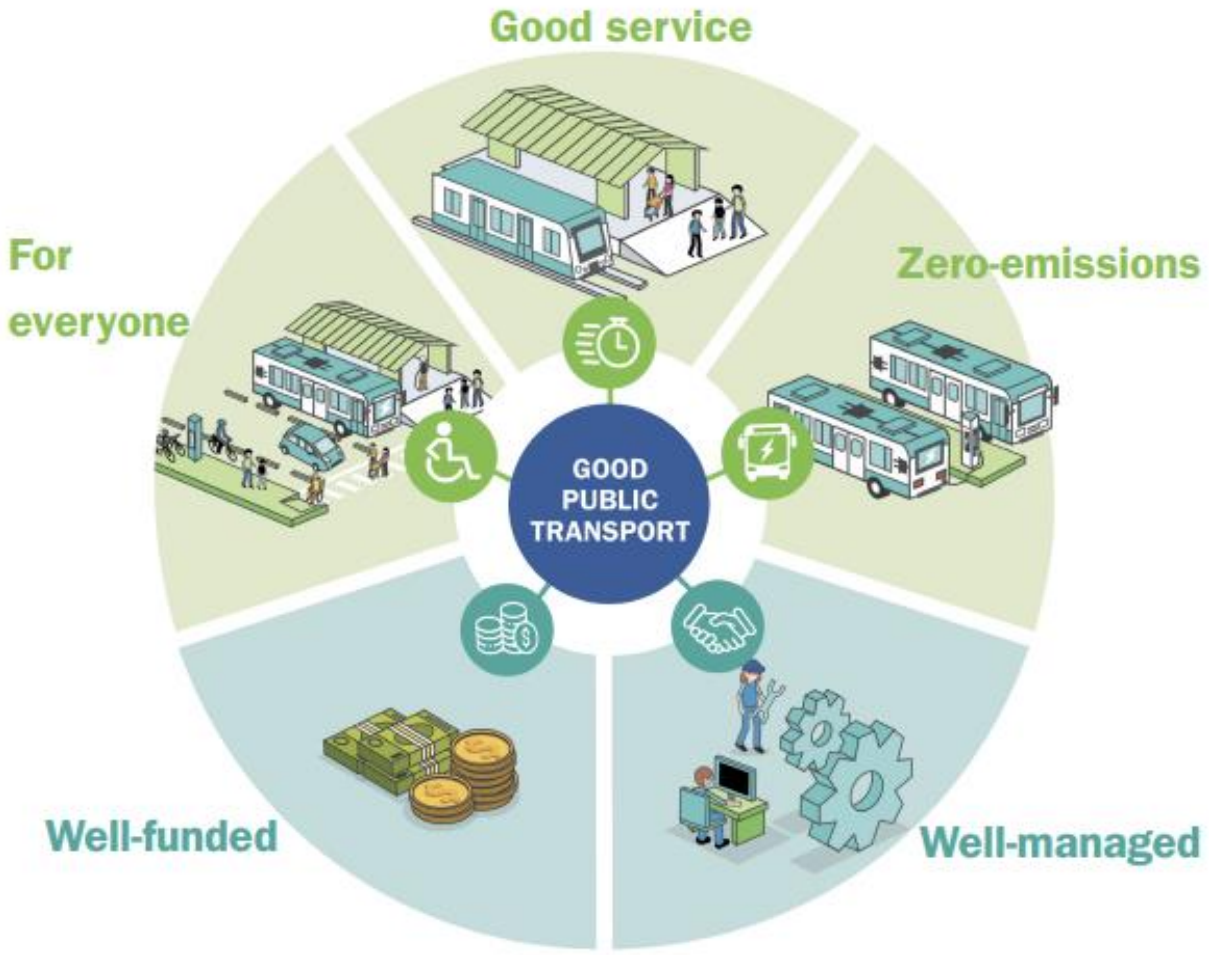
Visit itdp.org/publications to access the e-bus financing report.



ITDP

Reviewing the Public Transport Principles

How can we provide Good Public Transport?



