

Active Mobility Finance

Yaoundé Sustainable Mobility Week
Day 3 - 18th June

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 MobiliseYourCity



www.mobiliseyourcity.net

Agenda

Financing active mobility projects: MobiliseYourCity training

15 min

Group discussion: How to leverage new and accessible sources of finance for active mobility

20 min

Wrap up and sharing

10 min



1. Introduction

Why are funding and finance important for active transport, and how do they relate to SUMPs?

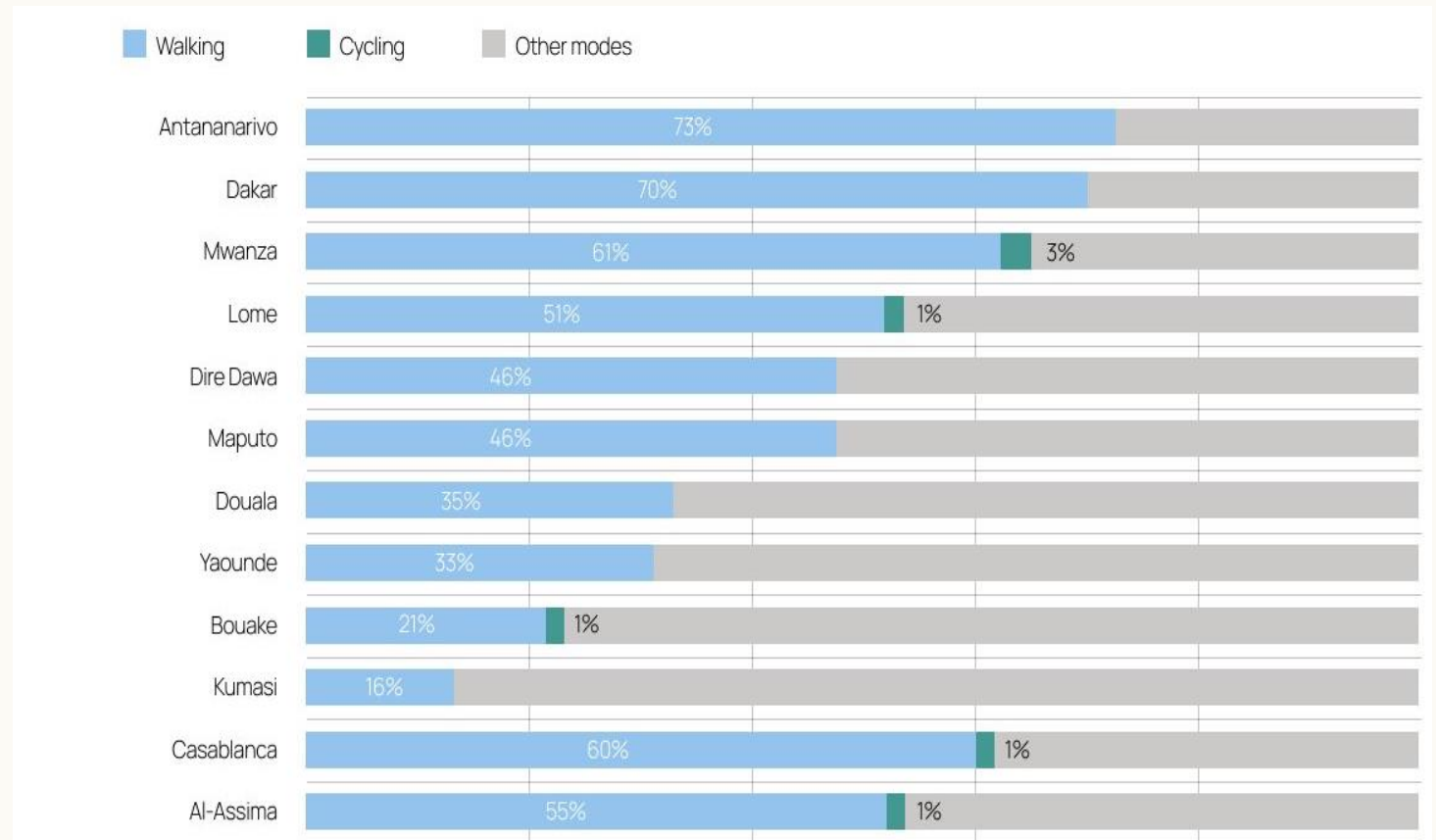


The role of *active mobility* in African Cities



SUMPs and NUMPs present walking and cycling as a crucial part of *sustainable, just and integrated transport* systems.

