







Private Infrastructure Development Group (PIDG)

Multilateral Aid Review (MAR) Update 2013 progress rating:



MAR 2011: *Very Good Value for Money for UK Aid*

Progress assessment	
Summary	Has continued to innovate and deliver results over past two years. All three reform priorities addressed and implementation starting to take effect. Undertaking further strengthening of governance structures.
Baseline	
<p>The Private Infrastructure Development Group (PIDG) aims to facilitate the private sector's involvement in infrastructure development in order to foster economic growth and reduce poverty. This is done through a portfolio of facilities that address market failures and institutional barriers.</p> <p>The MAR highlighted several strengths:</p> <ul style="list-style-type: none"> • A valuable position focused on catalysing private investment in infrastructure. • PIDG-supported projects have attracted \$10.5bn of private investment projected to provide new or improved services to over 50 million people. • It has strong performance, transparent trust arrangements governing funding commitments, annual external audits, funding linked to strategies. <p>The MAR also highlighted several weaknesses:</p> <ul style="list-style-type: none"> • The PIDG has made no effort to date to target investments at women and girls or to report using gender disaggregated data. • No formal policy on prioritising fragile contexts. • Weak partnership with civil society and donor country offices including DFID. • Disclosure policy not fully developed and websites could be more informative. <p>DFID's reform priorities for the PIDG in the MAR Update were:</p> <ul style="list-style-type: none"> • To introduce formal policies for prioritising investments in fragile states – assessed under <u>attention to cross-cutting issues (fragile contexts)</u>; • To target investments at women and girls and use gender disaggregated data – assessed under <u>attention to cross-cutting issues (gender)</u>; • To proactively encourage more transparency, including improving accessibility of information – assessed under <u>transparency and accountability</u>. 	
Summary of overall progress	
<p>The PIDG has taken steps to implement the MAR reforms alongside initiating new facilities and improving governance arrangements.</p> <p>Specific steps taken since the MAR include: independent reviews of strategy and governance; an audit of development impact; strengthening operating policies and procedures; introducing a results monitoring handbook; establishing a chair's office to strengthen governance; setting fragile states targets for all facilities; and increasing</p>	

transparency through updated websites and introducing IATI compliant reporting.			
Progress against reform priorities			
MAR reform component	MAR 2011 score	Progress rating	MAR Update score, if any change
<p>Attention to cross-cutting issues (fragile contexts) The PIDG has set a formal policy for Fragile and Conflict Affected States which includes a baseline and minimum targets for its facilities. Although the PIDG has decided to maintain a focus on frontier markets, the higher risks in fragile states mean that attracting private investment remains difficult.</p>		 Reasonable progress	
<p>Attention to cross-cutting issues (gender) PIDG has developed and implemented new methodologies to allow it to monitor and report gender disaggregated data. It is already publishing this data and has plans in place to improve further the quality of its gender reporting.</p>		 Reasonable progress	
<p>Transparency and accountability PIDG has taken steps to improve transparency and accountability over the past two years. This includes commissioning a governance review leading to a clear code of conduct and operating policies and procedures (including a disclosure policy), improved access to documents via the website, an agreed schedule to implement IATI compliant reporting and introducing standard reporting formats for facilities. Accountability in developing countries including coordination with DFID Country Offices has improved but is still limited.</p>		 Some progress	
Other relevant information			
<p>The PIDG has further strengthened its results and monitoring framework including climate change classification amongst other elements. In 2012, the PIDG announced a new facility – Green Africa Power (GAP) - to mobilise investments in renewable energy across the continent. GAP will be launched in 2013.</p> <p>During the course of 2012, the PIDG carried out a Strategic Review, the recommendations of which if implemented would be expected to strengthen the PIDG’s direction towards working on difficult sectors and countries. Recommended actions included that the PIDG expand its provision of early stage patient equity and local currency financing. It also recommended investigating setting up facilities in water and sanitation, low cost housing and agricultural infrastructure.</p>			