

# #FossilFreeTransport

A call to double the share of energy efficient and fossil-free forms of land transport by 2030

## Action for Finance



Developed by SLOCAT  
in collaboration with World Resources Institute

Setting a new target for climate finance is a critical priority for countries at COP29 and central to making land transport systems clean, energy-efficient, resilient and equitable.

We call for ambitious efforts to urgently close the transport finance gap. Rather than locking our communities in carbon-intensive movement of people and goods, COP29 offers the opportunity to achieve climate action faster, more reliably and more affordably by enabling the investment at scale in energy-efficient and fossil-free forms of land transport.






**While the transport sector currently receives around **29%** of climate finance, it faces the largest investment gap of any sector.**

Clean transport solutions will cost an estimated USD 2.7 trillion annually between now and 2050 - an amount that constitutes seven times the current transport spending.

Many transport systems in low- and middle-income countries (LMICs) are still under development, making this decade a critical window to avoid inefficient investments and future costly retrofitting.

Natural hazards inflict an estimated USD 15 billion in direct damage to transport systems annually - with LMICs bearing around USD 8 billion, the highest costs relative to GDP.

Immediate, robust climate finance for both mitigation and adaptation is essential to ensure a clean, energy-efficient, resilient and equitable transport future in these countries.

A woman is seated on a bus, looking out the window. The background shows a blurred city street with buildings and a sign with Thai characters. The image is overlaid with a semi-transparent teal filter.

**Transport is a  
powerful enabler  
of prosperity and  
livelihoods.**

In 2021, the sector contributed 7% (USD 6.8 trillion) of the global gross domestic product and employed 5.6% of the world's workforce (193 million people).

But current paradigms of how people and goods are moved and how transport systems are powered also bring growing emissions, air pollution and energy demand.

Achieving sustainable, low-carbon pathways will require drastic reductions in emissions and energy demand, coupled with improved access to integrated land transport systems that do not use fossil fuels. Public transport, walking, cycling, rail freight, electric vehicles and railways, energy demand reduction and renewable energy are pillars of sustainable, low-carbon transport.



**Beyond the staggering financial losses in transport assets, disruptions in transport severely impact a country's connectivity and development.**



Transport serves as a lifeline, essential for rapid recovery during crises, yet under the current policy scenario, the sector can experience a near total (97.8%) infrastructure loss by 2050, the most severe compared to any other sector.



A strong climate finance outcome at COP29 can equip developing countries with the resources to address mounting climate impacts and encourage all countries to raise their ambition in transport actions in the next Nationally Determined Contributions (NDCs). It will also send a decisive signal, building on the outcomes of last year's climate talks, to shift funding away from fossil fuels towards low-carbon, energy-efficient and climate-resilient transport infrastructure, systems and services. Such investments will bolster national and local resilience, delivering wider socio-economic benefits in the process.

# #FossilFreeTransport



Drastic reductions in emissions and energy demand from land transport



Improved access to integrated land transport systems



Double share of energy efficient and fossil-free forms of transport

Collective Influence through the Call to Action in 2024

In 2023, more than 60 multi-stakeholder signatories, including Chile and Colombia, launched the **Call to Action to double the share of energy-efficient and fossil-free forms of land transport by 2030.**

Building on this collective call, SLOCAT launched the **Action Agenda 2024** and is now urging COP29 to deliver ambitious efforts to urgently close the climate finance gap for transport.

# Boosting climate finance for transport: 4 things that countries can and should agree at COP29



## Set an Ambitious Global Climate Finance Goal that Delivers on the First Global Stocktake Decision

Align the New Collective Quantified Goal for climate finance with the recommendations of the decision on the First Global Stocktake, namely: *“Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero-and low-emission vehicles”*.

[→ Read more](#)



## Boost Financial Flows for Transport and Engage Key Transport Stakeholders

Increase mitigation and adaptation funding for low-carbon, energy-efficient and resilient transport, and ensure a just transition by bringing non-party transport stakeholders to the table to jointly define avenues to close the climate investment gap in transport.

