Law and Financing for Sustainable Transport

African Road Safety Legislators' Network

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Law

Legislation is not neutral

- Legislation reflects and reinforces societal power
- It sets the boundaries of the road traffic system, and use of that system leads to unwanted non-communicable diseases
- If we want to change the road traffic system, change the status quo, we must inevitably change legislation

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Wide potential scope of legislation for sustainable transport

- Agency functions
- Regulation of passenger transport services, including entry/exit routes/scheduling, pricing/payment systems
- Road Safety Fund
- Processes for assessing infrastructure safety
- Vehicle standards – registration, roadworthiness, exit
- Driver standards – licensing, offences and penalties, exit
- Specific behavioural rules – helmet & seatbelt use, drink driving, speeding etc
- Traffic rules, road markings and signs
- Post crash response arrangements (injury insurance , rehabilitation, compensation)

Legislation directly affects efficiency and performance

- Police and motor vehicle regulators are entirely bound by legislation passed by Parliament and Governments
- Legislation requires constant attention and maintenance to support sustainable transport – for example:
  - Courts may make decisions which require a change to legislation to be made
  - Technology advances in enforcement (such as speed cameras) may require legislative backing before being introduced

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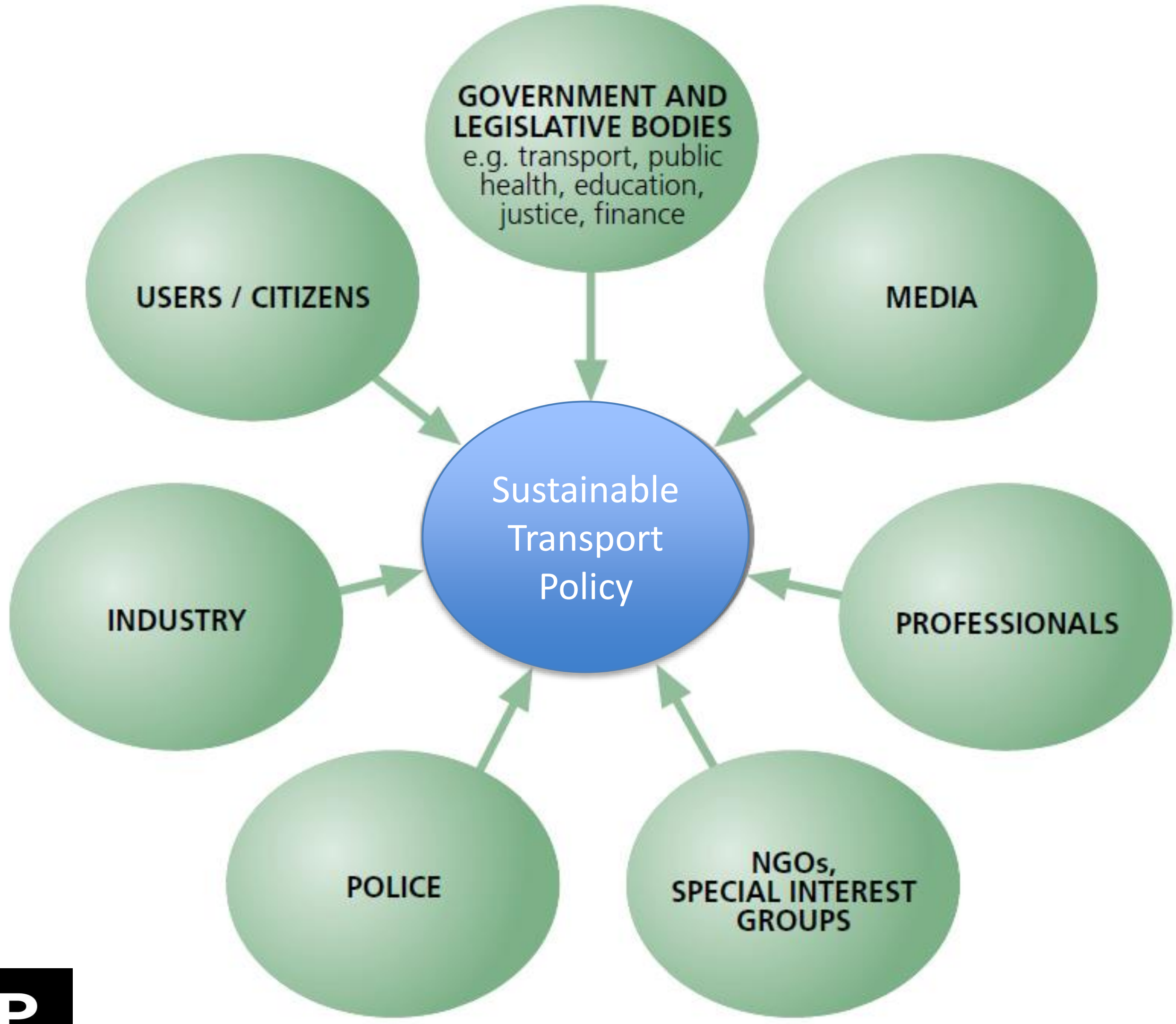
Many stakeholders need to be engaged



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Key points relating to law

- Identify key legislation gaps, and a roadmap for closing those gaps over time
- Consider whether you need to address the structure of the law, for example colonial era road traffic acts
- Consider enforcement, compliance and implementation needs as legislation is developed

Financing

Two types of investment

- Capital investment – significant one-off expenditures:
  - Infrastructure improvement
  - Passenger fleets
  - Information systems (data system, vehicle/driver/operator registries)
  - Operational equipment (patrol vehicles, alcohol/speed testing equipment, speed camera enforcement systems)
  - Buildings, information and communication technology

- Operating investment – regular, recurrent expenses:
  - Maintenance (infrastructure, vehicles, systems, equipment, buildings)
  - Staff (salaries, leave, insurance, training and development)
  - Third party suppliers and contractors
  - Operations (fuel, telecommunications, travel)

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Four broad funding sources

- Specific government charges:
    - Fuel levy
    - Road tolls
    - Passenger fares
    - Vehicle registration and inspection fees
    - Levy on new car or spare part imports
    - Injury insurance premiums
    - Driver licensing fees
    - Traffic fines
- General government taxation
- Domestic or foreign loans
- Technical assistance or grant aid

- Fares, fees, charges, levies, taxation can accumulate quickly, allow sustainable operations to be established, and provide a basis to attract further investment
- Establishing a separate Road Safety Fund under law helps guarantee a sustainable level of safety activity
- Loans are appropriate for funding major capital investments, but should be avoided for operational expenses
- Smaller technical assistance or grants funding can help access technical road safety expertise
- Don’t rely on loan or grant funding

Funding strategy & preparation

- Ideally, the costs of delivering regulatory services (such as vehicle inspections or licence tests) are recovered directly from the client at point of transaction
- Ideally, investment funds come from systemic sources – paying for fuel, paying for insurance etc
- Ideally, existing budgets are re-prioritized, then expanded, for safety (in police, transport, local authority budgets)
- Identify overall funding needs and priorities – start with national strategy and action plan, and consider preparing
  - a high level 5-10 year investment plan
  - a 3-4 year budget for implementing an action plan
  - an annual budget

Key points relating to financing

- Consider capital and ongoing investment needs over a longer period
- Align funding streams to suit the investment needs
- Be prepared to argue, debate and negotiate – you will almost never get what you seek
- Always focus on financing highest priority actions

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