TRIPLELINE

Thematic Evaluation of Kenya's Job Creation Programmes

EVALUATION REPORT

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List of abbreviations

BHC	British High Commission
CIDPs	County Integrated Development Plans
COVID-19	Coronavirus Disease of 2019
DEG	German Investment Corporation
DFID	Department for International Development
EACDS	Expert Advisory Call Down Services
EF	Enquiry Framework
EQs	Evaluation Questions
EQUALS	Evaluation Quality Assurance and Learning Service https://www.iodparc.com/blog/our-projects/evaluation-quality-assurance-and-learning-service-equals/
EV	Electric Vehicles
FCDO	Foreign, Commonwealth and Development Office
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FTE	Full Time Equivalent
GIG COE	Green and Inclusive Growth Centre of Excellence
GoK	Government of Kenya
iCMS	Integrated Customs Management System
ICT	Information Communication and Technology
ICT4D	ICT for Development
IET	Investment Effectiveness and Transparency
JEMI	Jobs Enhancing and Measuring Impact
JMF	Jobs Measurement Framework
KCJF	Kenya Catalytic Jobs Fund
KII	Key Informant Interview
KUSP	Kenya Urban Support Programme
MA	Manufacturing Africa
MEL	Monitoring, Evaluation and Learning
NDA	Non-disclosure Agreement

NORAD	Norwegian Agency for Development Cooperation
OECD-DAC	Organisation for Economic Co-operation and Development's Development Assistance Committee
QA	Quality Assurance
R&D	Research and Development
RECTs	Regional Electronic Cargo and Drivers Tracking System
REDIT	Regional Economic Development for Investment and Trade
RFP	Request for Proposal
SAM	Social Accounting Matrix
SME	Small and Medium-sized Enterprises
SUED	Sustainable Urban Economic Development Programme
TA	Technical Assistance
TMA	TradeMark Africa
ToC	Theory of Change
ToR	Terms of Reference
UEP	Urban Economic Plan
VfM	Value for Money

Executive Summary

Introduction

This independent thematic evaluation of the UK Foreign, Commonwealth and Development Office (FCDO)'s job creation programmes in Kenya was commissioned to assess the contributions to job creation of a portfolio of four economic growth programmes, as well as to support and assess the effectiveness of their different strategies and approaches.

The programmes studied within the evaluation scope all had the objective of fostering sustainable economic growth and job creation.

- **Kenya Catalytic Jobs Fund (KCJF), 2018-2024:** The programme supported innovative, scalable business ideas aimed at job creation, focusing on enterprises with high potential to generate employment, especially for young and vulnerable men and women, using grant funding.
- **Manufacturing Africa (MA), 2019 – 2026:** Aims to increase investments in the manufacturing sector by helping firms identify and implement projects that can attract foreign direct investment to create transformative impacts and foster sustainable job creation.
- **Sustainable Urban Economic Development Programme (SUED), 2016 - 2024:** Supports the development of secondary cities in Kenya by improving infrastructure, urban planning and investment in urban economies.
- **TradeMark Africa (TMA) / Regional Economic Development for Investment and Trade (REDIT), 2017 - 2023:** The programme aimed to enhance regional and cross-border trade by improving infrastructure, streamlining processes and supporting policy reforms. Its overarching goal was to increase sustainable and shared prosperity in Kenya through enhanced regional and global trade.

The portfolio-level **theory of change** was developed and validated during inception and served as a conceptual framework for the evaluation, which applied a theory-based approach. There are five pathways towards the expected impact of (i) jobs - direct, indirect and induced for men, women and youth, (ii) improved job quality and (iii) improved equity in jobs.

The evaluation was intended to improve understanding of the relative costs and benefits of different programmatic approaches to job creation (direct and indirect); and draw lessons to inform future interventions and support implemented by British High Commission (BHC) Nairobi and the wider FCDO. Its evaluation questions investigated criteria of relevance, efficiency, effectiveness and coherence and the overarching question concerned the relative effectiveness and value for money of the different programmes. The primary audience was the mutual prosperity team and senior managers in the BHC Nairobi. Evaluation design was informed by an evaluability assessment during inception. It assessed whether and to what extent the programmes applied good practice in jobs measurement as outlined in the FCDO Jobs Measurement Framework. Data collection through desk review, key informant interviews and focus group discussions fed into case studies, one per programme, to generate evidence for the portfolio-level evaluation looking across them all. The major limitation to the evaluation was the variation and weaknesses in jobs measurement methodologies and data encountered across all the programmes.

Findings

Relevance

Relevance to context and geographies. All four programmes were found to be highly relevant for the Kenyan economy and were designed explicitly to respond to the needs of particular contexts, geographies and sectors. They encompassed marginalised areas (KCJF), geographies and sectors with manufacturing growth potential in a flexible approach (MA), intermediary cities in harder to reach geographies (SUED) and trade hubs facing logistical barriers (TMA). A review of programme design documents (principally business cases) and interviews confirmed that programmes were designed to address Kenya's key development priorities.

Relevance to beneficiary employees, particularly women, girls and marginalised. The programmes considered inclusion at design and implementation, addressing gender inequality and poverty through its interventions and in the case of TMA having wider benefits to the surrounding community beyond job creation, through infrastructure investments. For Manufacturing Africa, the focus on gender equality and social inclusion was weakened due to budget reductions although 'do no harm' compliance processes were maintained.

Efficiency

Length to yield jobs and resource intensiveness. Allocation of grants to businesses is the shortest pathway to creating jobs. The pathway delivers tangible jobs quickly. Comparing different intervention pathways, those which mobilise investment into businesses require fewer resources (lower budgets) than capital intensive enabling environment interventions. Any support in the form of technical assistance or technical consultancy increases overall efficiency by unblocking barriers to investment which leads to job creation.

Risks and manageability. While macroeconomic shocks, political instability, shifts in government policy and budget cuts negatively affected implementation, causing programme retrenchment and cuts to monitoring, evaluation and learning, programmes employed varied approaches to manage this risk. These included extensive selection processes and criteria for those it worked with (KCJF, MA, SUED) as well as selection of multiple beneficiaries (to spread exposure) and adaptation of implementation approaches, in consultation with the BHC. Approaches to risk management highlight potential synergies between pathways: enabling environment (e.g. policy) interventions can reduce risk for direct business support interventions. Engagement, buy-in and capacity of both public or private institutions to benefit from programme support is critical to all pathways and weaknesses can impact efficiency

Effectiveness

Job creation, data validity and attribution. All FCDO programmes created both direct and indirect jobs, the majority being indirect, though validating indirect job numbers remains a challenge. The approach to measuring jobs varies widely across the programmes and the approach in each contains methodological weaknesses. This reduces the reliability, completeness and usefulness of reported jobs data. Job creation can be clearly attributed to the different intervention pathways followed by the programmes

Job quality. The quality of jobs created varied significantly across sectors and geographical areas. Formal jobs are generally, although not always, higher quality, and were created by Manufacturing Africa and TMA. Job quality indicators were largely not measured by the programmes.

Alignment of beneficiaries to target groups. All the programmes in the FCDO job creation portfolio are effectively aligned with their target beneficiaries, focusing on women, youth, and marginalised communities. However, the level of alignment and the outcomes achieved vary across the programmes, depending on the contextual challenges and opportunities in different regions and sector. Only SUED reports jobs figures which are disaggregated by age, gender and disability.

Validation of the theory of change pathways towards job creation. Overall, the evaluation has confirmed that the portfolio level theory of change is valid and a good model for achieving outcomes through job creation programmes. There is evidence for the change pathways - of the portfolio building an enabling environment for economic growth through policy reforms (SUED, MA, TMA) and trade infrastructure development (TMA), growing the investment ecosystem by supporting urbanisation within the county municipalities (SUED) and making them investment ready, facilitating access to technical assistance and capital (corporate financing, local and foreign direct investment, grants) for private sector players for economic growth (KCJF, MA , SUED), leading to enterprise growth and increased trade and revenues including cross border (KCJF, MA, SUED, TMA). This economic growth comes with very significant employment opportunities.

Coherence

Job creation pathway complementarity. The portfolio level theory of change provides a coherent jobs creation pathway, importantly also demonstrating the value of having the four programmes working together while complementing each other towards systemic economic growth and sustainable jobs creation. Each programme has components - job creation by KCJF, transaction facilitation by MA, investment attraction by SUED and trade facilitation by TMA – that not only demonstrate independence in job creation efforts but also the potential to create synergies where the benefits of one intervention are applied or even amplified by others. However, in practice, there is minimal deliberate coherence among the four programmes, and a missed opportunity to realise the full potential of the FCDO's jobs creation portfolio.