Fig. 1. Walking and cycling modal shares in MYC-supported SUMP cities



Source: Global Monitor 2026. MobiliseYourCity

MobiliseYourCity

Active mobility requires funding

Source: ITDP Africa



Infrastructure

Source: ITDP India



Maintenance



Outreach

Source: ITDP India

Source: ITDP India

Source: ITDP Indonesia



Bikeshare



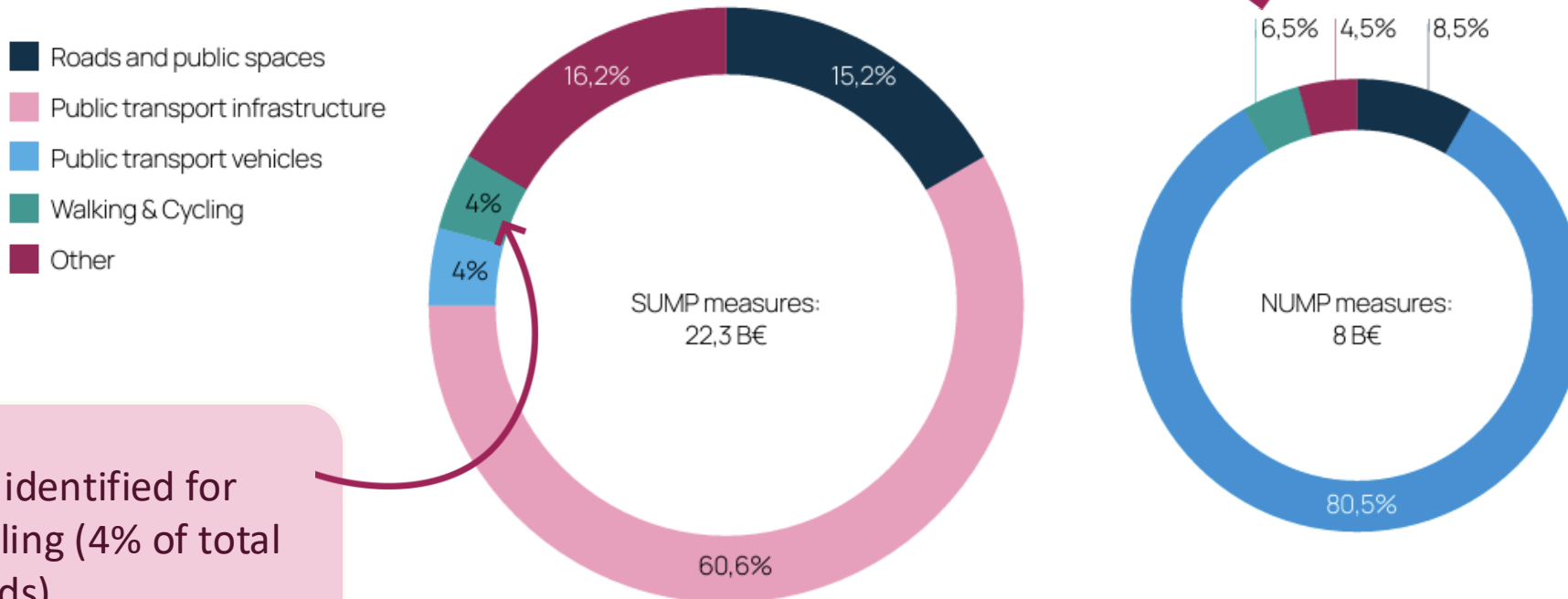
Government Staff and Capacity building

MobiliseYourCity



Active mobility costs are very low compared to other mobility infrastructure

Investment needs identified and impact expected in MobiliseYourCity-supported SUMP and NUMP



