



Note 1

The World Bank managed transport investments of \$40 billion in FY2013 alone, and regional development institutions are also key sources of finance. The World Bank says that “when the urban transport system experiences major difficulties, consequences are felt by households, by businesses, and by the urban community at large”.

Note 2

Transport authorities are public bodies that plan, design and regulate transport systems. Revenue from tickets sold to passengers rarely covers even service operating costs, much less investment. So revenue from private motorists (vehicle registration, congestion charging, parking, etc.), and from advertising, shop rents and so on is also needed.

Note 3

The contribution of urban public transport to reducing carbon emissions in cities means that investment to increase usage and reduce car use can qualify for carbon credits. These credits can be sold through carbon markets, and carbon pricing can also be used to quantify carbon taxes that return the cost of pollution to the polluter.

Note 4

In recent years the level of private capital in public transport infrastructure investment has increased, because of pressures on public budgets and private investors looking for new markets. However, the record has been mixed at best, because there are many examples of transferring profits but not risks to private investors.

Note 5

Government finance is vital because it is cheaper than private capital and many of the benefits of urban public transport are public goods. A 2012 US Treasury report said that long-term economic benefits would follow short-term job creation through transport investment and that both the public and American business want it to increase.

Note 6

The money spent by passengers on tickets is the most important source of public transport revenue, but imposing the whole investment cost on them would make fares too high and discourage usage. It would also be unfair, because private motoring incurs public costs that should be returned to those who cause them on the ‘polluter pays’ principle.