Department
for International
Development

Single Departmental Plan - Results Achieved by Sector in 2015-2018

Investment

Private sector investment mobilised

1. Results

Private Investment Development Group (PIDG) is estimated to have mobilised some £4.9bn in private investment from 2015 based on their methodology. PIDG figures reflect total commitments for private sector investment reaching financial close in 2015, 2016 and 2017.

CDC is estimated to have mobilised some $2.6bn in private investment from 2015. CDC figures reflect the amount of private investment mobilised by CDC in 2015 and 2016, based on the latest OECD methodology. CDC figures for 2017 are due to be published in July 2018. The PIDG and CDC figures use different methodologies and so are not comparable.

Table 1: PIDG annual breakdown of results

Methodology	***£bn in year ending***		
	31/12/15	**31/12/16**	**31/12/17**
PIDG	1.7	1.6	1.6

Table 2: CDC annual breakdown of results

Methodology	***$bn***	
	2015	**2016**
OECD	**1.5**	**1.1**
OECD (Funds only)	1.0	0.3
OECD (Equity, debt & trade finance only)	0.5	0.8

2. Context

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.
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.

3. Methodology summary[1]

CDC and PIDG each has its own methodology, agreed with DFID, on how to estimate private investment mobilised.

However there are also two methodologies which have been developed to enable comparisons and to eliminate potential double-counting. One has been developed by multinational development banks (MDBs) and one by the OECD.

The results section of this page, and DFID Annual Report and Account 2017/18 report results using:

- PIDG own methodology
- CDC OECD methodology

Discussion of the differences between the MDBs and OECD methodologies

There is ongoing work to try and harmonise these approaches

PIDG provides figures based on the OECD method which they feed into the OECD exercise, but do not use this figure in their own public results reporting as the OECD method does not currently account for PIDG's impact across the range of instruments PIDG employs and their role as any early seed investor. OECD though is continuing work to try and capture mobilisation from a greater range of activity.

Methodology	***£bn in year ending***		
	31/12/15	**31/12/16**	**31/12/17**
PIDG	1.7	1.6	1.6

1 https://www.gov.uk/government/publications/dfid-results-methodology-notes-2017-to-2018

CDC figures in line with their own methodology and MDB methodology are provided below for comparison with their OECD figures.

Methodology	***$bn***	
	2015	**2016**
CDC Methodology	**1.5**	**0.5**
MDB	**1.6**	**1.0**
MDB (Funds only)	1.1	0.4
MDB (Equity, debt & trade finance only)	0.5	0.7
OECD	**1.5**	**1.1**
OECD (Funds only)	1.0	0.3
OECD (Equity, debt & trade finance only)	0.5	0.8

4. Data quality notes and reporting lags

Data is of a high quality as it is based on financial transactions.