- Deliver strong service, clean fleets, and inclusive systems
- Recognize that quality does not happen by accident
- Build and strengthen lasting foundations

Well Managed

Well-managed systems **function as a unified network with clearly assigned responsibilities** such as:

- Oversight of daily operations and service quality
- Route, schedule, and integration design
- Coordination of services and fares
- Regulatory frameworks, standards
- Strong governance and institutional capacity
- Provision of funding



Well Funded

Well-funded systems have the **resources to cover capital costs, ongoing operations, and long-term maintenance** and improvements

- Diverse revenue sources
- New revenue streams (i.e.: parking pricing)
- Distribution of costs across public and private
- Strategically leverage financing





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Financing the E-bus Transition

Improving Project Bankability and Enabling Scale

Dana Yanocha, ITDP Global

New Report



- **16 interviews**
  with MDBs, PPFs, private sector in 2025
- **2 multi-stakeholder workshops**
  with MDBs, partners, investors
- **Ongoing consultations with ITDP regional offices**

Who is investing in e-bus systems?



Governments

National and subnational

- Set the vision and lead project planning
- Negotiate financing
- Address funding gaps
- Provide land for depots, station/road upgrades



Development Finance Institutions

MDBs, bilateral banks, national banks

- Catalyze broader (private) investment
- Provide low-interest loans to governments
- Provide technical assistance
- Provide de-risking mechanisms



Private Investors

Climate investors, asset leasing cos, institutional investors, service providers/operators

- Provide capital
- Provide and operate or lease assets
- Provide asset management or operational expertise