~1 billion euros identified for walking and cycling (4% of total investment needs)

520 million euros for walking and cycling (6,5% of total investment needs)

Source: Global Monitor 2026. MobiliseYourCity

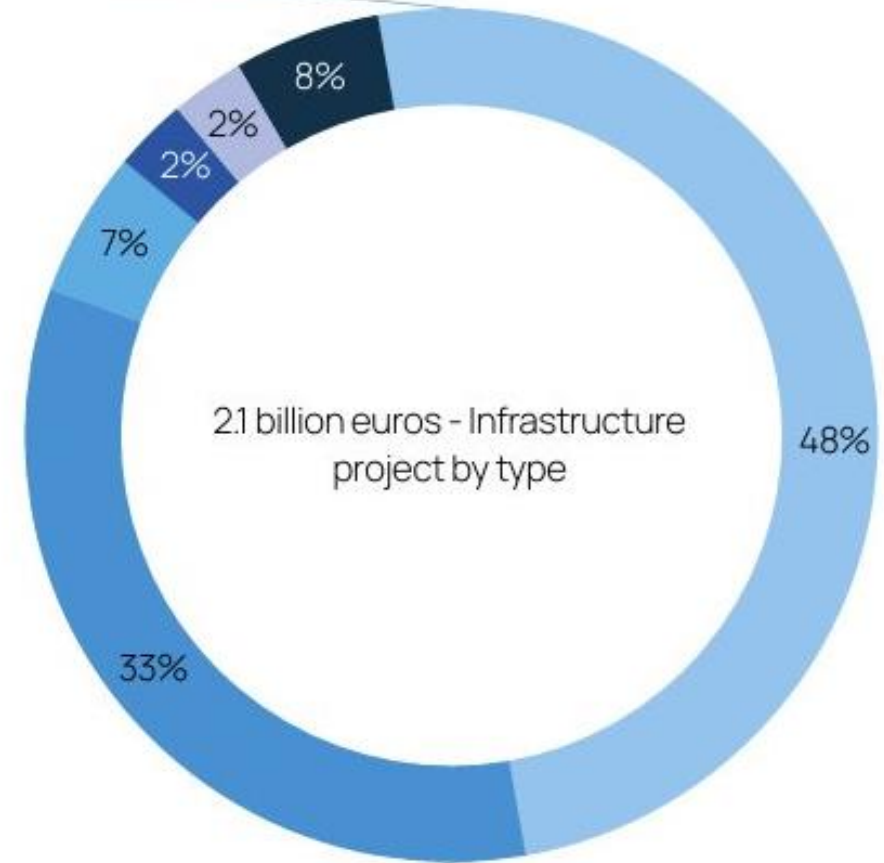


Spending on active mobility in SUMP

Nearly **0%** of leveraged finance on walking and cycling



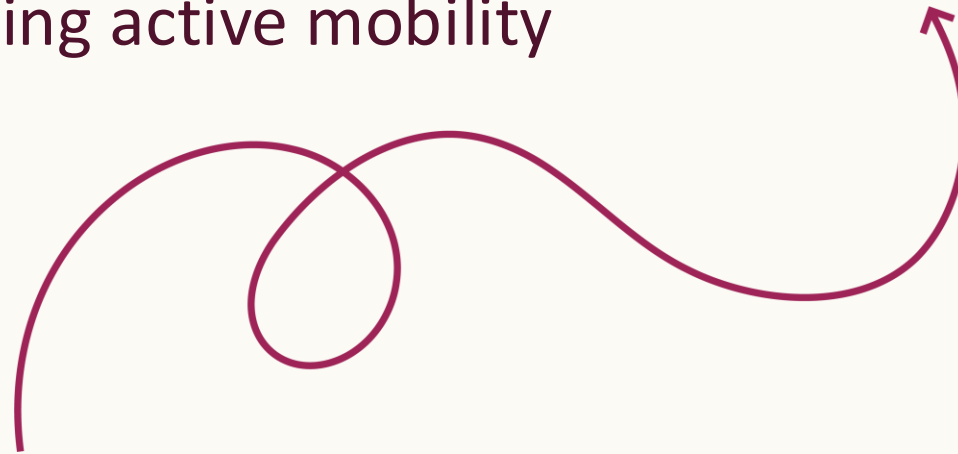
Finance leveraged for Infrastructure projects after SUMP and NUMP adoption by mode





