an asset management firm making profitable and strategic investments that solve critical social and environmental problems

Fostering Resilience October 2016

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WHO WE ARE AND HOW WE INVEST

Encourage Capital is an investment firm that focuses on profitable investments that solve critical social and environmental problems.

WOLFENSOHN FUND MANAGEMENT

- $250M PE fund with strong focus on emerging markets inclusive financial services
- Strength in financial inclusion/development finance
- Global investment knowledge and networks

EKO Asset Management Partners

- Pioneering approaches to leveraging private capital to solve complex social and environmental problems
- Strength in environmental markets and conservation finance
- Strong reputation and networks in asset owner community
WHY PRIVATE CAPITAL

Transferring risk…

WITH THESE CALCULATIONS I HAVE MADE

I CAME TO A CONCLUSION THAT I DON'T KNOW WHAT I'M DOING
WHY PRIVATE CAPITAL

...or responsibility

My Area of concern

X < your problem
VALUE FROM RISK TRANSFER

Cost of capital versus cost of project

*Project Cost Base = 100*

1. 10% of total project cost estimate; 2. 50-100% Source: Flyvbjerg et al., *Megaprojects and Risk*; 3. 30y annual payment, 4% public cost, 8% private WACC; 4. 5% procurement savings estimate.
ANOTHER ROLE FOR PRIVATE CAPITAL
Supporting financing of distributed infrastructure

Case Study: District Stormwater

1. Impose regulation
2. Design, Finance Build, Operate, Maintain
3. Issues credits
4. Trade
5. Satisfy regulatory requirement

Property Owners – Voluntary Supply

District Stormwater, LLC

Regulated Developers

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