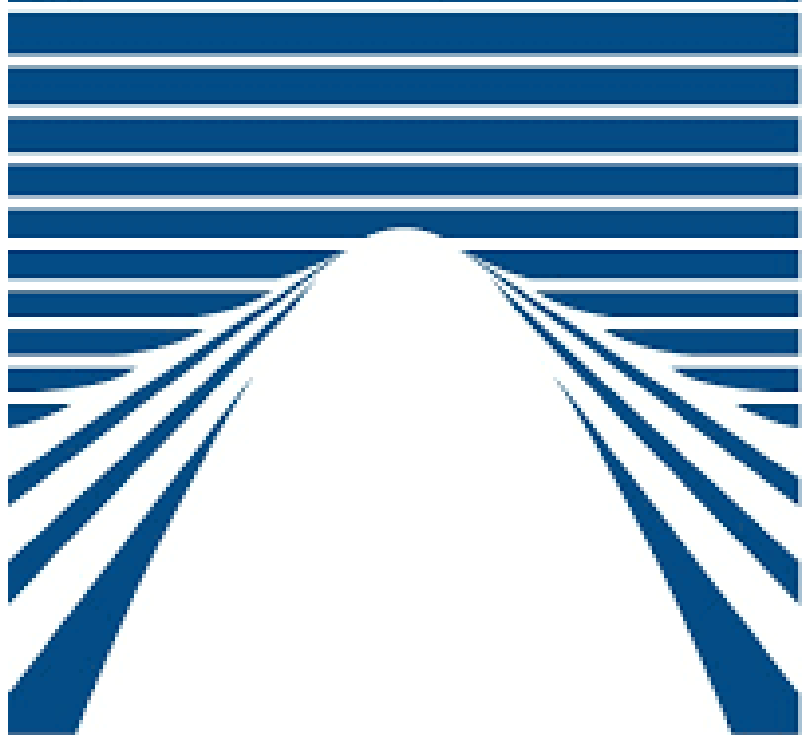


WASHINGTON



P O R T S

**Funding Infrastructure:
Private Capital in the Age of Impact Investment**

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Economic Development Committee

December 11, 2024



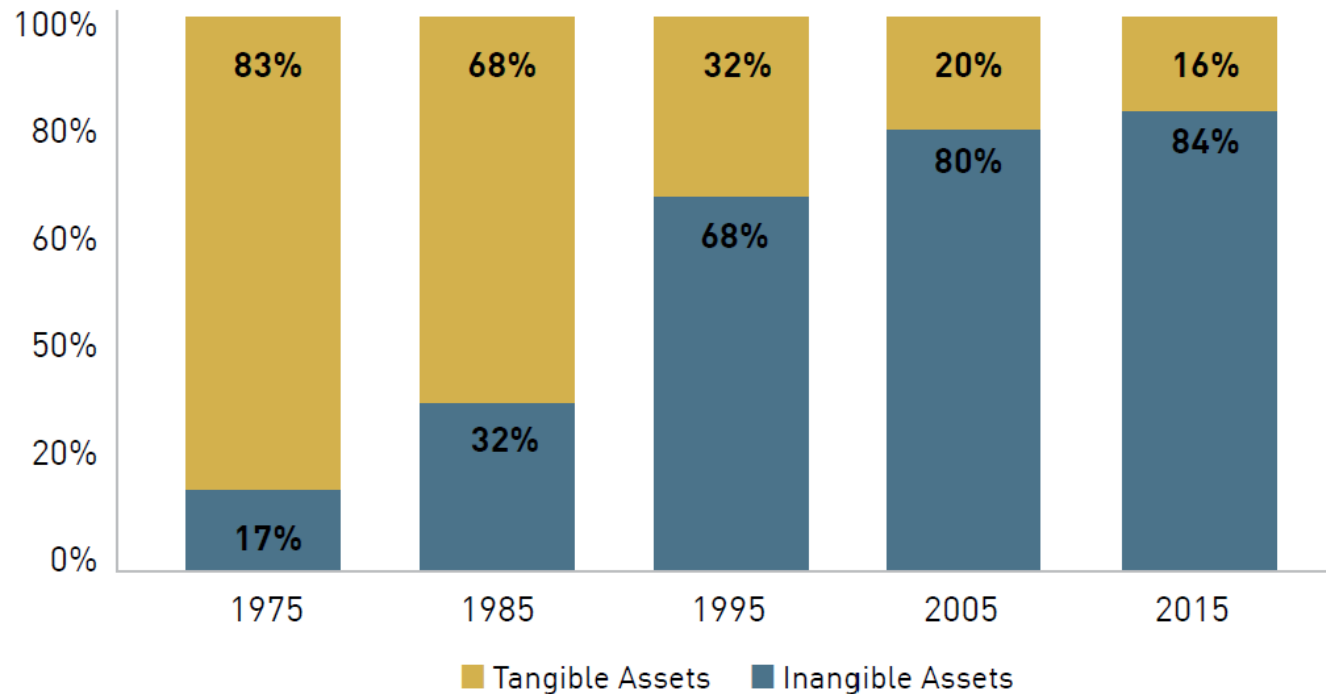
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Markets Have Changed