Labour supply and demand. The portfolio theory of change exhibits heavier focus on pathways to create jobs, and less on labour supply. While all programmes have an objective to create jobs (labour demand), they have varied approaches to improving labour supply quality to meets the demand their activities stimulate.

Relative effectiveness and value for money

Inconsistencies in jobs measurement make meaningful evaluation and comparison across job creation pathways – and therefore assessment of the relative effectiveness and value for money of modalities – very difficult. Job quality and equity is also an important value for money consideration, but indicators are rarely measured. Evidence for the effectiveness of the pathway focusing on the enabling environment is weak but the wider value of other impacts of such programmes are also highly relevant and would provide a more holistic view of effectiveness (and value for money). Our analysis has also shown that comparing individual modalities is of limited usefulness. There are synergies between the different pathways and their outcomes mutually reinforce delivery of jobs impacts. Value for money can therefore be maximised by considering pathway complementarities and how they can be leveraged.

Conclusion

FCDO has responded to the urgent need to create jobs in Kenya through the private sector and economic development through a variety of programmes over the last few years. They have ranged from direct job creation mechanisms with a short pathway to impact (KCJF) to support for investment in businesses (MA), creating jobs and promoting inclusive economic growth with government through better urban planning and attracting investment (SUED), to addressing more systemic issues to increase trade, reducing friction and providing essential infrastructure, necessarily on a longer time trajectory (TMA). The portfolio level theory of change for FCDO's job creation programming through its different pathways is evidenced as valid and effective.

The approaches and methodologies used to measure job impacts vary widely across the programmes and have gaps and weaknesses which undermine the reliability, completeness and usefulness of reported jobs data. As a result, data is not sufficiently robust to enable adequate monitoring and evaluation of the programmes and means that whilst the pathways themselves are evidenced as leading to jobs in qualitative terms, outcomes are not reliably quantified and the relative effectiveness and value for money of the different pathways cannot be assessed.

Value for money could be strengthened overall, across the portfolio as a whole, rather than by focusing on programme level value for money by attempting to compare modalities. Synergies between the job creation pathways make them mutually reinforcing. A holistic, integrated portfolio approach to future job creation programming planning and design could amplify progress towards jobs outcomes and maximise value for money overall (and more effectively than taking a binary either/or approach). Capturing the wider impacts of programmes beyond jobs but highly relevant to context and needs and the enabling environment for job creation, such as improved access to urban services or increased fiscal revenues, would also provide a more holistic view of overall value and effectiveness.

Finally, the evaluation has found that all four programmes are relevant in different ways to the needs of the Kenyan economy and to particular contexts and, largely, to the needs of women, young men and women and other marginalised groups. All programmes have considered inclusion in both design and implementation and there is evidence of women and marginalised groups benefitting from programmes although job outcomes cannot be quantified due to a general absence of disaggregated data.

Lessons

Portfolio design

1. Theory of change analysis can help to identify and highlight synergies between pathways and could be made a more explicit part of the design approach.
2. 'Value' has many dimensions and needs to be defined if it is to be measured meaningfully.
3. Value can be maximised overall by taking a holistic view

Programme design

4. Programme budget cuts can lead to programmes focusing on shorter-term and more direct pathways to impact.
5. GESI considerations in design are effective when they are based on consultation and followed through into implementation approaches.

Programme Implementation

6. Effective stakeholder engagement and accompaniment / capacity building can enable replication and sustainability and build longer term impact but needs to be built into delivery plans.
7. Stakeholder capacity assessment usefully informs choice of partners and can thereby help to manage programme risk.

Monitoring and evaluation

8. Cuts to MEL budgets ultimately hamper delivery by limiting the availability of data about programme outcomes which could inform decision making.
9. Programmes can only be compared if they have employed a common measurement framework on job creation.
10. Any framework for job measurement needs to be tailored to the specific context and ensure that the definition of quality is appropriate.
11. Programmes require guidance and capacity to adopt and implement suitable measurement frameworks.
12. Commitment to inclusion in design and implementation is undermined if data is not disaggregated.

Recommendations

Portfolio level recommendations are directed at FCDO decision-makers and programme managers. Each is unpacked in some detail in the evaluation report, to make them practical and actionable.

1. Strengthen complementarity between FCDO programmes with job creation outcomes by taking a holistic, integrated portfolio approach
2. Develop a holistic impact measurement framework for economic development programming – it is not all about job creation.
3. Strengthen jobs measurement by adopting and applying the JMF consistently across FCDO economic development programming
4. Provide practical support to programmes
5. Ensure that MEL budgets are adequate to implement a robust approach to jobs measurement
6. Enhance portfolio-level learning to improve portfolio effectiveness

1 Introduction

This independent thematic evaluation of the UK Foreign, Commonwealth and Development Office (FCDO)'s job creation programmes in Kenya was commissioned to assess the contributions to job creation of a portfolio of four economic growth programmes, as well as to support and assess the effectiveness of their different strategies and approaches. The programmes studied were the Kenya Catalytic Jobs Fund (KCJF), Manufacturing Africa (MA), the Sustainable Urban Economic Development Programme (SUED) and TradeMark Africa's (TMA) Regional Economic Development for Investment and Trade programme (REDIT). Running from 2016 to 2027, the programmes focus on enhancing manufacturing, industrialisation and agribusiness, improving in-country and cross-border trade infrastructure, and promoting urbanisation and investment within counties—all with the objective of fostering sustainable economic growth and job creation. The evaluation was undertaken by Triple Line between May and September 2024 principally for the private sector development team and senior managers in the British High Commission (BHC), Nairobi in order to:

- Improve the understanding of the relative costs and benefits of different programmatic approaches to job creation.
- Identify opportunities for more inclusive job measurement based on various programme pathways.
- Draw lessons to inform future interventions and support provided by the British High Commission Nairobi and the wider FCDO.

This report presents the evaluation's findings, conclusions and recommendations. It begins by outlining the portfolio context, programmes and theory of change (2) before explaining the evaluation (section 3). The findings (4) address relevance, efficiency, effectiveness, coherence and value for money (VfM) and the report ends with a conclusion, lessons and recommendations (sections 5 to 7). Detailed case studies of each programme are at Annexes 1-4, along with additional information on the programme context (Annex 5), the evaluation terms of reference (Annex 6) and further detail on the evaluation process, including the enquiry framework, documents reviewed, interviewees and data collection tools (Annexes 7-11) and analysis against FCDO's Jobs Measurement Framework (JMF) (Annex 12).

2 Context and FCDO Jobs Creation Programme Overview

2.1.1 Background

The global context is one where job creation remains a top development priority as a means of generating income, increasing productivity and meeting people's needs and aspirations, yet faces challenges from deterioration in the macroeconomic environment, the volume of young people entering the labour market, decent work deficits and high unemployment rates. In Kenya, the labour market struggles to generate sufficient jobs to accommodate the rising number of new entrants. Between 2020 and 2029, Kenya's working-age population is projected to grow by one million annually, but only a small proportion will secure formal employment.[1] Despite economic growth, job creation has not kept pace, with only 800,000 jobs generated annually between 2013 and 2017, well short of the target of 6.5 million.[2] Most of these new jobs are low-quality and informal, exacerbated by skills mismatches, rapid population growth, and structural economic challenges. The COVID-19 pandemic also severely impacted Kenya's labour market, leading to widespread job losses, particularly in urban and service sectors and hindering progress towards achieving the Sustainable Development Goals (SDGs) related to decent work, underscoring the urgent need for high-quality job creation.

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[1] From evaluation ToR, referenced as World Bank, Kenya Economic Update, June 2023, Edition No. 23

[2] World Bank, 2020. Kenya Systematic Country Diagnostic

Informal work plays a critical role in Kenya's economy, employing approximately 15.96 million people in 2022, representing over 83 per cent of the workforce. Most informal workers are engaged in the service sector, including retail, hospitality and manufacturing. Informal businesses are the primary source of employment for young people, creating around 768,000 jobs in 2019, compared to creation of just 78,400 formal jobs, over the same period.

Kenya has implemented various initiatives to address employment challenges, particularly among youth and women. These include public works programmes, key policy frameworks prioritising job creation, legislation reserving 30 per cent of government tenders for youth, women and persons with disabilities, and the National Skills Development Policy aiming to enhance access to education and vocational training for youth and women[3]. Despite these efforts, high unemployment and underemployment persist, especially among youth, indicating a need for more effective strategies.

More detail and references can be found in **Error! Reference source not found.**.

