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FIA Foundation report calls for social impact bonds funding to link road safety investment to health outcomes.

Social impact investing could herald a new era of safer road investment by making transparent the links between road safety measures and public health outcomes.

A new report by Social Finance and Impact Strategist, two leaders in policy development in the burgeoning 'payment for success' Social Impact Bond (SIB) market, argues that private sector financing through a road safety Social Impact Bond framework could bring new funding sources and new rigour to transport investment. The funding for the Social Impact Bonds is provided at risk by social investors whose financial return is aligned to the positive social impact of meeting pre-agreed social outcomes.

More than 1.2 million people are killed and up to ten million seriously injured on the world's roads every year. Reducing this toll by 50% by 2030 will be the aim of a stand-alone target included in new United Nations 'Sustainable Development Goals (SDGs)' later this year. Published to coincide with the 3rd International Conference on Financing for Development, the report '*Breaking the Deadlock: A Social Impact Investment Lens on Reducing Costs of Road Trauma and Unlocking Capital for Road Safety*', commissioned by the FIA Foundation, highlights the need for increased financing for global road traffic injury prevention to achieve this target, but points out that significant improvements could be made if the billions of dollars of existing road infrastructure investment is deployed with the priority objective of realising social and financial savings from reduced injuries and fatalities.

Structuring Social Impact Bonds with clear metrics measuring the effects of road safety policies - such as safe infrastructure design or enforcement campaigns - on specific health outcomes (e.g. reduction in number of hospital bed-days relating to road traffic victims) could 'break the deadlock' of decades of transport policy and planning divorced from consideration of public health outcomes.

The report makes a number of recommendations to advance SIB development in the area of road safety and encourages stakeholders including governments, multi-lateral development banks and financial institutions to support 'steps to action' including:

- Identify projects currently in development which could serve as a demonstration of how the social impact investment approach could be applied in the road safety context;
- Design a methodology and toolkit for collection of data, with the aim of filling out the 'missing piece' to demonstrate who (for example in health systems or the insurance sector) bears which costs and to build an evidence base relating to particular interventions and outcomes achieved;

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- Develop a road map to progress from illustrative models to advocating for and developing options that will deliver 'Safe System' change at scale.

Report authors Rosemary Addis, Director of Impact Strategist and a member of the G8 Social Impact Taskforce, and Jane Newman, International Director of Social Finance, said:

"Social impact investing provides an exciting option to 'unlock' the benefits of improving road safety. This work sheds light on who bears the cost now and the incentives to invest in prevention rather than dealing with the consequences of road trauma which affect millions of people around the world"

Saul Billingsley, Director of the FIA Foundation, welcomed the report:

"For too long there has been a disconnect between road and urban transport provision and the effect this expenditure has on public health. As we prepare to implement the new SDG road safety target we need a game-changer, a new way to transparently measure and reward safe and sustainable transport investment. Designing a SIB investment for safer road infrastructure design which pays investors for a successful reduction in injuries would be a win-win for transport and health ministries. We are wasting far too much money mending broken bodies in trauma wards when the solutions are available to save lives and make roads safe."

The report can be downloaded from the FIA Foundation website:

<http://www.fiafoundation.org/media/45995/research-paper-3-breaking-the-deadlock-spreads.pdf>

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Notes to Editors:

- 1) A Social Impact Bond is a financial mechanism in which investors pay for a set of interventions to improve a social outcome that is of social and/or financial interest to a government commissioner. If the social outcome improves, the government commissioner repays the investors for their initial investment plus a return for the financial risks they took. If the social outcomes are not achieved, the investors stand to lose their investment. Social Impact Bonds provide investment to address social problems and look to fund preventative interventions. This model is currently being applied to address international development challenges, called Development Impact Bonds (DIB). Several DIB projects are in development, including for communicable diseases, employment, chronic disease, education, early childhood development, and resilience to natural disasters.
- 2) There are more than 40 Social Impact Bonds in operation across seven countries. They invest in interventions to tackle recidivism, unemployment, social isolation, children in state care, homelessness and health issues.
- 3) Social Finance (www.socialfinance.org.uk) is a not for profit organisation working with government, the social sector and the financial community to find new ways of tackling entrenched social problems in the UK. Founded in 2007, Social Finance has mobilised over £62m in social investment for charities and social enterprises and is the originator of the Social Impact Bond model. It has helped design or manage 13 of the 31 Social Impact Bonds launched in the UK.
- 4) Impact Strategist designs breakthrough social innovation and impact investment strategies to tackle complex social problems and create new social and economic value. Impact Strategist is led by Executive Director, Rosemary Addis, a recognised thought leader and trusted adviser to senior leaders cross sectors globally.
- 5) The FIA Foundation has an international reputation for innovative global road safety philanthropy; practical environmental research and interventions to improve air quality and tackle climate change; and high impact strategic advocacy in the areas of road traffic injury prevention and motor vehicle fuel efficiency. The Foundation's mission is to support 'an international programme of activities promoting road safety, the environment and sustainable mobility, as well as funding motor sport safety research,' working with a range of international partners including the World Bank, UNICEF and the UN Environment Programme.