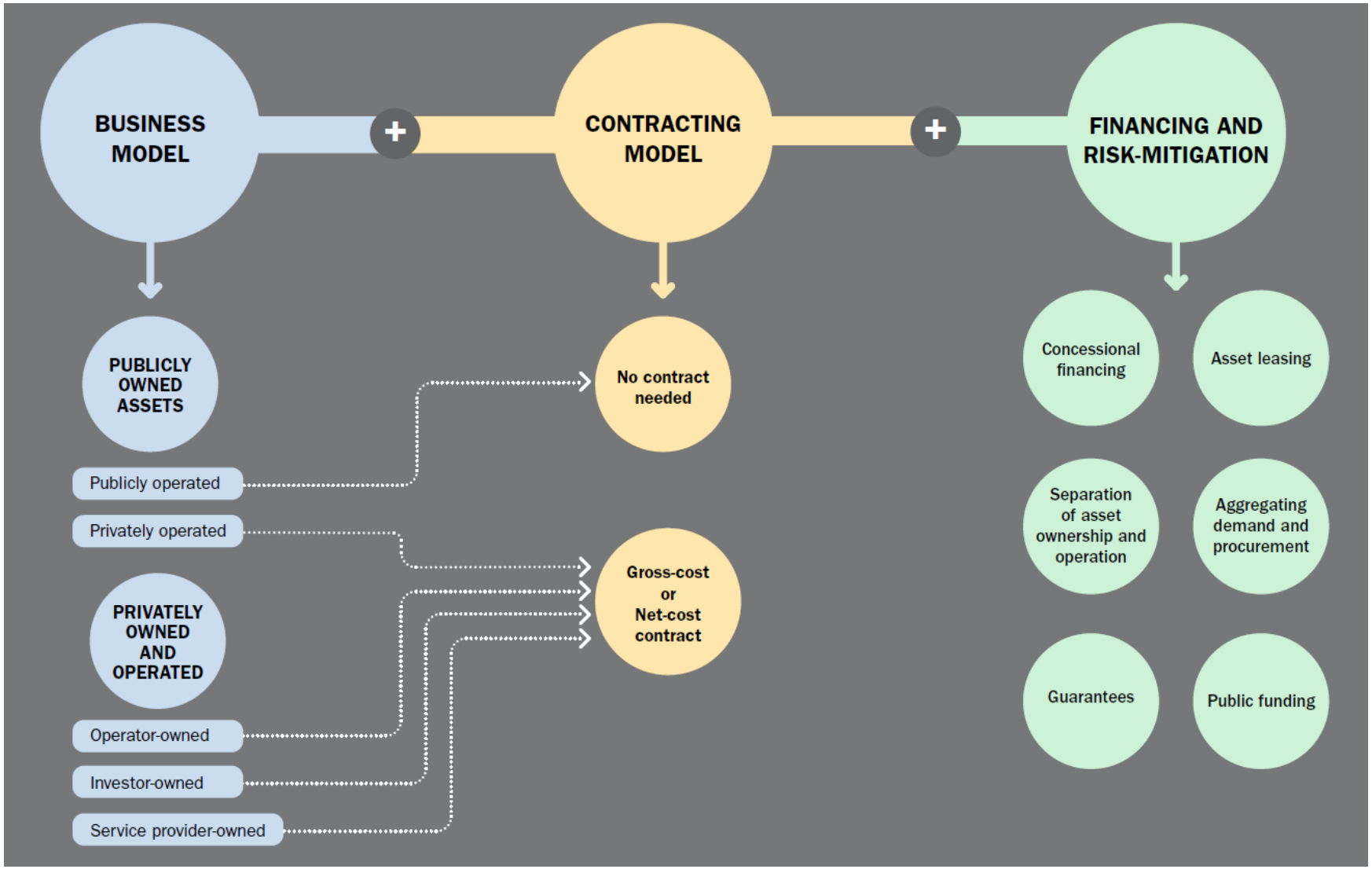
E-buses: The Future of Public Transport

Why are e-bus systems attractive for investment?

- Higher ridership
- Lower fuel imports + foreign currency burden
- Efficient, cost-saving operations
- Informal transport improvement



Structuring projects for investment



Business models define roles

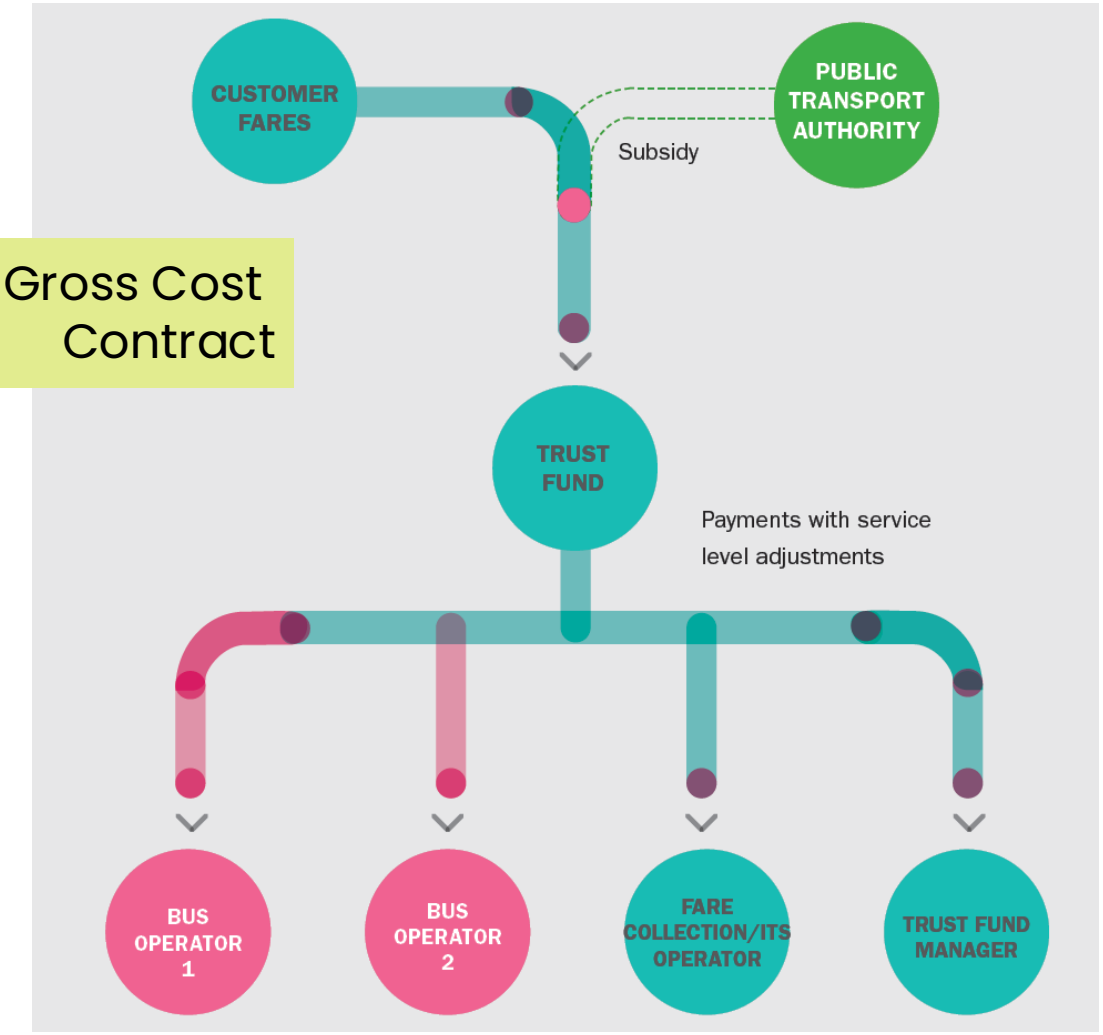
	Publicly Owned	Privately Owned with public overshight
Upfront capital costs	**Government/public agency** covers capital costs (through public budgets, subsidies, etc.)	**Private sector** covers capital costs, with potential support from public sector or risk-sharing mechanisms
Asset ownership	**Government/public agency**	**Operators, leasing companies, utilities, or investors**
Ability to attract private investment	**Lower potential**, private involvement usually limited to operations or service contracts	**Higher potential** due to greater roles for direct investors, asset owners, and leasing providers
Government capacities required	Public procurement Asset management	Multi-stakeholder coordination Contract design and negotiation Regulatory oversight Risk allocation
Impacts on bankability	**Creditworthiness** and public fiscal capacity	**Allocation of assets and operational risks**, payment security
Use of financing	**Reducing upfront costs** and other capital constraints	**De-risking private capital** to improve project bankability
Typical fit	**Contexts with strong public institutions** and fiscal capacity or the desire to build these	**Contexts with constrained public capital but ability to provide financing** or risk-mitigation tools

