



Single Departmental Plan - Results Achieved by Sector in 2015-2019

Investment

Private sector investment mobilised

1. Results

PIDG estimate they mobilised an additional £2.0bn in private investment in the year 2018 (PIDG report results in calendar years)

CDC estimate they mobilised an additional \$0.6bn in 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	31/12/18
PIDG	1.7	1.6	1.6	2.0

Table 2: CDC annual breakdown of results

Methodology	\$bn			
	2015	2016	2017	2018
OECD	1.5	1.1	0.7	0.6

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 summary¹

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

CDC report against 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 can be found [here](#).

There is ongoing work to try and harmonise these approaches

PIDG have estimated figures as follows.

Methodology	£bn in year ending			
	31/12/15	31/12/16	31/12/17	31/12/17
PIDG	1.7	1.6	1.6	2.0 ²

CDC figures using MDB methodology are provided below for comparison with their OECD figures.³

Methodology	\$bn			
	2015	2016	2017	2018
MDB	1.6	1.0	0.6	0.6
OECD	1.5	1.1	0.7	0.6

4. Data quality notes and reporting lags

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

¹ <https://www.gov.uk/government/publications/dfid-results-methodology-notes-2018-to-2019>

² For their 2018 annual review PIDG have estimated their investment mobilised using OECD methodology. They suggest using this method it would give a figure of \$1,678.9m investment mobilised in 2018 https://www.pidg.org/wp-content/uploads/2019/06/PIDG_2018_Annual_Review_MAY2019_Final_Digital-4.pdf

³ https://assets.cdcgroup.com/wp-content/uploads/2019/07/01083345/CDC_Annual-Review_2018.pdf