2.1.2 Programme context

The UK and Kenya share a longstanding and deep partnership that has played a significant role in driving Kenya's rapid growth and development in recent years. A key priority of the UK-Kenya 2023-2025 development partnership is to support Kenya's efforts to create one million new jobs annually, with a particular focus on promoting low-carbon growth and fostering climate-resilient employment opportunities[4].

The FCDO employs a wide range of investment strategies within its economic development programmes, with the aim of fostering the creation of low-carbon jobs to drive sustainable economic growth. The portfolio of economic development programmes in Kenya target job creation through various intervention areas and employing diverse approaches and partnerships to address barriers to growth. Key sectors included urbanisation, finance, manufacturing, trade, investment and business innovation, with resilience and climate change serving as cross-cutting themes to promote sustainable, environmentally responsible growth.

2.2 Programme Profiles

This section provides profiles of the programmes included within the thematic evaluation. Running from 2016 to 2027, they collectively target sustainable economic growth, industrialisation, trade facilitation and job creation, contributing to Kenya's development agenda. It should be noted that only KCJF described itself as a job creation programme first and foremost.

Kenya Catalytic Jobs Fund, 2018-2024: The programme supported innovative, scalable business ideas aimed at job creation, focusing on enterprises with high potential to generate employment, especially for young and vulnerable men and women. Targeting key industries like agribusiness, manufacturing, and ICT, it adopted a catalytic approach to address barriers to job creation and attract investment. Capitalising on Kenya's youthful population, the programme sought to create 92,822 jobs[5] and promote inclusive economic growth, reducing poverty among vulnerable young men and women. The programme was implemented by Sinapis Group, with advisory support from private sector and impact investment experts and operated with a £5 million budget. As of October 2023, 147,168 formal and informal jobs had been created[6].

Manufacturing Africa, 2019 – 2026: Aims to increase investments in the manufacturing sector by helping firms identify and implement projects that can attract foreign direct investment (FDI), create transformative impacts and foster sustainable job creation. The programme works across various

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[3] Kenya Institute for Public Policy Research and Analysis (KIPPRA), 2022, Employment Creation Potential for Youth in the Kenyan Economy

[4] FCDO (2023). UK–Kenya development partnership summary, July 2023. Policy Paper

[5] KCJF Annual Review October 2023

[6] KCJF Annual Review October 2023

manufacturing sub-sectors to boost productivity and innovation, playing a crucial role in driving inclusive economic transformation. The initiative supports six African countries[7] in industrialising and producing higher value-added goods, setting them on a trajectory for long-term growth and poverty reduction. MA's goal is to increase FDI into the manufacturing sector across Africa, ultimately creating 90,000 high-quality job opportunities for poor and marginalised communities including for women, while generating £1.2 billion of new investments. The programme achieves this through i) transaction facilitation – supporting firms in structuring and closing investment deals; ii) investment climate and market improvement – addressing key market and policy barriers; iii) policy advice and support – providing governments with strategic guidance to enhance the investment landscape. With a budget of £100 million, the programme is delivered by a consortium led by McKinsey Development Partners. Cumulatively, 18,772 jobs have been committed to and 5,255 direct and indirect jobs have been created. In Kenya, Manufacturing Africa has closed 17 deals with a commitment to create over 14,381 direct jobs and 36,573 indirect jobs. As at March 2024, 2,538 direct and indirect jobs have been reported [8].

Sustainable Urban Economic Development Programme, 2016 - 2024: Supports the development of secondary cities in Kenya by improving infrastructure, urban planning, and investment in urban economies. The programme's primary goal is inclusive and sustainable economic growth in secondary cities in Kenya. The programme does this through supporting climate-resilient infrastructure development and creating economic opportunities by enabling urban areas to attract investment, supporting job creation particularly for young people and improving local economic resilience. The specific activities include the development of urban economic plans (UEPs), investment advisory to a pipeline of priority value chain and climate-resilient infrastructure projects identified in the UEPs, as well as capacity building to municipal governments.

SUED is partnering with the Government of Kenya and selected counties to improve urban management and reduce poverty. SUED provides technical expertise to design UEPs for 12 cities, developing investment-ready projects through market studies and investor engagement, with some concessional finance to mobilise private investment. Nationally, SUED is supporting the Nairobi Railway City project to transform the city's business district and transport system. The programme aims to create 11,420 jobs and attract over £62 million in private and public investment, by 2024.[9] To date, 9,559 jobs have been created, and over £58.1 million in public and private investment has been secured.[10] SUED is operating with a £70 million budget, managed by Tetra Tech, KPMG, and the Kenya Climate Innovation Centre.

TradeMark Africa/ Regional Economic Development for Investment and Trade (REDIT), 2017 - 2023: The programme aimed to enhance regional and cross-border trade by improving infrastructure, streamlining processes, and supporting policy reforms. Its overarching goal was to increase sustainable and shared prosperity in Kenya through enhanced trade with neighbouring regions and the global market. REDIT achieved its objectives by: i) investing in transport, logistics, and trade infrastructure along the Northern Trade Corridor to improve efficiency and capacity; ii) enhancing trade standards to reduce non-tariff barriers and improve transparency; iii) improving the regulatory environment to support a business-friendly ecosystem; iv) advocating for private sector competitiveness in the trade sector; and v) integrating climate resilience, including implementing Kenya's Green Port Policy for sustainable port operations. By focusing on inclusivity, TMA aims to help ensure that economic benefits of trade expansion support job creation in under-represented and marginalised groups including women and that infrastructure interventions similarly consider these needs. The programme theory of change is that resolving trade constraints in East Africa enhances business competitiveness, leading to increased investment, job creation, economic growth and

[7] Kenya, Rwanda, Ethiopia, Tanzania, Nigeria, Senegal..

[8] Manufacturing Africa Y4 Annual Review 2024

[9] SUED Logframe Feb 2024

[10] SUED Quarterly Report January-March 2024

poverty reduction. With a £84 million budget, REDIT has significantly driven economic growth in Kenya and the East African region by reducing trade barriers and promoting regional economic integration.

2.3 Theory of Change

A portfolio-level theory of change (ToC) provides a comprehensive description and visual representation of how strategic goals are expected to be achieved, mapping the pathway from planned activities or interventions to outputs, outcomes, and ultimately the desired impact. At the start of the thematic jobs evaluation, a portfolio-level ToC was developed to outline the key pathways by which the programmes aimed to create jobs. The ToC was validated through consultations with BHC staff and implementing partners. It has served as the overarching conceptual framework for the evaluation, guiding the assessment of the portfolio against the DAC criteria as well as testing the validity of the causal linkages within the ToC itself. Findings on the strength of these linkages are included under in the findings on effectiveness (section 4.3), where the extent to which the ToC goals have been achieved and the robustness of its causal model have been examined.

The five pathways have been refined through the evaluation. They are set out below and are depicted in the ToC diagram at Figure 1. Each programme in the portfolio is mapped onto the ToC to show how – along which pathways – they are expected to contribute to the goals of i) jobs (direct, indirect and induced for men, women and youth), ii) improved job quality and iii) improved equity in jobs.

Pathway 1: Grants and Seed Funding: If FCDO programmes provide grants or seed funding to MSMEs and industries, these businesses will be able to implement growth-oriented investments, leading to increased revenue generation and job creation. This pathway directly supports enterprise development, enabling businesses to scale operations and generate employment opportunities.

Pathway 2: Business-Level Technical Assistance (TA): If FCDO programmes provide technical assistance tailored to industry or sector-specific needs—such as access to inputs, skills development, innovation, and enhancing competitiveness—both programme and non-programme MSMEs, manufacturers, and industries will experience growth, resulting in new job opportunities linked to improved business performance.

Pathway 3: Transaction Advisory and Investment Facilitation: If FCDO programmes provide transaction advisory services and facilitate access to foreign direct investment (FDI) or other capital sources, programme and non-programme businesses will secure investments to drive business growth. This leads to job creation through business expansion and increased economic activity.

Pathway 4: Infrastructure Investments: If FCDO programmes invest in hard and soft infrastructure—such as transport networks, border facilities, or digital systems—this will strengthen in-country and cross-border trade systems. Improved infrastructure will support new and existing investments and attract importers/exporters, accelerates ecosystem growth, and supports job creation through expanded trade and economic activities.

Pathway 5: Policy and Enabling Environment Reforms: If FCDO programmes support policy reforms and improve the business enabling environment, this will empower government entities to enhance investment and trade conditions, strengthen public services (e.g., workforce quality), and attract investors. These improvements will drive business growth and foster the creation of jobs by both programme-supported and non-programme MSMEs and industries.

Figure 1: FCDO Job Creation Programme theory of change pathways.

