



CDC Development Impact Grid Score

A rolling weighted average (by investment £) of the Development Impact Grid scores across all of CDC’s investments that have reached financial close during the preceding three calendar years.

1. Results:

The weighted average DI score for all CDC investments made from 2014-2016 is **3.04**.

2. Context

CDC is an investment company, wholly owned by DFID. It invests in businesses in Africa and South Asia to create jobs, catalyse private sector investment and build markets in the world’s poorest countries.

The Development Impact Grid incentivises CDC to make investments in harder geographies and in sectors which have the highest propensity to create jobs. It is a tool to measure the shift in CDC’s investment portfolio to more impactful investments.

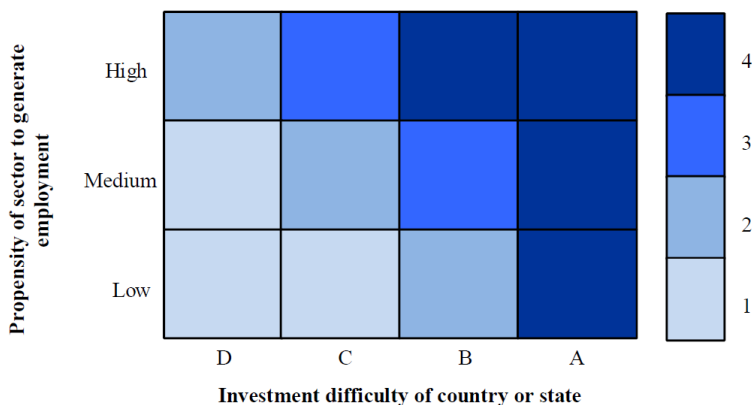
Each investment by CDC is given a Development Impact Grid score between 1 and 4. This indicator measures the rolling, weighted (by investment £) average of the Development Impact Grid scores across all of CDC’s investments that have reached financial close during the preceding three calendar years.

3. Methodology summary

Before investing, CDC gives each business a development impact score based on its sector and geography (country or state - in the case of India).

CDC has divided countries within Africa and South Asia, and states in India, into four categories (A-D, with A being the most difficult) depending on their investment difficulty.

Business sectors have been divided into three categories (High, Medium, Low) depending on their propensity to generate employment. A combination of the two results form a score from 1.00–4.00, using the grid shown here:



The next score updated will be released in April 2018.

The DI portfolio score methodology was changed in 2017:

- It was previously calculated as the weighted average (by investment £) of the Development Impact Grid score (between 1 and 4) across CDC's investments that have reached financial close since the start of the new CDC strategy (2012 onwards on a calendar year basis).
- It is now calculated as the rolling, weighted (by investment £) average of the Development Impact Grid scores across all of CDC's investments that have reached financial close during the preceding three calendar years.

This methodological change brings the single departmental plan CDC Development Impact Grid Score indicator in line with the indicator used by DFID to assess CDC's performance. It is also identical to the indicator the CDC reports externally.

Please refer to the detailed methodology note for more information.

4. Data sources

CDC's investment portfolio database is the data source for this indicator.

5. Data quality notes

The DI grid score predicts Development Impact potential at the time the investment decision is taken using objective criteria which are externally audited.

CDC and DFID are also committed tracking actual results over time and using post- investment impact data to refine the DI grid. There is still emerging evidence on which sectors have the highest propensity to create jobs and are most transformative. In addition, improvements to measuring jobs are still developing, and hard geographies may shift over time. The methodology will be reviewed and updated if changes are made.