2. Funding and Finance Tools

Financing active mobility



What is needed to unlock more funding and finance for walking/cycling?



- **POLITICAL WILL:** Without political support, nothing happens. Often walking and cycling are not thought of as transport modes that require funding.
- **CAPACITY:** Staff time is needed to develop grant proposals, manage new revenue sources, etc.
- **DATA:** A good understanding of costs is needed in order to secure the right amount of funding.
- **STANDARDS:** Some engineering standards ignore the role of walking and cycling in transport, shutting them out of funding.
- **RESTRICTIONS:** Some governance related restrictions may prevent certain funding sources from being unlocked (e.g. taxation power may be limited). International finance institutions often view walking and cycling as too small to be projects on their own.



MYC-supported projects have addressed this gap by:

- Embedding pedestrian improvements within **broader urban interventions**
- Starting **pilot projects to build confidence and political will** among decision-makers, build local ownership and trust, create replicable and scalable models that have been tested and corrected; and gives valuable data for the future.
- **Coordination mechanisms**, building local capacities, and embedding pedestrian considerations into broader urban systems.

Local funding sources



- **CONSIDERATIONS:**

- **Source** can include new sources or reallocated from other sources
- **Authority** to raise local revenue may not exist
- **Politics** of raising revenue - taxing things formerly free is always hard
- **Visibility** of tying new funding sources to improvements can help

- **POTENTIAL SOURCES:**

- 1 - General budget
- 2 - Use fees
- 3 - Sponsorship
- 4 - Land Value Capture
- 5 - Business Improvement Districts

Local funding sources



1 - General Budget

- **CONCEPT:** money from general budget dedicated to walking & cycling.
- **CONSIDERATIONS:**
 - Competing uses of funds
 - Reallocation of unspent budget
 - Opposition to raising taxes
- **EXAMPLES:**
 - Mexico City - 100% of the capital investment for Ecobici came from CDMX general budget)
 - Pune: 50% of budget directed to walking, cycling, & BRT
 - Chennai: 60% of budget directed to

Local funding sources



2 - Use fees / penalties

- **CONCEPT:** tax things you want less of (congestion, pollution) to fund things you want more of (walking & cycling)
- **CONSIDERATIONS:**
 - Don't create incentives for bad behavior
 - Don't want to create a system that defunds itself
- **EXAMPLES:**
 - Fortaleza, Brazil - revenue from on-street parking funds bike lanes
 - Barcelona, Spain - 100% of the net parking revenue funds public bikeshare system
 - Westminster, England - 69% of surplus parking revenue goes to environment and city management, the remainder to placemaking, public health, and family services
 - Guadalajara, Mexico - Part of the revenue surplus to public space improvement
 - Chennai, India - surplus parking revenues go to walk, cycle, and public transportation improvements
 - Washington, DC - safety cameras revenue may fund walking and cycling improvements

Local funding sources



3 - Sponsorship

- **CONCEPT:** private companies pay for system costs in exchange for system branding
- **CONSIDERATIONS:**
 - Conflicts of interest
 - Corporate values reflect city values
- **EXAMPLES:**
 - Santander Cycles (London)
 - CitiBike (NYC)
 - Bike Rio (Rio de Janeiro: Bank Itau)
 - Divvy (Chicago: BlueCross BlueShield)



In NYC, Citibank pays for most operating expenses of the bikeshare program.