PUBLICLY OWNED MODELS	E-bus owner	Battery owner	Charging infra owner	Operations	Bus maint. provider	Depot owner
Publicly operated	Govt/ agency	Govt/ agency	Govt/ agency	Govt/ agency	Govt/ agency	Govt/ agency
Privately operated	Govt/ agency	Govt/ agency	Govt/ agency	Operator	Operator	Govt/ agency

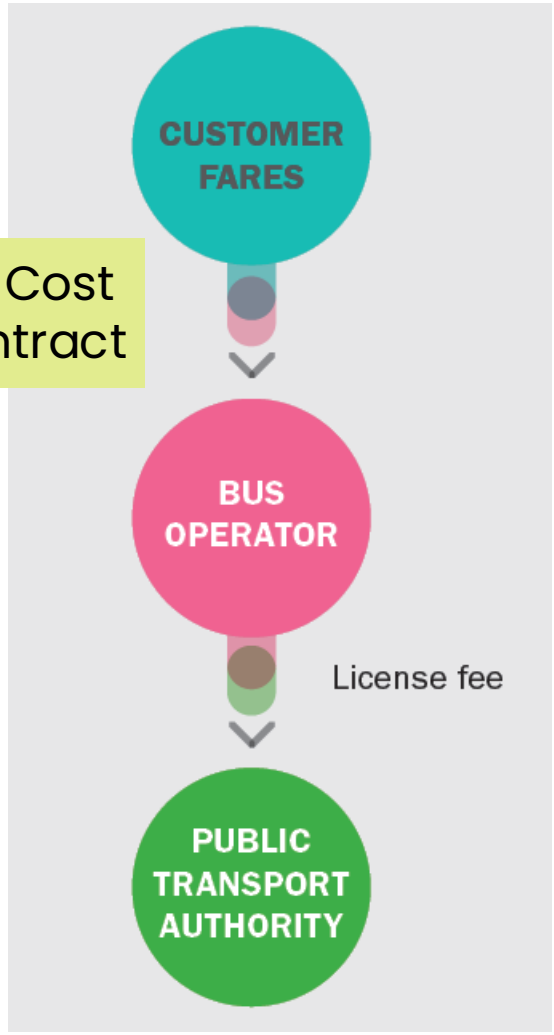
PRIVATELY OWNED MODELS	E-bus owner	Battery owner	Charging infra owner	Operations	Bus maint. provider	Depot owner
Operator-owned assets	Operator	Operator	Operator	Operator	Operator	Govt/ agency
Investor-owned assets	Private investor	Private investor	Private investor	Operator	Operator	Govt/ agency
OEM-owned assets, public or privately operated	E-bus OEM	E-bus OEM	Charging OEM	Operator / Govt/ agency	E-bus OEM	Govt/ agency