Portfolio Level Theory of Change (ToC) for Thematic Evaluation of Kenya's Jobs Creation Programmes

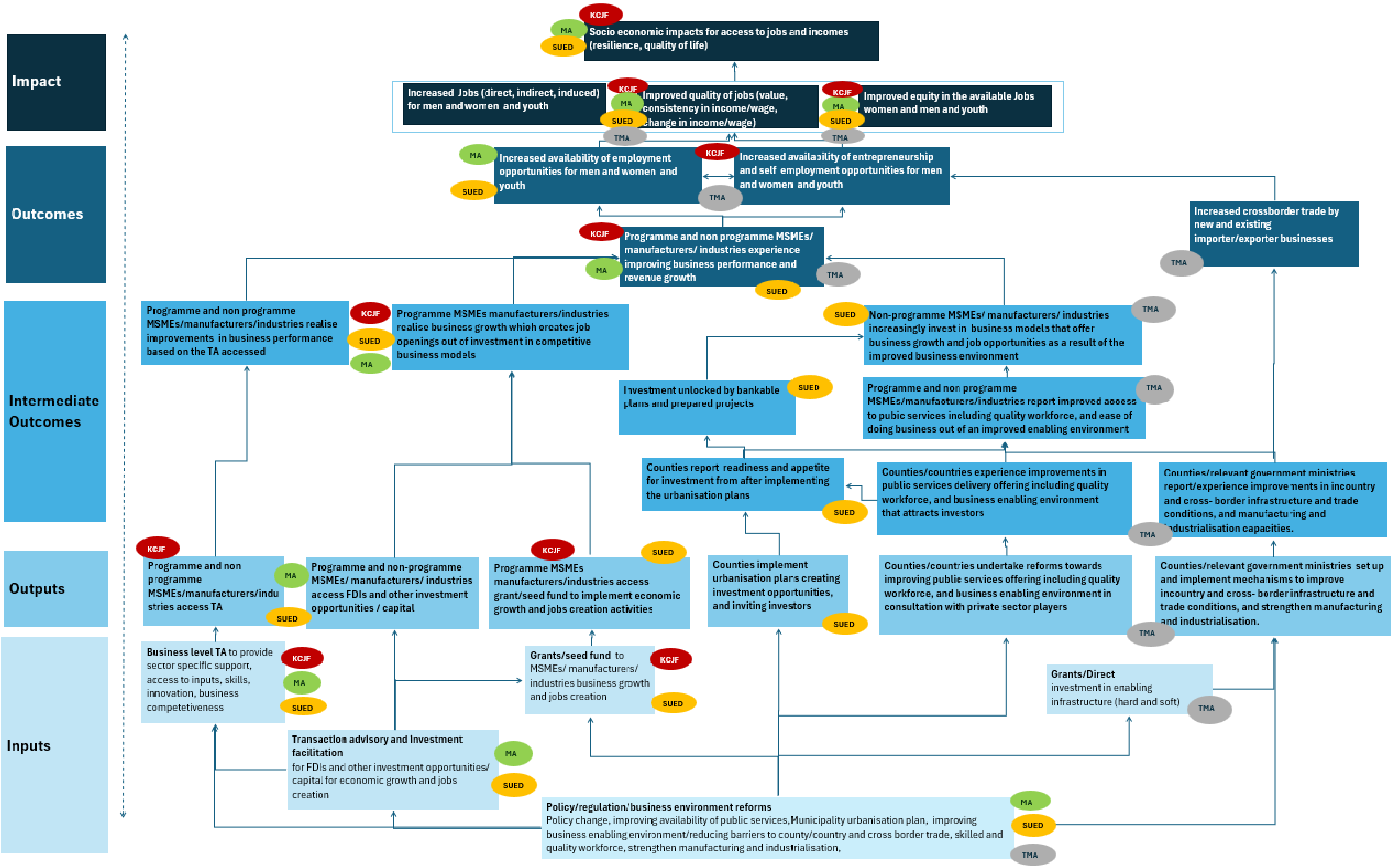

Figure 2 Portfolio level theory of change for Kenya Jobs Creation Programmes

3 Evaluation Objectives and Methodology

3.1 Objectives, scope and audience

The principal **objectives** of the evaluation, as set out in the Terms of Reference (ToR) (**Error! Reference source not found.**) and Inception Report, were to:

- Improve understanding of the relative costs and benefits of different programmatic approaches to job creation (direct and indirect); and
- draw lessons to inform future interventions and support implemented by BHC Nairobi and the wider FCDO.

The overarching evaluation question (EQ) is: *what has been the relative effectiveness and value for money of different modalities of direct and indirect job creation in FCDO programmes in Kenya?*[11]

Other EQs investigated the OECD - DAC criteria of relevance, efficiency, effectiveness and coherence.[12] The evaluation also assessed the extent to which the methodologies and approaches around job measurement applied by the programmes aligned with the general principles of the FCDO Jobs Measurement Framework (JMF) in order to underpin the analysis for both effectiveness and Value for Money (VfM). The evaluation therefore contributes to the evidence base on job creation efforts while assessing the robustness of the methodologies used to measure job outcomes. Its **learning focus** is emphasised over accountability: the evaluation will inform specific current and future investment in economic development programmes and internal capacity in its provision of evidence for FCDO and the broader development sector about job creation programming. Specifically:

- The Sustainable Urban Economic Development programme is currently undergoing an extension and review, with the next phase of implementation due to start in September 2025 according to BHC, and the evaluation will directly inform the terms of reference for the new implementing partner and shape programme delivery.
- The Manufacturing Africa programme in Kenya has two years remaining and will use findings and recommendations to inform programme adaptations.
- BHC Nairobi's scoping and Business Case design in the mutual prosperity space will build on the evidence from this evaluation.
- The evaluation will contribute to the evidence base, informing initiatives on jobs and job measurement within the wider FCDO.

The **scope** of the evaluation covered four FCDO-funded programmes, activities and results from their implementation to date. The evaluation aligns with both country-specific and global HMG strategies, particularly resonating with Goal 8 of the Sustainable Development Goals, the UK Strategy on International Development, the Africa Strategy, and the Kenya Country Business Plan. The evaluation scope neither extended to any other interventions nor explored programme linkages with them.[13]

The primary **audience** for the evaluation is the mutual prosperity team and senior managers in BHC Nairobi. Secondary audiences are the Green and Inclusive Growth Centre of Excellence (GIG COE) and similar teams in FCDO offices in the region, London and indeed globally; programme implementers and other communities of economic growth practitioners.

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[11] In retrospect, the evaluation team and FCDO agreed that this should have been modified following the inception phase evaluability assessment.

[12] Impact and sustainability were not included in the ToR.

[13] As per ToR and inception report

3.2 Changes from the Terms of Reference

The following changes from the evaluation terms of reference were agreed and set out in the inception report.

- Msingi was excluded from the evaluation due to lack of access to critical data and the evaluability assessment which deemed documentary evidence was insufficient.
- The OECD-DAC criteria of coherence was added to the remit after development of the portfolio ToC revealed several potentially mutually reinforcing and complementary pathways between the programmes. The criterion includes internal and external linkages[14]. but the agreed evaluation remit was limited to internal coherence within the Kenya portfolio.
- Primary data collection has undertaken in-person where practical and feasible, rather than remotely as envisaged in the ToR, in order to yield richer data and allow for in situ observations (for example about context).
- Focus group discussions or group interviews were held where feasible to allow for maximum interaction between the evaluation team and participants and maximise the likelihood of generating good quality insights.

As a result of the findings of the inception phase evaluability assessment:[15]

- The evaluation questions in the ToR were revised. Specifically, the questions under the efficiency criteria were amended as they were deemed not to be evaluable in their original form. The methodologies used by the different programmes for job estimation did not provide for comparable estimates of jobs and attempting to assess efficiency in terms of 'cost per job' would not present a useful and reliable indicator of VfM, even if the aggregate estimates of number of jobs were deemed comparable across the programmes.
- The evaluation relied on job estimates produced by the programmes rather than validating these figures. To the extent that programmes' jobs estimates could be validated – e.g., by assessing how they had been collected – this has been used for the purposes of lesson learning to inform future programming, rather than to adjust figures already reported (i.e., in annual reviews).
- The evaluation has provided qualitative descriptions of variations in efficiency and effectiveness of the different programmes and has not provided a direct comparison of their efficiency or effectiveness – i.e., programme X proved more efficient / effective than programme Y. The evaluation proposed a holistic approach to VfM, taking consideration of wider objectives and economic impacts created by the programmes, through a qualitative assessment.

