

Indicator description	Private sector investment mobilised
Indicator Type	Outcome, cumulative from 2015/16 onwards
Rationale	<p>The additional financing needed to achieve the UN Sustainable Development Goals by 2030 is estimated at \$2.5 trillion every year, but current investment levels are less than half of that. As the UN made clear, much of this finance needs to come from the private sector. The Department, investing through CDC and the various PIDG (Private Investment Development Group) facilities, supports the growth of businesses and new infrastructure projects in Africa and South Asia that would otherwise go unfunded.</p> <p>By providing patient capital, CDC and PIDG help to “crowd in” private finance by reducing the risks borne by others who invest alongside them. By pioneering successful investments in sectors and geographies deemed too risky by private sector investors, they demonstrate that it is possible to invest responsibly in these markets and earn a financial return, helping to overcome the barriers that currently deter investment capital from flowing into those countries that desperately need it.</p>
Technical definition	<p>DFID reports 2 key figures for private investment mobilised.</p> <ul style="list-style-type: none"> • PIDG - total commitments for private sector investment reaching financial close in 2015, 2016 and 2017. • CDC - private investment mobilised by CDC in 2015 and 2016, based on the latest OECD methodology.
Data calculations	<p>PIDG: addition of value of private sector investment in PIDG-supported transactions</p> <p>CDC: figures in the annual report are based on the OECD methodology for estimating private sector investment mobilised as referred to in this paper, which also discusses how calculations differ from the approach taken by development banks.</p>
Data sources	<p>PIDG: Data is from financial transactions; specifically, submitted by the PIDG Companies, based on transaction financial documentation (e.g. Lenders’ Business Case)</p> <p>CDC: Funds - Data sources for funds are primarily Fund Reports issued by the Fund Managers. These are then input into our Investment Management Software Frameworks. A report is run for each fund to extract the investors names, commitments, commitment size, and whether they are a DFI or Private investor. These reports form the basis for the mobilisation calculation for funds.</p> <p>Debt - Debt figures are estimated through a more manual process, it requires going through the legal agreements and identifying any other parties to the syndicated loans. In some cases, confirmations are obtained from the investment teams.</p> <p>Equity - Similarly with Debt, this is a more manual process. It involves looking through Investment Committee papers to see if CDC were the</p>

	only investor, or if there were other investors. Investment teams are required to set out the shareholdings for the investment on a quarterly basis, as part of CDC's investment monitoring.
Baseline data	Cumulative figures are reported by DFID from the start of the SR period in 2015/16, PIDG and CDC report figures over longer time horizons themselves.
Return format	Annual tabulated data for private investment flows. PIDG data in £sterling, CDC data in \$US.
Data dis-aggregation	CDC disaggregate investment mobilised by that from funds and that through equity, debt and trade finance. Other than this results are not disaggregated
Data availability	Results are updated on an annual basis.
Time period/lag	Annual figures are published approximately 6 months from the end of the calendar year.
Quality assurance measures	PIDG <ul style="list-style-type: none"> • Data inserted into Results Monitoring Sheets by PIDG Companies using information provided in Lenders' Business Case • Funding mobilised data sense-checked by Development Impact team CDC <ul style="list-style-type: none"> • Calculations are quality assured internally in the Finance Department. The underlying data for funds is the same data as drives the valuations, therefore a sample of these are reviewed by external Auditors.
Data quality	PIDG: Data quality will be high as it is based on documented financial transactions CDC: Data quality is high as from documented financial transactions. CDC receive quarterly fund reports which list any new commitments to the fund. Official financial documentation are widely available for both Debt and Equity transactions therefore it is easy to identify commitments from private and DFI investors.
International Comparability/ Working with partners to set the International Standard	Internationally there are two methodologies which have been developed to try and enable comparisons and to eliminate potential double-counting. One has been developed by multinational development banks (MDBs) and one by the OECD. CDC and PDIG continue to work with these bodies to try and ensure increased harmonisation of approaches and CDC reports against these methods as well as their own.