Figure 1

COMPONENTS OF S&P 500 MARKET VALUE

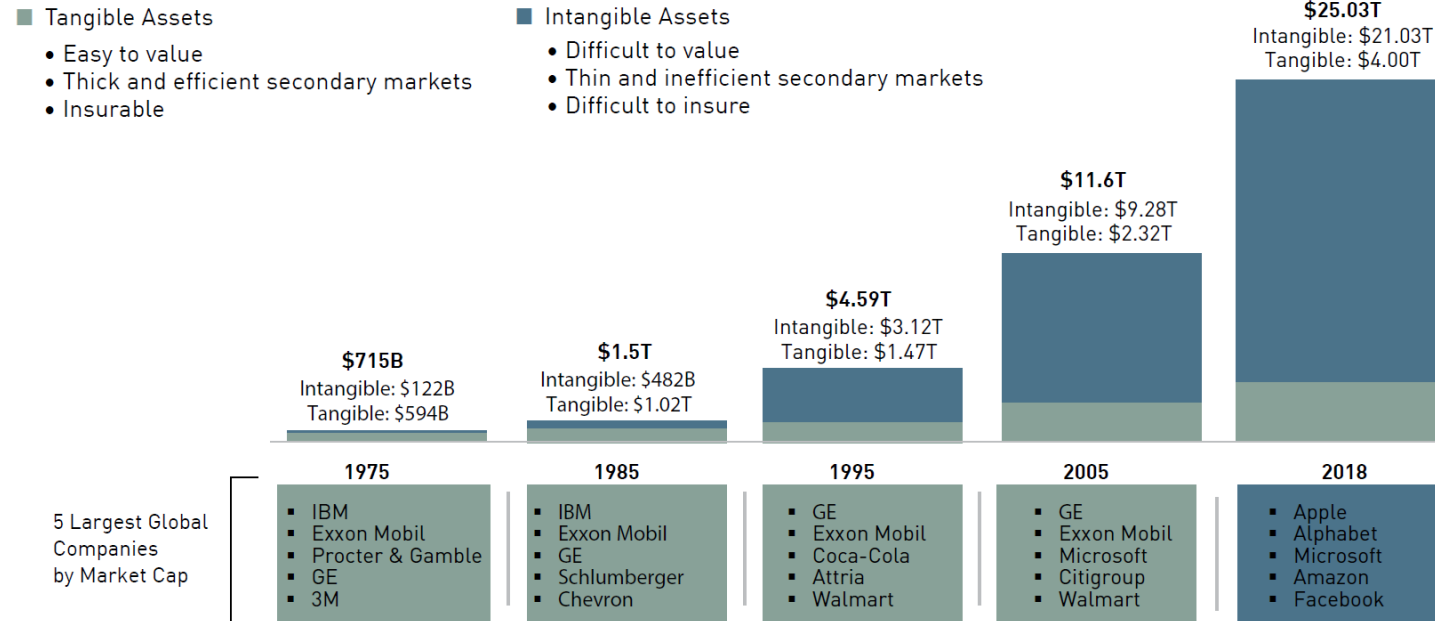


Source: © 2019 Ocean Tomo, Intangible Asset Market Value Study, Components of S&P Market Value; <https://www.oceantomo.com/intangible-asset-market-value-study/>

Capturing Market Inefficiencies

Figure 2

TANGIBLE VS. INTANGIBLE ASSETS FOR S&P COMPANIES, 1975–2018



Source: "2019 Intangible Assets Financial Statement Comparison Report," Aon's Intellectual Property Solutions sponsored Ponemon Institute Study and Report (April 2019), Figure A, page 1, <https://www.aon.com/thought-leadership/ponemoninstitutereport.jsp>; Bruce Berman, "\$21 Trillion in U.S. Intangible Assets is 84% of S&P 500 Value—IP Rights and Reputation Included" (June 4, 2019), <https://ipcloseup.com/2019/06/04/21-trillion-in-u-s-intangible-asset-value-is-84-of-sp-500-value-ip-rights-and-reputation-included/>

