Affordability and Equity: The Missing Element in the Infrastructure Dialogue

Jeff Gutman
Senior Fellow, The Brookings Institution

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Introduction

- Despite SDG emphasis on infrastructure including “affordable and equitable access for all” (SDG 9.1), international attention has focused almost exclusively on financing and supply;

- Diagnosing and addressing affordability and equity requires a disaggregated approach that distinguishes between countries and sectors as well as external vs. domestic financing;

- Urban infrastructure and services, and urban transport in particular, represent a key challenge in terms of defining needs, mobilizing financing and determining affordable and equitable solutions (SDG 11.2)
Overall External Commitments for African Infrastructure

Source: Gutman, Sy, and Chattopadhyay (2015).
External Commitments to Africa by Country

Country Proportions
2009-2012

Source: Gutman, Sy, and Chattopadhyay (2015).
External Commitments to Africa by Country as % of GDP

Top 10 recipients

Bottom 10 recipients

Source: Gutman, Sy, and Chattopadhyay (2015).
Overall External Commitments to Africa by Sector

Source: Gutman, Sy, and Chattopadhyay (2015).
Private Flows to Africa by Sector

Count of Countries

<table>
<thead>
<tr>
<th>All Sectors</th>
<th>Receiving PPI</th>
<th>Not Receiving PPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Sectors Excluding ICT</td>
<td>21</td>
<td>31</td>
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</table>

Source: Gutman, Sy, and Chattopadhyay (2015).
Findings of Brookings African Study

- There seems to be serendipitous rather than strategic complementarity of external financing sources
- Very limited information and attention to the key financing source, domestic financing, and, in particular, subnational domestic financing
- Urban transport as a subsector is an example of the challenges to defining and addressing equity and affordability in terms of users of infrastructure
Key Elements in Defining Affordability and Equity in Urban Transport

- Need for metrics to define and measure basic access
- Adaptation of conventional economic evaluation methods for urban transport investments
- Alignment of multiple pricing objectives with equity and affordability
Conclusion

• There is a crucial need to better incorporate social inclusion in the application of sustainable development principles to infrastructure