Source: Shinya Suzuki (Flickr CC)

Local funding sources



4 - Land Value Capture / Tax increment financing / Payments in lieu of taxes / District improvement funds

- **CONCEPT:** Often used as part of Transit oriented development
 - [Development based Land Value Capture] - property devt rights auctioned, proceeds to subsidize housing
 - [Taxation based land value capture] Enhanced property tax - Tax increment financing; betterment charges; revenue bonds or general obligation bonds; green bonds; guarantees and first loss provisions; city challenge fund etc.
- **CONSIDERATIONS:**
 - Negative effect on redistribution (i.e. taxes from richer areas gets kept within those areas instead of serving entire city)
 - Credit rating of the city
- **EXAMPLE:**
 - India 2017 METRO RAIL POLICY

Local funding sources



5 - Business Improvement District (BID)

- **CONCEPT:** Businesses and residents of an area decide to tax themselves in addition to the standard tax rate, which can be used to pay for additional public space maintenance and improvements, beyond what is provided by the government. BIDs are sanctioned by the government and additional taxes are mandatory, once established.
- **CONSIDERATIONS:**
 - Wealthy areas get more improvements, leading to less equitable investments
 - Once established, all local residents and businesses must pay the extra taxes
 - Potential displacement of smaller businesses
 - Limited public accountability
- **EXAMPLE:**
 - Washington, DC: Golden Triangle BID uses taxes to make sidewalk improvements and maintenance

National Funding Sources



1 - Competitive Grants & Loans

- CONCEPT
 - National government provide funds to local governments based on competitive application and review process
- CONSIDERATIONS:
 - Need well defined criteria and transparent process to avoid corruption and cronyism
 - Good goals lead to good projects
 - May favor cities with higher capacity to develop strong proposals
- EXAMPLE:
 - UNITED STATES: BUILD grants support walking and cycling

National Funding Sources



2 - Formula Grants

- **CONCEPT:**
 - Money allocated to sub-national entities according to a formula, to be used for specific purpose (walk and cycle)
 - Formula might include: population, average income, rate of cycling
 - Money automatically allocated and can fund capacity, as opposed to requiring capacity to obtain.
- **CONSIDERATIONS:**
 - Complicated formulas may be hard to understand
 - Requires capacity at national level to ensure that funds are used for intended purpose
- **EXAMPLE:**
 - USA - ISTEA create Urbanized Area Funding Formula

National Funding Sources

3 - Targeted funding

- CONCEPT
 - Funding from national government for specific projects.
 - May be one-time or continuous
 - Typically used for capital projects
- CONSIDERATIONS:
 - May require specific legislation or appropriation
 - May be hard to replicate
- EXAMPLE:
 - Ethiopia Non-Motorized Strategy 2020-2029



<https://www.unep.org/resources/policy-and-strategy/ethiopia-non-motorised-transport-strategy-2020-2029>



International Funding and Finance Sources

- **CONSIDERATIONS:**
 - **Requirements** to qualify for financing
 - **Political support** from national government to apply for finance
 - **Data** to support request for financing
 - **Quantity** of financing available

- **POTENTIAL SOURCES:**
 - 1 - Development Banks
 - 2 - Climate Finance

International Funding Sources



ASIAN DEVELOPMENT BANK



1 - Development Banks

- **CONCEPT:** National-level loans for large projects at below-market rates
- **CONSIDERATIONS:**
 - must meet bank requirements
 - Projects must be big enough to justify investment
- **EXAMPLES:**
 - Philippines - Manila Bicycle Network Demonstration Pilot - USD 1.3 million from the World Bank
 - Chile - Sustainable Transport and Air Quality for Santiago - USD 9.42 million for the World Bank
 - China - Wuhan



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International Funding Sources