New Philanthropy Fuses Profit with Purpose

Table
1

NEW PHILANTHROPY AND TRADITIONAL PHILANTHROPY

Feature	New Philanthropy	Traditional Philanthropy
Main Goal	Systemic, innovative, scalable change	Focused, direct issue-specific solutions
Funding Source	Market investments and performance	Donations, grants, and gifting
Flexibility	High	Moderate
Accountability	Data-driven, measurable goals	Generalized definition of impact/success
Scale	Larger-scale, systemic change	Localized, focused, immediate needs
Impact	Large-scale change, addresses underlying causes	Small to medium impact, addresses issues

Investors and the UN SDGs

Figure 2

FOCUS OF SUSTAINABLE DEVELOPMENT GOALS



Source: <https://www.un.org/sustainabledevelopment/news/communications-material/>

Investors' Focus Areas

Table
2

RELEVANT SUSTAINABLE DEVELOPMENT GOALS

Key Areas of Focus	SDGs
Environmental Sustainability	<ul style="list-style-type: none">• SDG 6: Clean Water and Sanitation• SDG 7: Affordable and Clean Energy• SDG 12: Responsible Consumption and Production• SDG 13: Climate Action• SDG 14: Life Below Water• SDG 15: Life on Land• SDG 17: Partnerships for the Goals
Social Sustainability	<ul style="list-style-type: none">• SDG 1: No Poverty• SDG 2: Zero Hunger• SDG 3: Good Health and Well-Being• SDG 4: Quality Education• SDG 5: Gender Equality• SDG 10: Reduced Inequalities• SDG 16: Peace, Justice, and Strong Institutions• SDG 17: Partnerships for the Goals
Economic Sustainability	<ul style="list-style-type: none">• SDG 8: Decent Work and Economic Growth• SDG 9: Industry, Innovation, and Infrastructure• SDG 11: Sustainable Cities and Communities• SDG 17: Partnerships for the Goals

Public Private Partnerships-Key Metrics

- Shown are key metrics for evaluating Public-Private Partnerships (PPPs), categorized by financial and non-financial impacts:
- This table provides a framework for selecting the most relevant metrics based on the specific goals and context of the PPP project. Remember that both quantitative and qualitative data are essential for a comprehensive evaluation.

Impact Category	Metric	Description	Data Source
Financial Impacts			
Direct Costs & Revenues	Construction Costs	Expenses related to building the infrastructure.	Project budgets, financial statements
	Operating Costs	Expenses related to maintaining and operating the infrastructure.	Project budgets, financial statements
	User Fees/Tolls	Revenue generated from users of the infrastructure.	Revenue records, traffic data
	Government Payments	Payments made by the government to the private partner.	Contract agreements, government records
	Tax Revenues	Increase in tax revenues resulting from the project.	Government tax records
Financial Performance	Return on Investment (ROI)	Financial return on investment for both partners.	Financial statements, investment data
	Value for Money (VfM)	Cost-benefit comparison to alternative procurement methods.	Cost-benefit analysis, project evaluations
	Risk Allocation	Assessment of how financial risks are shared.	Contract agreements, risk assessments
Economic Impacts	Economic Growth	Contribution to GDP growth, job creation, economic activity.	Regional economic data, employment statistics
	Productivity Gains	Improvements in efficiency and productivity.	Output data, operational efficiency metrics
	Investment Attraction	Ability to attract private investment to the region.	Investment data, business surveys
Non-Financial Impacts			
Social Impacts	Quality of Life	Improvements in quality of life for users and the community.	Surveys, community feedback, social indicators
	Community Development	Contribution to job creation, infrastructure, social inclusion.	Employment data, community surveys, social impact assessments
	Health and Safety	Improvements in public health and safety.	Health statistics, accident data, safety reports
Environmental Impacts	Environmental Protection	Impact on air/water quality, noise, biodiversity.	Environmental monitoring data, impact assessments
	Climate Change Mitigation	Contribution to reducing greenhouse gas emissions.	Carbon footprint analysis, emissions data
	Resource Efficiency	Project's use of resources and impact on natural resources.	Resource consumption data, environmental audits
Governance & Institutional	Capacity Building	Impact on public sector capacity to manage projects.	Training records, institutional assessments
	Transparency & Accountability	Level of transparency and accountability in the PPP process.	Project documentation, public consultations
	Stakeholder Engagement	Level of engagement with communities and stakeholders.	Stakeholder consultation records, feedback mechanisms

