

Financing Transport: Aligning Benefits, Costs and Sustainability

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Topics

1. Financing needs & revenue sources:
options for public and private roles
2. Value chain – creation of benefits
3. Performance measures: alignment of
benefits, risks, opportunities
4. Public benefit and equity issues
5. Viewing case studies



Financing Needs

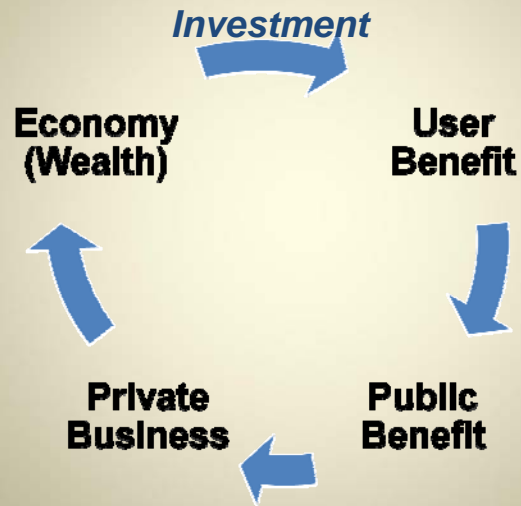
- Public Funds
- Private Investors
- Loans
- User Fees



Public-Private Options

Ownership	Revenue Collection	Maintenance	Operation
	<i>All Public</i>	<i>Sector</i>	
	<i>All Private</i>	<i>Sector</i>	

Value Chain



Goals: Aligning Benefits

Group	Appropriate Design & Operation	Efficient Service Provided	Reasonable Benefit
Operator			
Users			
Public / Government			

Performance Measures

Group	Design & Operation	Service	Benefit
Operator	<u>Financial</u> (revenue, cost, cash flow)	<u>Service Provided</u> (construction, management)	<u>Net Revenue</u> (return on investment)
Users	<u>Service Design</u> (area, cost, schedule)	<u>Service Obtained</u> (speed, comfort, safety, reliability)	<u>User Benefit</u> (access, mobility, cost, time)
Public / Government	<u>Gov. Finance</u> (taxes, fees, debts, assets)	<u>Δ Requirements</u> burden/relief in cost, workforce	<u>Econ Development</u> (jobs, income, development capacity)

Governance - Regulation

Whose Interest?

- Public Interest
- User Interest
- Public Interest

Roles and Rights?

- Ownership
- Management
- Revenue Rights

Goals

- Efficiency (services, resources)
- Equity (fairness, assistance)
- Sustainability (environment, economy)

Financing: Part of a Strategy

Short-term: Solve Financing Needs



Medium-term: Improve Mobility



Long-term: Econ Growth and
Urban Development

Performance measures to monitor progress

Case Study Issues

- Whose money? Whose benefit? --local or global?
- Defining roles and risks of various parties
- Packaging revenue sources and contracts
- Selecting technology investment options
- Wider benefits: building institutions, reducing poverty, creating access for economic development
- Application of these issues for roads, rail, bus and pedestrian infrastructure

*For more information on economic development
impacts and performance measures*

Economic Development Research Group, Inc.

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