3.3 Approach and methodology

Further information about the evaluation methodology can be found in Annex 7.

The evaluation design during inception was informed by an **evaluability assessment** whose overall conclusion was that it was feasible to address the overarching research question, and that an evaluation would provide useful insights would be primarily forward-looking, aiming to provide learnings for future FCDO programming in terms of the most effective ways to create jobs, as well as the most appropriate and accurate ways to measure job creation.

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[14] OECD (2021), *Applying Evaluation Criteria Thoughtfully*, OECD Publishing, Paris, page 47 https://doi.org/10.1787/543e84ed-en.

[15] The assessment was based on a four-criteria framework (programme design, programme monitoring and evaluation, feasibility and methodology comparability across programmes) developed in consideration of the TOC, documents review, interviews / discussions with each of the five programmes, and in consultation with the BHC Nairobi team.

The **evaluation framework** contains the evaluation questions, related judgement criteria and the anticipated data sources and can be found at Annex 8.

The evaluation took a **theory-based approach**, focused on evaluating the pathways to job creation. By constructing an overarching portfolio-level theory of change in inception, the evaluation unpacked the impact pathways behind each programme's logic in maximising the quality, quantity and inclusiveness of jobs and tested the assumptions behind the linkages between activities, outputs and outcomes. The ToC provided an invaluable framework for the evaluation and a basis for assessing the extent to which the programmes had been successful in achieving their objectives related to job creation.

The evaluation assessed whether and to what extent the programmes applied good practice in jobs measurement as outlined in the FCDO **Jobs Measurement Framework (JMF)** to assess the jobs created from the different interventions, including whether they applied both direct and indirect job definitions, analysing full-time equivalent positions, disaggregation by age, gender, marginalised groups, new and sustained jobs, jobs quality (improved incomes, and benefits) and indirect effects through supply chain linkages. The methodology and full findings of the JMF assessment can be found at Annex 12.

The evaluation approach, including VfM analysis, was mostly qualitative. The evaluation had a **strong focus on learning and evidence** and **forward-looking recommendations** to ensure utility to the principal audience.

Methodology: The evaluation methodology used a set of inter-related data collection and analysis methods in order to generate the evidence needed from both primary and secondary sources.

Document review: document mapping during inception identified those of greatest relevance and value. Data was captured from delivery plans, results frameworks, monitoring, evaluation and learning (MEL) strategies and plans, case studies of impact, progress reports, annual reviews, past evaluation reports, learning documents, jobs measurement frameworks, financial reports, monitoring data and forecasts. A full list is at Annex 9.

Stakeholder selection: After an inception phase mapping exercise, interviewees were purposively sampled based on good depth of knowledge about and engagement with the programmes, varied geography and setting (urban/rural), varied economic sector, greater project maturity. The final interview list at Annex 10 sets out the basis on which interviewees were selected.

Key informant interviews (KIIs): These were held with a total of 52 key informants (33 male and 19 female) from private sector companies involved in programmes, public sector partners/ecosystem actors and key staff of the four programmes including management, operations, technical and MEL personnel. Final selection was strongly influenced by factors such as availability and willingness, evaluation timescales, non-responsiveness and practical considerations, and was compounded by the length of time it took to engage with the programme managers themselves in some cases. The final interviewees list is set out in Annex 10 along with a clear explanation of how interviews were arrived at. Interviews used guides shown in Annex 11.

Focus Group Discussions: Six[16] focus group discussions (FGDs) were conducted in person with a total of 28 individuals (13 male, 15 female) who were directly employed by the supported companies and farmer suppliers and thus, beneficiaries of the programmes. Discussions explored beneficiaries' experience working for or supplying the supported companies, company benefits received and quality of work, incomes compared to previous employment/buyers and any recommendations on what can be improved to make their work/supplier relationship better using the guide in Error! Reference source not found..

Case Studies: Through document review, the evaluation established that the programmes lacked comparable quantitative data along the five pathways to jobs creation. Case studies were therefore proposed, to take a deep dive into the programmes to better validate pathways. Case study data was generated through document review, KIIs and focus groups (outlined above). The inception report envisaged undertaking a case study per pathway but, for practical reasons they were undertaken per

[16] 3 KIIs with farmers (Kentegra) in lieu of an FGD

programme. They were used to generate programme-level data against each EQ for the evaluation to draw on to assess the EQs at portfolio level.

Analysis: Data from different sources was consolidated into an analytical framework structured by EQs and sub-EQs per case study and evidence synthesised and triangulated[17] to generate findings, applying laid out judgement criteria. The evaluation drew on a mixture of quantitative (VfM) and qualitative analytical methods to integrate data from different sources, assessed confidence in the evidence, identified key findings and demonstrated a clear evidence chain back to the data source.

Testing and validation: Data analysis was brought together in an internal team workshop for validation and cross-analysis. Validation of analysis and findings also took place through the presentation of emerging findings to FCDO (private sector team) and refinements to the draft evaluation report following review by FCDO principal parties and EQUALS. Implementing partners also commented on their programme case studies. The ToC and impact pathways, and their assumptions and hypotheses were validated against evidence generated from monitoring data and stakeholder interviews on how the theoretical design has manifested in concrete results related to job creation outcomes.

3.4 Strength of evidence and limitations

The findings and conclusions in the FCDO jobs evaluation are derived from a combination of qualitative data, secondary data from MEL systems, and official statistics. While the data provides valuable insights into the effectiveness of the interventions, the gaps in data quality, particularly in the measurement of indirect jobs and job quality, limit the extent to which generalised conclusions can be drawn. The evaluation's reliance on qualitative data, supplemented by programme-reported figures, has enabled a thorough assessment of the causal linkages and additionality of FCDO's contributions, even in the absence of a counterfactual analysis.

The **limitations** identified in the evaluability assessment at the inception phase (noted in section 3.2) applied and are updated here to note where they influenced the evaluation implementation further along with other limitations encountered. Implications are discussed in detail throughout the evaluation where appropriate to the findings.

- **Variation and weaknesses in jobs measurement methodology:** These were considerable and problematic, raising concerns about the robustness of reported jobs data and rendering quantitative comparisons invalid, as explored in detail through the JMF analysis (Annex 12) and referred to in findings: the overall EQ, comparing relative VFM, could not be answered as designed. The evaluation was not able to mitigate poor quality data on job creation, for example by re-estimating or validating it, within the assignment scope and budget. The evaluation provides an assessment of the robustness and likely accuracy of the data, which had been formally reported to (and accepted by) FCDO.
- **Complexity in attributing outcomes:** Given the multifaceted nature of the portfolio, isolating the direct impact of specific interventions on job creation was challenging. External factors such as economic conditions, policy changes, and market dynamics can also influence employment outcomes.
- **Establishing baselines:** The programmes did not have comprehensive baseline data, making it difficult to measure changes over time accurately.
- **Sustainability of jobs created by the portfolio:** Evaluating the long-term sustainability of the jobs created is inherently challenging, as it requires ongoing monitoring beyond the scope of this thematic evaluation.
- **Difficulty securing interviews:** Response from supported businesses was slow, extending the planned two-week data collection to nearly five weeks. Although some businesses showed

[17] Analysis did not surface any differences in opinion between stakeholders that required specific reference in the findings.

willingness, competing priorities prevented them from participating in interviews, overall reducing the number of partner responses per programme. The team had to work under pressure to deliver the draft report promptly, despite an extension. Ultimately, the evaluation conducted sufficient interviews (see Annex 10).

- **Difficulty arranging focus group discussions:** While two beneficiary companies of MA and SUED were happy to organise focus group discussions, more than this was not feasible for them and other companies were not open to arranging them at all. Fewer discussions were therefore held than envisaged at inception.

A full assessment of the resulting **strength of evidence** can be found at Annex 7. It assesses type and source of data, quality and reliability of data, attribution and causality and representativeness of findings. Despite the limitations, the evaluation has been able to present a diverse and representative assessment of job creation outcomes across the portfolio.

3.5 Use and influence

The final evaluation report will be published on Dev Tracker and the evaluation team will produce a short stand-alone summary for FCDO to disseminate which will communicate key evaluation findings in a format that is accessible and digestible. The validation workshop held soon after submission of the draft report provided FCDO with an initial opportunity to engage with evaluation findings, both to test them and to start to explore their implications. Once the evaluation report is finalised there will be two webinars, led by the evaluation team, to share thematic and programme-related findings and discuss implications and recommendations subject to discussion with BHC Nairobi, but as set out in the inception report:

- The first webinar will be held with BHC leads for the four programmes, BHC Nairobi officials from the private sector development team and others, as directed; the evaluation's MEL adviser, staff from the implementing partners, and potentially grant / seed funded partners if interested (particularly those visited for the evaluation).
- The second webinar will be directed at a wider group of FCDO stakeholders, especially from the private sector development cadre. Implementing partners will be able to engage with the evaluation through a) being given the opportunity to comment on their programme case study and b) being involved in webinars. FCDO will share the published report and the two-page summary with implementing partners for cascade to downstream partners and ultimate beneficiaries as appropriate.