Contracting models
set revenue distribution expectations

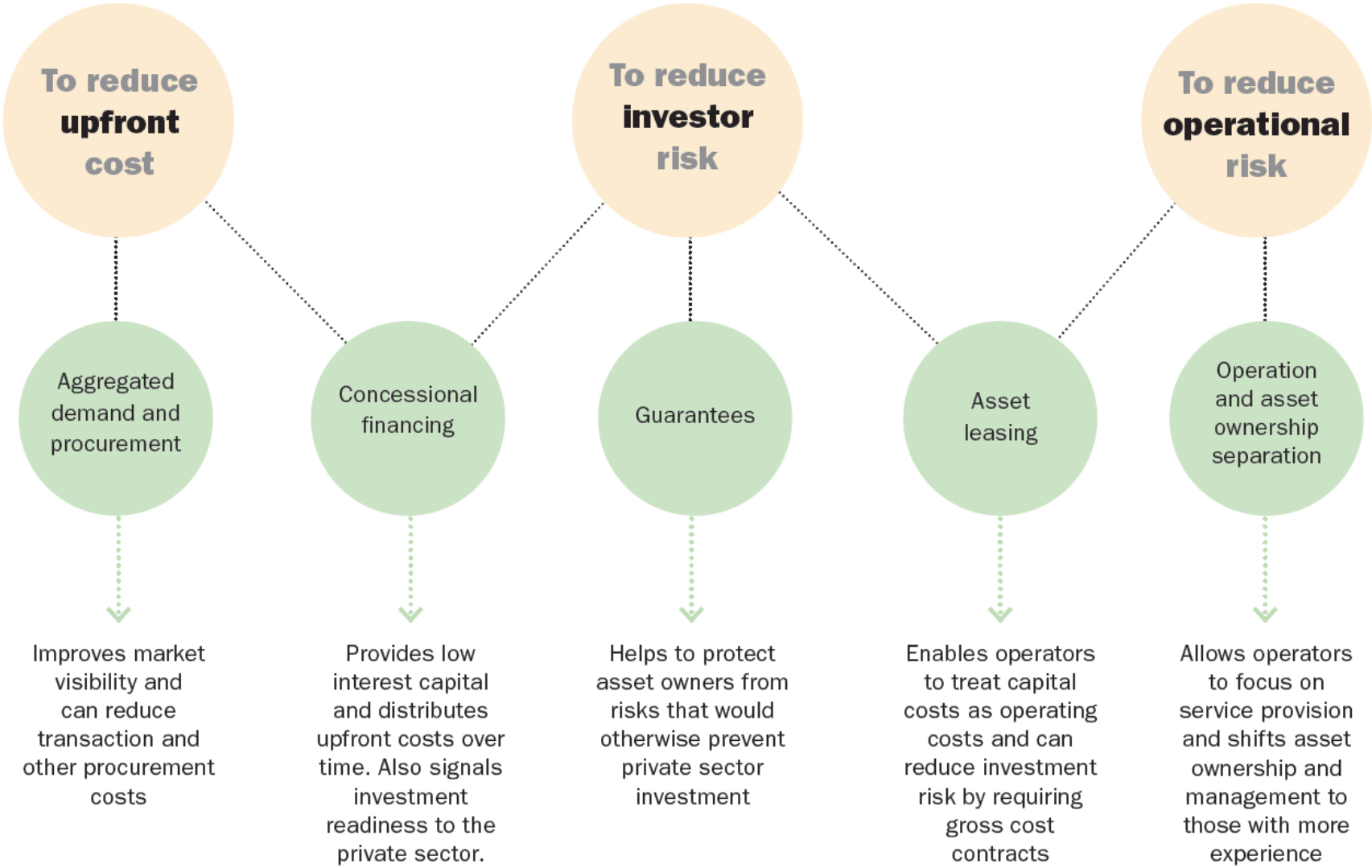
Gross Cost Contract



Net Cost Contract



Financing + De-risking tools
strengthen financial viability



Public funding fills in gaps

Public funding should be used strategically:

- Contribute to assets or infrastructure that do not generate revenue
- Offset investment costs with viability gap funding
- Provide subsidies to improve revenue predictability

In Sao Paulo…

Municipal subsidies + user fares support high-quality service provision

Viability gap funding provided by the city covers difference in purchase cost between diesel and e-buses





For more, download

Financing the E-Bus Transition: Improving Project Bankability and Enabling Scale

Thank you!

::: dana.yanocha@itdp.org :::