Independent Verification Statement
Operating Principles for Impact Management

October 2020
Independent Verification Statement – October 2020

Background

As a signatory of the Operating Principles for Impact Management (the Impact Principles), PIDG is committed to publicly disclosing the alignment of its impact management systems with the Impact Principles and arranging for independent verification of this alignment. PIDG engaged its Independent Panel on Monitoring, Evaluation and Learning (the Independent Panel), to provide the independent verification of alignment.

The Independent Panel and relationship with the Signatory

The Independent Panel was appointed on 1 April 2018 and reports directly to the PIDG Ltd Board. The overall objective of the Independent Panel is to assess the company activities undertaken to monitor, evaluate and report on PIDG’s development impact. It is the role of the Independent Panel to provide an independent expert view to the PIDG Ltd Board on whether PIDG is evaluating the development impact of its activities in a way which properly reflects the nature of those activities, enables meaningful conclusions to be reached about impact and generate learning about what delivers the greatest development impact.

Through its work since 2018, the Independent Panel is in a good position to assess PIDG’s activities as they relate to the Operating Principles for Impact Management.

The Independent Panel includes three members – Amanda Feldman, Kåre Sundin and Christine Wörlen. Amanda Feldman supports impact management with investors and entrepreneurs. Within the panel she focuses on indicators, scorecards and inclusion of impact goals in investor decision-making. Kåre Sundin is an Environmental Engineer who has spent more than 20 years working with infrastructure projects in Africa and Asia. He brings his experience from project planning and management into the panel. Christine Wörlen is an expert on energy and climate projects, programs and policies. She is covering themes such as energy, climate, economics, finance and evaluation methodology and coverage.

Summary Assessment

As part of the preparation of PIDG’s 2020 Disclosure, the Independent Panel reviewed PIDG’s Sustainable Development Impact systems and practices in August 2020 and discussed its findings with the PIDG Executive Committee in September 2020 before submitting its verification statement. Based on this review, the Independent Panel believe PIDG is aligned with the Impact Principles as per the Disclosure Statement as of October 2020. Key takeaways from the assessment are:

- **Areas of strength**: PIDG has developed an overall theory of change to cover its four investment companies that implement its mandate with different types of financial engagement (Principle 1), as well as a unified portfolio approach and clear strategic KPIs (Principle 2) and developed a systematic approach to assessing the impact potential of prospective investments using SDI scorecards, which enables effective dialogue on impact ex-ante. (Principle 4).

- **Areas for improvement**: The Independent Panel identified opportunities for further alignment, including additional steps to consider the sustainability of impact at exit (Principle 7), elaborating theories of change for additional areas and management of legacy pipeline and portfolio among others.