[→ Read more](#)



## Prioritise an Adequate Response Package for Transport in the Loss and Damage Fund

Ensure the Loss and Damage Fund includes a dedicated response package for transport to protect communities and transport infrastructure from escalating climate impacts.

[→ Read more](#)



## Build momentum for Stronger Transport Targets and Actions

Encourage ambitious transport commitments in NDCs 3.0 and promote broader financial reforms for action towards a low-carbon, energy-efficient and resilient transport future.

[→ Read more](#)





## Set an Ambitious Global Climate Finance Goal that Delivers on the First Global Stocktake Decision

The decision on the First Global Stocktake (GST) recommended countries to take action in: **“Accelerating the reduction of emissions from road transport on a range of pathways, including through development of infrastructure and rapid deployment of zero-and low-emission vehicles”**. In order to deliver on these recommendations, national infrastructure investments will have to, among others, enable shifts to public transport, walking, cycling and rail freight, as well as the rapid deployment of low-emission and electric vehicles and railways; while also drastically scaling up the consumption of renewable energy and zero emission energy sources, towards fossil-free land transport. **These interventions require years of planning and construction, along with long-term investment, making it essential for the New Collective Quantified Goal (NCQG) to channel significantly more funds from diverse sources — domestic, international, public, and private — to bring them to fruition. Aligning the NCQG for climate finance with the decision of the First GST is an effective way to support national action, with the aim of making all finance flows consistent with a pathway towards the Paris Agreement.**

**Aligning the NCQG with the NDCs by earmarking climate finance for transport will provide stability and predictability for countries to address their long-term transport investment needs.** This will also provide a clear signal of where transport investment will be focused and how progress can be monitored. Furthermore, it would allow for regular review through the NDC and GST processes (which run on a 5-year cycle) and upward revision in line with the Paris Agreement’s provisions mandating that successive NDCs represent a progression compared to the previous versions and reflect the highest possible ambition.



## Boost Financial Flows for Transport and Engage Key Transport Stakeholders

**The limited scale and fragmentation of current levels of climate finance for transport, compared to the large financing needs of the sector, is a constraint.** In mobilising climate finance for transport, it is essential to consider the complexities, compared to other sectors, associated with accounting overall reductions and avoided emissions across transport modes. It is also vital to consider the powerful decarbonisation potential of deploying integrated, intermodal transport systems. Without robust and transparent accounting mechanisms for emissions and sustainability impacts for all transport modes and sub-sectors, there is a risk that cleaner transport modes will face unfair competition for the same pool of finance.

Access to climate finance is often hindered by a lack of data, information and awareness about transport trends and measures. **Climate finance negotiations at COP29 should recognise the value of multi-stakeholder exchange and learning for a just transition, and take concrete decisions to enable it in a structured manner. Sustainable transport experts can play an important advisory role in shaping eligibility criteria and a consistent framework for sustainable, low-carbon transport within climate finance.**



## Prioritise an Adequate Response Package for Transport in the Loss and Damage Fund

The negative impacts of transport disruptions on a country's connectivity and development far exceed the huge financial losses in transport assets. Transport is also a lifeline and essential for rapid recovery in moments of crises. **To coordinate a global financial response to transport loss and damage, it is essential to involve sustainable transport stakeholders in the Fund's consultative forums and operational development.** Their technical input will help shape the Fund's design and implementation, ensuring it meets the needs of countries and their transport sectors.