2 - Climate Finance

- **CONCEPT:** International funding from high-income countries to low- and middle-income countries to invest in projects that will boost development and reduce greenhouse gas emissions.
- **CONSIDERATIONS:**
 - must demonstrate an ability to reduce greenhouse gas emissions
 - Requires capacity to demonstrate climate impact
- **EXAMPLES:**
 - Poland - Gdansk Cycling Infrastructure Project - USD 2.5 million from GEF Trust Fund
 - Argentina - USD 1.35 million from the World Bank and GEF
 - Lima, Peru - USD 4.06 million from GEF
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Climate Finance Toolkit for Low-Carbon Transport

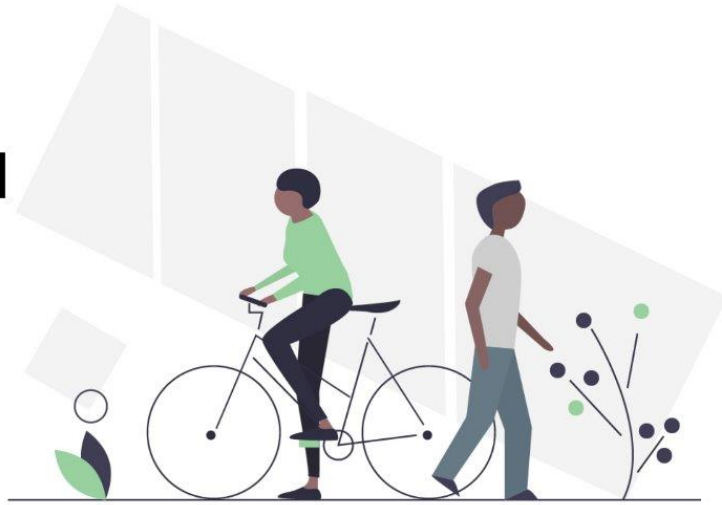
This toolkit is a set of knowledge material intended to give an overview of existing climate finance sources for low-carbon transport. It is based on GIZ's broader definition of climate finance as all public and private financial flows for climate projects in developing countries and emerging economies.



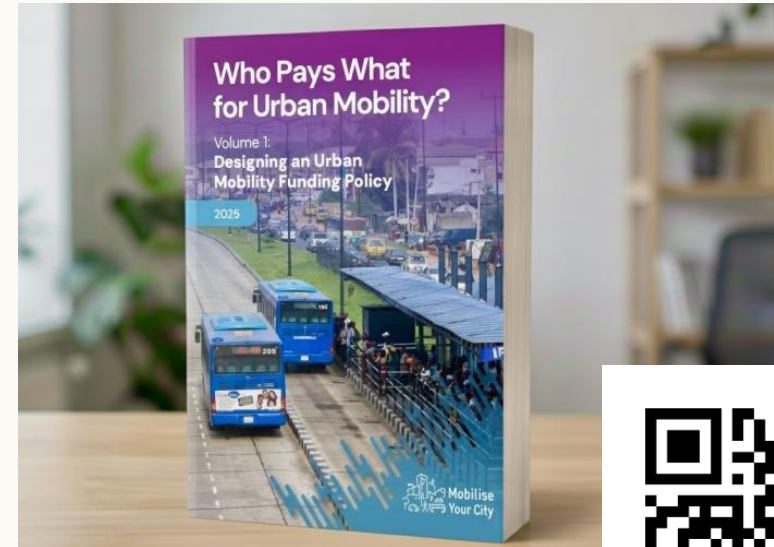
Resources

How to develop a non-motorised transport strategy or policy

START READING



<https://nmttoolkit.itdp.org/guide/introduction/>



Group discussion



- Where does your city get funding for walking and cycling?
- What are the main barriers to funding/finance for walking and cycling?
- What is needed to unlock more funding and finance for walking/cycling?
- Which one of these funding sources could work for your city?

- Quelles sont actuellement les sources de financement de la marche et du vélo dans votre ville ?
- Quels sont les principaux freins au financement de la marche et du vélo ?
- Que faudrait-il pour débloquer davantage de financements pour la marche et le vélo ?
- Parmi ces sources de financement, laquelle vous semble la plus adaptée à votre ville ?