



# The Challenge for Public-Private Financing of Transport: Aligning Benefits, Costs and Sustainability

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## ABSTRACT

Many new urban transport facilities and services are enabled by some form of public-private partnership or contracting process. Particularly for developing cities and regions, private sources of capital and expertise are now providing financing and management that would otherwise not be available for developing roads, rail lines, bus services and ports. This points to a clear need for systematic and structured evaluation to assure that projects will be effectively designed and resulting services will be efficiently implemented, with reasonable return to all intended parties. To assess those evaluation measures, it is important to develop pre-project estimates and post-project tracking of transportation performance indicators (e.g., volumes, travel times) and financial performance indicators (e.g., revenues and expenses). In addition, though, it can be important for major transportation projects to be designed with the explicit goal of facilitating greater economic development, as expressed through social and economic development performance measures (including mobility and accessibility impacts as well as resulting job and income impacts). That can help ensure the alignment of public and private benefits, as well as equity in financing and pricing. It can also serve as a basis for regulatory oversight to help ensure long-run financial, economic development and environmental sustainability.