3.6 Evaluation conduct

The evaluation team was able to **work freely and without interference**. One member of the team was simultaneously engaged by another client to evaluate TMA, involving interviews with many of the same stakeholders targeted in this evaluation. This potential conflict of interest and proposal for managing it was raised and discussed with FCDO. To avoid stakeholder fatigue, it was agreed that a single interview could be used to collect data for both evaluations where this was appropriate, on the understanding that it would be made entirely clear to the informant and consent obtained. The evaluator involved would split time and expenses appropriately between the two assignments. There was no other **conflict of interest**.

The approach taken adhered to **best practice and standards of ethical conduct in evaluation** with more information provided in Annex 7. All interviews and focus groups were conducted on the basis of informed consent, using the rubric in the data collection tools (Annex 11), and data has been appropriately anonymised in this report. No vulnerable community members participated in the evaluation and where downstream beneficiaries (farmers etc) were interviewed, this was with the guidance of the company and undertaken by Kenyan evaluators to help ensure adherence to Do No Harm principles. No digital tools were developed for the evaluation or used for data collection. Information sources and their contributions were independent of other parties with an interest in the evaluation as far as the evaluators were aware.

The evaluation team has had regular progress meetings with the BHC Nairobi Private Sector Development Advisor who is the evaluation lead, and the evaluation MEL advisor. The evaluation reference group, comprising representatives from BHC Nairobi, Whitehall and other posts, will review the draft and engage with the evaluation findings through dissemination workshops.

4 Findings

4.1 Relevance

4.1.1 Relevance to contexts and geographies in Kenya

This finding assesses the extent to which programmes were designed to respond to the needs of particular contexts and geographies in Kenya taking into account factors such as policies, economy, infrastructure and characteristics of target populations.

All four programmes were found to be highly relevant for the Kenyan economy and were designed explicitly to respond to the needs of particular contexts, geographies and sectors. They encompassed marginalised areas (KCJF), geographies and sectors with manufacturing growth potential in a flexible approach (MA), intermediary cities in harder to reach geographies (SUED) and trade hubs facing logistical barriers (TMA). A review of programme design documents (principally business cases) and interviews confirmed that programmes were designed to address Kenya's key development priorities.

All four programmes are highly relevant to Kenya's context and key development priorities. Kenya's working age population is projected to grow by one million people annually between 2020 and 2029, but Kenya's formal labour market struggles to generate sufficient jobs to accommodate this large number of new entrants to the labour market. Only a small proportion of labour market entrants are expected to secure formal employment[18] and the vast majority of employment takes place in informal jobs across multiple sectors, particularly in agriculture, retail, hospitality and manufacturing.[19] Kenya's development priorities include economic growth, infrastructure development, poverty reduction and job creation, and key policy frameworks including Kenya Vision 2030, the Big Four Agenda, the Bottom-Up Economic Transformation Plan 2022-27 and the Youth Employment Policy, as well as Ministry of Industrialisation goals to boost job creation. A review of programme design documents (principally businesses cases) and interviews with programme leads and implementing team members confirms that programmes were designed to address Kenya's key development priorities. The four programmes' contribution to job creation means that they are well oriented to the employment needs of the Kenyan economy. KCJF specifically aligns with the Kenya Youth Employment Policy; MA contributes to industrialisation objectives and SUED is intentionally highly relevant to the Kenya Urban Support Programme and works closely with county and national government officials to ensure alignment with County Integrated Development Plans. TMA does likewise and aligns with government efforts to reduce bureaucracy and improve trade logistics efficiency.

Programmes have focused on different geographies with particular needs and have been designed to be relevant to them. KCJF was designed to be highly responsive to the needs of different regions and sectors in Kenya, considering the unique socio-economic context of each. A key focus was placed on marginalised areas, addressing specific challenges like environmental degradation in Turkana and market inefficiencies in agriculture. Manufacturing Africa was designed to help unlock the necessary investment for Kenya's growth in sectors and regions with significant potential to create employment, targeting those where manufacturing could drive economic growth and direct and indirect job creation while attracting foreign direct investment. SUED had an urban focus and was designed to work in intermediary cities explicitly in harder to reach geographies, selecting municipalities from across the country on the basis of political commitment, social inclusion, climate resilience and alignment with the Kenya Urban Support Programme to ensure relevance. (More explicit links to Kenya's decentralisation process could arguably have further strengthened SUED's relevance: it did not take account of the lack of capacity and nascent status of some of the municipalities it tried to work in,

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[18] See Annex 5

[19] World Bank, 2020 Kenya Systematic Country Diagnostic.

and this situation was not adequately reflected in the original business case.) The TMA programme was focused on regions with significant existing economic and trade activities to address specific needs which were limiting economic growth and potential. Key examples of their investments include infrastructure improvements to address logistical inefficiencies at the Port of Mombasa and the Northern Corridor which are key hubs for national and regional trade and streamlined customs procedures and harmonisation of standards to address trade barriers specific to the location.

The programmes have demonstrated flexible and adaptive management in their job creation programming, adjusting their approaches based on emerging needs, challenges, and market conditions. KCJF demonstrated this flexibility by adapting its technical assistance and grant support to help SMEs respond to COVID-19, enabling businesses to pivot their models and sustain operations during the crisis. Manufacturing Africa was flexible, focusing on both traditional sectors, such as pharmaceuticals and textiles, and emerging sectors with high growth potential e.g. e-mobility. Manufacturing Africa also invests in a combination of greenfield and brownfield investments, and in both innovation and incremental growth, building a balanced portfolio that supports both existing sectors as well as emerging sectors. SUED adapted its interventions by collaborating closely with local municipalities to refine urban development plans that aligned with evolving local priorities, and to reflect the capacity in the different municipalities. TMA demonstrated adaptability by investing in complementary automation systems to support trade communities facing COVID-19 challenges at ports and border posts, implementing measures to streamline customs and border clearance processes. Additionally, TMA modified project timelines and resources to address regulatory and implementation hurdles faced with different government partners.

4.1.2 Relevance to beneficiaries, particularly women, girls and marginalised

This finding assesses the extent to which programmes were designed to respond to the needs of its principal intended beneficiaries.

The programmes considered inclusion at design and implementation, addressing gender inequality and poverty through its interventions and in the case of TMA having wider benefits to the surrounding community beyond job creation, through infrastructure investments. For Manufacturing Africa, the focus on gender equality and social inclusion was weakened due to budget reductions although 'do no harm' compliance processes were maintained.

The programmes considered the potential effects on beneficiaries of job creation, particularly women and girls, and those from marginalised groups. Evidence from reviews of the business cases, annual reports and interviews with key stakeholders (programme leads and managers), demonstrated that all four programmes integrated considerations of the potential effects on beneficiaries, particularly women, girls and marginalised groups into design and implementation. For example, through their grantee ZUMI's e-commerce platform, KCJF prioritised the needs of marginalised groups, especially women and youth who faced systemic barriers in accessing markets and supplies, while Value Villages created economic opportunities for women and youth in the under-served Turkana region. SUED targeted urban areas with high levels of poverty and inequality, focusing on strengthening rural-urban linkages by focusing on priority value chains, encouraging equal participation, collaborative stakeholder engagement, improving infrastructure, services, and incorporating GESI interventions directly into UEP/programme design. TMA on the other hand, ran complementary initiatives to make trade more inclusive, promoting the involvement of women and small businesses.

Changes in Manufacturing Africa's programme budget affected the level and scope of gender equality and social inclusion considerations in implementation although 'do no harm' compliance is maintained. MA programme design aimed to prioritise deals that promoted equity by supporting investments that work in a pro-poor sector and provide jobs in disadvantaged/marginalised regions and including groups such as women and youth. The programme developed a comprehensive and well-documented approach to gender equality and social inclusion (GESI) including a GESI handbook to guide businesses in integrating GESI principles into their operations. However, the programme's initially strong focus on GESI was diminished substantially in its second year due to budgetary constraints, reducing GESI measurement activities including at initial stages and in post-investment assessments and a priority focus instead on ensuring that the businesses supported met minimum 'do no harm' compliance requirements. MA however still ensures compliance and mainstreaming with GESI during screening of pipeline deals: all the deals have to meet basic requirements on safeguarding and are assessed for whether relevant policies are in place. If they are weak or absent, MA supports their development. In future, if MA secures additional resources, they plan to enhance their GESI initiatives. Having previously implemented interesting work in this area, the team recognises the importance of further developing these efforts to promote inclusivity and equitable growth within the sectors they engage with. They took the opportunity to work with the management team of one supported company which showed interest in incorporating GESI principles into their organisational framework, by facilitating discussions on GESI and providing a safeguarding policy template.