SDGs and Infrastructure Projects

SDG & TARGETS	IMPACT CATEGORY	METRIC	DESCRIPTION	DATA SOURCE
SDG 8: Decent Work and Economic Growth	Economic Impacts	Regional Economic Growth	Contribution to regional GDP, job creation, and economic activity.	Regional economic data, employment statistics, trade data
SDG 8.3		Maritime Sector Growth	Impact on the growth of shipping, logistics, and related industries.	Shipping data, industry reports
SDG 8.a		Trade Facilitation	Improvements in trade volumes, efficiency, and access to markets.	Trade statistics, customs data, shipping routes
SDG 9: Industry, Innovation and Infrastructure	Financial Impacts	Construction Costs, Operating Costs, Equipment Costs	Efficient use of resources in infrastructure development and operation.	Project budgets, financial statements
SDG 9.1		Accessibility	Improved access to port facilities for different users and stakeholders.	Transport connections, accessibility audits
SDG 9.4			Upgrading infrastructure and retrofitting industries to make them sustainable.	Environmental impact assessments, energy efficiency audits
SDG 9.5			Enhance scientific research, upgrade the technological capabilities of industrial sectors.	R&D investments, technology adoption rates
SDG 11: Sustainable Cities and Communities	Social Impacts	Community Development	Job creation for local communities, improved infrastructure, skills development.	Employment data, community surveys, training programs
SDG 11.a			Support positive economic, social and environmental links between urban, peri-urban and rural areas.	Regional development plans, transport networks
SDG 11.3			Enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. ¹	Urban planning documents, stakeholder engagement platforms
SDG 13: Climate Action	Environmental Impacts	Climate Change Resilience	Adapting port infrastructure to climate change impacts (e.g., sea-level rise).	Climate risk assessments, adaptation plans
SDG 13.1			Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Disaster ² preparedness plans, risk reduction measures
SDG 14: Life Below Water	Environmental Impacts	Water Quality	Impact on water quality, pollution prevention measures.	Water quality monitoring data, environmental regulations

Impact Category	Metric	Description	Data Source
Financial Impacts			
Direct Costs & Revenues	Construction Costs	Expenses for building new port infrastructure (e.g., wharves, terminals, breakwaters).	Project budgets, financial statements
	Dredging Costs	Expenses for dredging channels and harbors.	Project budgets, dredging contracts
	Equipment Costs	Costs of acquiring cranes, cargo handling equipment, and other machinery.	Purchase agreements, equipment inventories
	Operating Costs	Expenses for maintaining and operating port infrastructure.	Operational budgets, maintenance records
	Port Dues/Tariffs	Revenue generated from ships using port facilities.	Tariff schedules, port authority records
	Lease Revenues	Revenue from leasing land or facilities to private operators.	Lease agreements, financial statements
	Government Grants/Subsidies	Financial support provided by the government.	Government records, grant agreements
Financial Performance	Return on Investment (ROI)	Financial return on investment for both public and private partners.	Financial statements, investment data
	Value for Money (VfM)	Cost-benefit comparison to alternative financing methods.	Cost-benefit analysis, project evaluations
	Risk Allocation	Assessment of how financial risks are shared (e.g., construction delays, cost overruns).	Contract agreements, risk assessments
Economic Impacts	Regional Economic Growth	Contribution to regional GDP, job creation, and economic activity.	Regional economic data, employment statistics, trade data
	Maritime Sector Growth	Impact on the growth of shipping, logistics, and related industries.	Shipping data, industry reports
	Trade Facilitation	Improvements in trade volumes, efficiency, and access to markets.	Trade statistics, customs data, shipping routes
	Investment Attraction	Attracting private investment in port-related businesses and logistics.	Investment data, business surveys
Non-Financial Impacts			
Social Impacts	Community Development	Job creation for local communities, improved infrastructure, skills development.	Employment data, community surveys, training programs
	Environmental Justice	Ensuring equitable distribution of environmental benefits and burdens.	Community health data, environmental impact assessments
	Accessibility	Improved access to port facilities for different users and stakeholders.	Transport connections, accessibility audits
Environmental Impacts	Water Quality	Impact on water quality, pollution prevention measures.	Water quality monitoring data, environmental regulations
	Air Quality	Impact on air quality, emissions reduction strategies (e.g., shore power).	Air quality monitoring data, emissions inventories
	Noise Pollution	Mitigation of noise pollution from port operations.	Noise level monitoring, noise mitigation plans
	Habitat Protection	Measures to protect marine habitats and biodiversity.	Environmental impact assessments, biodiversity surveys
	Climate Change Resilience	Adapting port infrastructure to climate change impacts (e.g., sea-level rise).	Climate risk assessments, adaptation plans
Governance & Institutional	Port Efficiency	Improvements in port management, operations, and coordination.	Port performance indicators, operational efficiency metrics
	Transparency & Accountability	Openness and accountability in port governance and decision-making.	Public consultations, stakeholder engagement mechanisms
	Regulatory Compliance	Adherence to environmental regulations and safety standards.	Compliance audits, inspection reports

Appendix A- Key metrics for PPPs