Financial and Fiscal Innovation: Thinking Outside the Box

The World Bank Headquarters
1818 H Street, NW
USA-Washington DC

David Lewis, HDR|Decision Economics
When to think outside the box?

WHEN THE BOX IS EMPTY
Questions

- Where has funding for improved accessibility been successfully built into long term transport planning?
- What can be done to change the traditional silo approach to funding accessible transport?
- Is there a way to identify cross-sector benefits (such as reducing costs to health care and domiciliary services) that can result from increasing mobility: How can this work at Government levels?
- Are there fiscal or other forms of incentive that could usefully be introduced to stimulate investment in accessible transport?
- Are there other means (incentives or penalties) to ensure that accessibility is embedded in transport investment and not left as optional extra?
Where Has Funding For Improved Accessibility Been Successfully Built Into Long Term Transport Planning?

Where these success factors are in place

- **Governance**
  - Strong Central Government Policy Position
  - Protection of Accessibility as a Civil/Human Right
  - Rule of Law/Adjudication

- **Mandatory regulation or voluntary codes of practice**
  - Voluntary codes administratively less costly; less effective?
  - Incentives to comply with voluntary codes
    - Preemption of judicial challenge or mandatory regulation
    - Competitive and peer pressure
  - Regulatory cost-benefit analysis must expand the scope of measured benefits; must recognize “option value” and “existence value” of accessibility to people without disabilities

- **Culturalization and demonstration effects**

- **Technical innovation**

**Discussion**

- Statewide Transportation Investment Plans – United States
- Regional Transportation Plans - Canada
- Local Transport Plans: UK
What Can Be Done To Change The Traditional Silo Approach To Funding Accessible Transport?

- Silos serve some objectives (focused regulation and codes of practice)
- Generally, silos inhibit funding of integrated solutions
- What can be done?
  - *Program funding flexibility (example – modal transfers under U.S. federal transportation law)*
  - *Interagency coordination through “triple lens” of sustainability, livability and accessibility*
- *Office of Sustainable Housing and Communities – OSHC*
  - *HUD and DOT jointly administered $100 million fund*
  - “to encourage metropolitan regions, via competition, to develop integrated housing, land use, and transportation plans - and to use those integrated plans to drive the planning and decision-making of localities, which will help increase transportation choices and reduce combined housing and transportation costs for American families”
What Can Be Done To Change The Traditional Silo Approach To Funding Accessible Transport? (Cont’d)

- Office of Sustainable Housing and Communities – OSHC (Cont’d)
  - Includes uniform statement of sustainability and livability principles
  - Need to fix failure to integrate accessibility principles into definitions of sustainability and livability (current emphasis on “walkability”)

  then we can …

1. **Tie grants, [or tax exemptions and government credit support] to sustainability and livability criteria, thereby stimulating investment in accessible transport**

2. **Make cross-sector benefits work at government level using competitive funding criteria and public-private partnerships**
Are There Other Means To Ensure That Accessibility Is Embedded In Transport Investment And Not Left As Optional Extra?

An Out-of-The-Box Proposal
Make Accessibility An Official Measure of Economic Progress

- Current measure of economic progress is Gross Domestic Product – GDP
  - “GDP does not allow for the health of our children, the quality of their education or the joy of their play.” Robert Kennedy, 1968

- What we measure affects what we do
  - “If our measurements are flawed, decisions will be distorted. Choices between promoting GDP or protecting the environment may be false choices once the value of environment is included in our measurement of economic performance” G. Stiglitz, 2009

- In 2008 Pres. Sarcozy established Commission on The Measurement of Economic Performance and Social Progress (Stiglitz Commission)

- 2009 Commission report recommends replacing GDP with 8 indicators for dimensions of quality of life
  - Material living standards; Health; Education; Personal activities, including work; Political voice and governance; Social connections and relationships; Environment; Insecurity, of an economic as well as physical nature

- Proposal: Add accessibility dimension: reorient accessibility from cost to benefit in fiscal policy formulation