TMA infrastructure interventions were also relevant to the needs of the wider community, particularly marginalised groups, beginning with gender, not just those involved in or employed due to trade logistics. The Women in Trade project within REDIT supports women traders and aligns with FCDO Kenya Country Programmes, incorporating gender and social inclusion in design and implementation. Monitoring is intended to ensure inclusivity during construction, with a goal of integrating gender-specific programming into at least 40 per cent of the portfolio, particularly in infrastructure and export capability projects, with a target to link at least 200,000 women to new markets and trading opportunities.[20] Designs also prioritises pedestrians and non-motorised traffic (typically used by less advantaged men and women).One investment was the road upgrade / construction of a new road, Mbaraki Road, which improved transport links to the Port of Mombasa. Its construction had wider benefits beyond the trading community and port operations, bringing improvements to the lives of local residents of Mombasa County of all ages

> *"The greatest impact is the drainage which goes beyond the extent of the road. The Nyerere avenue, which is a class A road was flooding, affecting residential areas, schools and places of worship. There is one school that I would want you to visit ... The Bamburi drain transformed the area. There are people who have suffered courtesy of flooding and who have seen a drastic improvement in their environment.' Engineer, County Government of Mombasa*

4.2 Efficiency

4.2.1 Length to yield jobs and resource intensiveness

The finding assesses efficiency of different modalities in terms of timescales (length of time to yield jobs) and resource intensiveness of interventions. These proxies for efficiency were provided in the inception report, given the methodological difficulties of calculating and comparing costs per job created by the programmes, to provide some basis for assessing the relative efficiency of the different modalities.

Allocation of grants to businesses is the shortest pathway to creating jobs. The pathway delivers tangible jobs quickly. Comparing different ToC intervention pathways, those which mobilise investment into businesses require fewer resources (lower budgets) than capital intensive enabling environment interventions. Any support in the form of TA or technical consultancy increases overall efficiency by unblocking barriers to investment which leads to job creation.

For those pathways for which data is available (about both length to jobs and resources), the fastest pathways to job creation are grant making or seed funding as used by KCJF, and transaction facilitation as practiced by SUED and MA. Table 1 sets out programme interventions against each

[20] TMA Annual Review 2024

pathway in the ToC, along with available data on length of time to job creation and FCDO financial inputs. Gaps in the data are also made clear. No attempt has been made to quantify cost per job due to the inconsistency of jobs numbers and data gaps – principally lack of jobs measurement data for longer, enabling environment pathways – which mean that a full comparison of pathways in these terms is not possible and that it is not possible to assess whether longer, more resource intensive pathways yield more or better-quality jobs. Additionally, programmes that originally had these enabling environment components have been scaled back significantly. The analysis therefore has some limitations and must be treated with caution. However, the data suggests the following tentative findings:

- Allocation of grants to businesses is the shortest way to create jobs – for KCJF this takes a year. The pathway delivers tangible jobs quickly. The costs of the pathway (resources input i.e. grants and management costs) are also relatively low compared to other pathways.
- Interventions that aim to mobilise investment into businesses through grants or investment attraction have shorter pathways and duration to yield jobs than those that target the enabling environment – physical infrastructure takes the longest time to yield jobs.
- Intervention pathways that mobilise investment into businesses also require fewer resources (lower budgets) than capital intensive enabling environment interventions.
- Transaction facilitation, investment attraction and advisory services by definition speed up access to capital, by unblocking barriers to investment and/or providing the information required to close financial dealers faster. This has enabled growth and expansion of business in a manner that has created jobs.

Table 1: Efficiency of job creation pathways

Pathway	Programme	Comment	JMF Jobs impacts	Length to jobs	Resource (FCDO inputs, not total investment)	Jobs
Sector and business level TA, Capacity building to business	KCJF	Secondary support provided alongside grants, not possible to disaggregate impact	Direct Supply Chain	N/A	N/A	N/A
	MA	Sector level TA and technical consultancy to companies	Direct Sector/supply chain	N/A	N/A	N/A
Grant making/Seed funding	KCJF	Grants of £100k to selected firms, followed by further discretional grants based on performance and need	Direct Supply Chain	1 year	£128,414 (average grant) + management overheads	7,745 (average per investment)
	SUED	Providing Seed fund to Value chain actors for economic growth and Jobs creation	Direct Supply chain			
Transaction Facilitation, Investment attraction & advisory	MA	Matchmaking between manufacturing firms and investors, followed by transaction facilitation to prepare and raise FDI	Direct Supply Chain	5 years	*£45,667,529*[21]	5,255[22] in six countries 2,538[23] in Kenya
	SUED	Identification of value chain investments from UEPs, followed by pre-feasibility assessments and investor attraction (with seed funding)	Direct Supply Chain	2.5-3 years	£500k (per transaction) + management overheads	3,160 (average per investment)
Enabling infrastructure	TMA	Direct investment into hard (roads) and soft (ICT systems) trade enabling infrastructure	Direct Enabling	6 years (roads) 2 years (ICT)	$58.75m for Mombasa West roads $14.2m combined for RECTs and iCMS	N/A
	SUED	Identification of enabling (public) infrastructure investments in UEPs	Direct Enabling	5 years	£460k per UEP – investment dependent on capacity of municipality	N/A

[21] Figure arrived at by adding programme expenditure provided in the annual reports covering the implementation period.

[22] Figures from logframe actuals

[23] Jobs created so far by five supported companies in Kenya as detailed in the MA closed deals Kenya and MA annual report 2023/2024

Pathway	Programme	Comment	JMF Jobs impacts	Length to jobs	Resource (FCDO inputs, not total investment)	Jobs
Business environment	TMA	NTBs, standards and trade policy – not covered in this evaluation	Direct Enabling	N/A	N/A	N/A
	MA	Flexible technical assistance to strengthen policies, institutions, capacities, policy dialogue and advocacy; scaled back significantly, figures not disaggregated	Direct Enabling	N/A	N/A	N/A
	SUED	Capacity building of municipalities to enable improved management of the urbanisation process, public-private dialogue and investment strategies – scaled back significantly	Direct Enabling	N/A	Budget to this component limited	N/A

4.2.2 Risks and manageability

This finding considers risks to efficiency (including assumptions in the ToC not holding true) and their manageability.

While macroeconomic shocks, political instability, shift in government policy and budget cuts negatively affected implementation, causing programme retrenchment and cuts to monitoring, evaluation and learning (MEL), programmes employed varied approaches to manage this risk. These included extensive selection processes and criteria for those it worked with (KCJF, MA, SUED) as well as selection of multiple beneficiaries (to spread exposure) and adaptation of implementation approaches, in consultation with BHC. Approaches to risk management highlight potential synergies between pathways: enabling environment (e.g. policy) interventions can reduce risk for direct business support interventions. Engagement, buy-in and capacity of both public or private institutions to benefit from programme support is critical to all pathways and weaknesses can impact efficiency.

Political risks such as macroeconomic shocks caused by the COVID-19 pandemic, political instability, shift in government policy etc. either domestically in Kenya or overseas in target export markets (where applicable), all created risks to job creation mitigated in various ways depending on the programme intervention pathway. External risks manifest themselves and are managed depending on the intervention type. For interventions with the private sector, there is limited direct control of these risks. Mitigation is applied during programme design, for example by attempting to select firms in sectors that align with long-term government policies and strategies (e.g. Vision 2030) and / or selecting sectors with strong long-term growth potential. Certain enabling interventions, however, may attempt to address these risks head-on, i.e. by proactively lobbying for a change in government policy to create a more conducive environment for investment, growth and job creation, removing barriers to trade in high-potential export markets.

Approaches to risk management highlights the potential for synergies between pathways (either within or between FCDO programmes), with enabling-type interventions helping to manage the risk for more direct business support interventions, i.e. by removing barriers to create a conducive environment for the investment advisory pathway to operate. Both MA and SUED were initially designed with these mutually reinforcing synergies with components for investment advisory (SUED) and transaction facilitation (MA) operating alongside investment climate (SUED) and technical assistance (MA) components that targeted enabling environment barriers and risks. In both programmes, however, the enabling environment interventions were downscaled to focus on the more direct investment activities. Just like in any investment, balanced portfolios are better able to manage risk overall.