## Build Momentum for Stronger Transport Targets and Actions

Agreeing to a strong climate finance outcome at COP29 will:

- **Encourage ambitious transport targets and actions in NDCs 3.0 and promote broader financial reforms for concrete action.** Setting clear transport targets in NDCs for 2035 and beyond, aligned with the recommendations of the first GST, will enable countries to define the sector's role in meeting economy-wide emissions goals. It is also essential for tracing transport transformation pathways and identifying climate finance needs.
- **Provide a clear political signal to operationalise the transition away from fossil fuels, building on the agreement at last year's climate talks.** It will encourage countries to stand behind their pledges and plan how they will phase out fossil fuel subsidies in transport, create fiscal space to redirect funds towards sustainable, low-carbon and resilient transport infrastructure and services, and increase the use of renewable energy in transport.



## The investment needs and opportunities for clean, energy-efficient, resilient and equitable transport in LMICs

- To limit global warming to 1.5°C, global greenhouse gas emissions must peak before 2025, followed by rapid and deep emission reductions to 2050. The transport sector accounted for 21.9% of global CO<sub>2</sub> emissions in 2023 and remains the fastest-growing source of emissions globally.
- The share of renewable energy is only 4.1% of the total final energy demand in transport. Today, road transport contributes more than three quarters of transport CO<sub>2</sub> emissions.
- With the current rapid trajectories of urbanisation and private motorisation, global transport emissions could increase by 60% by 2050. However, achieving transport pathways aligned with the 1.5°C target will require at least a 59% reduction in global transport CO<sub>2</sub> emissions by 2050.
- Transport infrastructure in LMICs is expanding rapidly, it is essential that new transport investments and policies prioritise low-carbon, sustainable transport solutions to avoid locking in carbon-intensive transport patterns.
- The transport sector currently receives around 29% of climate finance, yet has the largest investment gap among all sectors. Clean transport solutions will cost an estimated USD 2.7 trillion annually between now and 2050 - an amount that constitutes seven times the current transport spending.
- LMICs require at least USD 550 billion annually until 2050 but current annual low-carbon transport investment flows to LMICs are only USD 15 billion, or only 2.7% of what is needed. The total cost could be even greater when considering the financial needs for workforce development, adaptation, and the expenses associated with extreme events.
- Natural hazards result in an estimated USD 15 billion in direct damage to transport systems annually. Of this, an estimated USD 8 billion occurs in LMICs, which experience the highest costs relative to their gross domestic product.
- Under the current policy scenario, the transport sector can experience a near total (97.8%) infrastructure loss by 2050, the most severe compared to any other sector.
- Beyond physical damage, transport disruptions caused by natural hazards have severe financial impacts. In LMICs, these disruptions lead to an estimated USD 107 billion in annual losses to businesses.

# Go deeper on climate finance for transport

The knowledge base of our messages is taken from:

## High-Volume Transport Project on Improving Access to Climate Finance for Transport Projects in Low- and Middle-Income Countries

The project aims to improve access to climate finance for transport projects in low and middle-income countries (LMICs). Climate finance refers to local, national or transnational financing—drawn from public, private and alternative sources of financing—that seeks to support mitigation and adaptation actions that will address climate change.

To achieve this, the project conducts research and determine the scale of finance available for transport projects by drawing on a number of databases and analysis, identify key barriers and lessons learned to accessing climate finance.

**Stay tuned for the report, policy guide and other resources available soon!**

[Read more](#)



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# Go deeper on climate finance for transport

## SLOCAT Transport, Climate and Sustainability Global Status Report – 3rd Edition

### Chapter 5.1 Financing Sustainable Transport in Times of Limited Budgets

This chapter shows that effective financing is crucial for the development of modern transport networks that facilitate economic growth, improve connectivity and enhance quality of life for residents. It involves a combination of public and private resources, strategic planning and careful allocation of funds to ensure the efficient operation and expansion of transport infrastructure and services.

[Read more](#)

The Global Status Report 3rd edition is supported by





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[www.slocat.net/call-to-action-on-fossil-fuel-free-land-transport](http://www.slocat.net/call-to-action-on-fossil-fuel-free-land-transport)

Action for  
Ambition

Action for  
Capacity

Collective  
Influence in 2024