Budget reductions made after inception due to FCDO budget changes had an impact across most programmes and for some reduced enabling environment interventions. For MA, SUED and TMA, budgets were reduced significantly after the programmes started. This impacted on programme implementation, with programmes being redesigned and certain components reduced in scope or cut altogether, in discussion with BHC. Programmes indicated that MEL budgets were cut, and this affected their ability to effectively monitor the results of their interventions. The situation was also managed primarily by refocussing on shorter, more direct pathways to job creation, i.e. on investment advisory rather than enabling environment type interventions. On the one hand, this focussed resources on interventions where jobs could be generated in a shorter time and in a more readily measurable way. On the other, the reduction in enabling activities may have reduced potential synergies and actually reduced the efficiency of programmes overall.

However, there is evidence of access to additional capital by the programme supported partners to enhance their economic growth and job creation agenda: MA supported companies, in addition to FDI, have accessed grants from other development partners, or loans from financial institutions as additional capital. SUED and KCJF supported companies have reported additional investment leveraged towards their business growth. SUED's leverage ratio is 75:25 meaning if the ticket size is £500k, the project size is £2 million. TMA's model is such that there are a number of players including government, private sector players and development partners contributing resources to the improvement of trade infrastructure.

Beneficiary engagement, buy-in and capacity to benefit from programme support is critical to all pathways, whether the beneficiary is a private sector business or a government institution. Approaches to manage the risk of insufficient engagement included extensive selection processes and criteria (KCJF, MA, SUED) as well as selection of multiple beneficiaries to spread the risk. The latter, however, does reduce the depth of support that can be provided to beneficiaries, potentially impacting on efficiency (i.e. spreading resources too thinly). KCJF indicated that flexibility in the size of grant awarded to better tailor the award to the grantee (rather than awarding all a flat rate of £100k from the outset), could have improved the efficiency of the programme.

SUED provides a further example of spreading such risk within the portfolio. A broad portfolio of 12 municipalities were selected (versus an original business case indication of 6-10). Engagement, buy-in, and especially capacity of the municipal governments was a major challenge in the early phase of the programme. Most municipalities did not have fully constituted governance arrangements in place and were therefore poorly placed, at least initially, to benefit from programme support. Additionally, the proposed component on institutional capacity building was reduced significantly due to budget cuts. Working with a broad portfolio of 12 municipalities ensured that impacts were achieved despite this, although this was at the expense of deeper support and did incur inefficiencies – only eight of 12 originally engaged municipalities proceeded to the investment advisory phase.

Efficiency gains identified within each pathway

The evaluation framework included a third question about the scope for efficiency gains within each pathway. The findings are wholly programme specific and are therefore presented in the programme case studies.

4.3 Effectiveness

4.3.1 Job creation, data validity and attribution

This finding discusses the jobs created by the programme (both direct and indirect), the extent to which they can be validated and their attribution to the pathway interventions.

All FCDO programmes created both direct and indirect jobs, the majority being indirect, though validating indirect job numbers remains a challenge. The approach to measuring jobs varies widely across the programmes and the approach in each contains methodological weaknesses. This reduces the reliability, completeness and usefulness of reported jobs data. Job creation can be clearly attributed to the different intervention pathways followed by the programmes.

All FCDO programmes created both direct and indirect jobs, with the majority being indirect. Overall, KCJF reported creating about 147,168 formal and informal jobs[24] in sectors such as agriculture, manufacturing, and services, while Manufacturing Africa facilitated 5,255 (59% direct) jobs. Of the total jobs created 2,538 of the jobs are in Kenya[25] in key sectors like textiles and pharmaceuticals. SUED contributed over 8,000 direct jobs through investments in different value-chains.[26] TMA did not measure jobs created. (No distinction is made between jobs created and jobs supported.) Direct jobs across the portfolio were easier to track and validate, with companies and projects providing

[24] KCJF Annual review October 2023

[25] Manufacturing Africa Year 4 Report 2024. Manufacturing Africa is expected to create over 18,000 direct jobs once all the invested that have passed financial closed are completed, an estimated 10,000 will be in Kenya.

[26] SUED Quarterly Report January-March 2024

employment reports and credible projections based on the anticipated scope of investments supported by the different programmes.

Validating indirect job numbers remains a challenge: while direct jobs are easier to assess, the evaluation found inconsistencies and challenges how programmes defined and measured indirect jobs. Across the portfolio, tracking indirect job impacts, particularly within supply chains, proved difficult due to limitations in approaches to job measurement. This is problematic when the large majority of jobs reported are indirect jobs – indirect jobs represented 99 per cent of the jobs reported by KCJF and 97 per cent for SUED.

The approach to measuring jobs varies widely across the programmes and the approach in each programme contains several methodological weaknesses, reducing the reliability, completeness and usefulness of reported jobs data. The programmes have each taken a different approach to measuring jobs created and each approach taken contains gaps and weaknesses. These varying approaches, their levels of robustness as well as the lack of disaggregation of 'new jobs' and 'jobs supported' undermines the validity of reported data and means that the types of jobs created and for whom cannot be known with any certainty. (It also makes any comparability between programmes impossible as previously noted.)

A particular data gap concerns measurement of jobs created through enabling impacts. Such jobs are generally measured ex ante through modelling approaches, which does raise methodological challenges, but KIIs with implementing partners indicate that a preference for measurable results might have influenced programming decisions. Interventions that would have focussed on the enabling environment were cut from SUED, while MA scaled back similar policy / regulatory reform activities – in both cases level of effort was re-focussed onto transaction facilitation interventions with shorter, more clearly attributable and measurable job creation pathways. Additionally, the absence of any tool to measure jobs created through enabling impact means that the actual impact of TMA in terms of job creation cannot be evaluated. A full assessment of the approach to jobs measurement can be found in Annex 12.

Job creation across the FCDO programmes can be attributed to specific interventions such as SME support, investment facilitation, and infrastructure development across the different job creation pathways. However, the strength of these linkages varies depending on the pathway and the context of the interventions. Of the different pathways identified in the portfolio, Grants and seed funding to businesses (pathway 1) demonstrates the clearest and most direct impact on job creation, particularly through KCJF. Technical assistance and investment facilitation (pathway 2 and 3) strengthen the capacity of businesses to sustain and scale jobs, with Pathway 3 showing strong direct attribution in facilitating large-scale FDI and job growth. Pathway 4 (infrastructure investment) contributes to job creation indirectly by improving the economic ecosystem, while Pathway 5 (policy and regulatory reforms) plays a supporting role in enabling sustainable growth but with less direct attribution to immediate job creation.

4.3.2 Job quality

This finding considers key job quality indicators included in the Job Measurement Framework such job security (contract stability), income consistency, access to benefits (e.g., healthcare or social protections) and opportunities for skills development.

The quality of jobs created varied significantly across sectors and geographical areas. Formal jobs are generally, although not always, higher quality, and were created by Manufacturing Africa and TMA. Job quality indicators were largely not measured by the programmes.

The quality of jobs created through FCDO programmes varied significantly across sectors and geographical areas. In KCJF, jobs were largely informal, especially in rural and agricultural sectors. These jobs, while providing critical income (which is a measure of quality), often lacked stability and other benefits such as social protections. For instance, Ten Senses Africa and ZUMI created jobs in agriculture and retail, but many of these were insecure and seasonal. On the other hand, programmes like Manufacturing Africa and TradeMark Africa generated more formal employment opportunities, particularly in manufacturing and logistics. These jobs were typically of higher quality, offering more consistent wages, training opportunities, and formal contracts. For example, in Manufacturing Africa, firms such as Kentegra expanded their formal workforce through investment facilitation, ensuring that employees benefitted from stable contracts, regular income, and access to skills development. Similarly, TMA's infrastructure improvements in the logistics sector led to formal job creation, where employees enjoyed more stable employment conditions, occupational safety and social protections.

Jobs quality indicators were largely not measured. This was the case even where 'jobs supported' were being reported giving no indication therefore of income uplift experienced by beneficiaries. It should be noted that while formal contracts are a key consideration for the JMF in assessing job quality in an environment of high unemployment like Kenya, there are informal jobs (without formal contracts, terms or conditions) that yield higher income and better quality of life than the formal jobs with a relatively lower income.

4.3.3 Alignment of beneficiaries to target groups

This finding explores the extent to which individuals benefitting from job creation programmes were amongst the programme's target groups i.e. women, youth, marginalised communities.

All the programmes in the FCDO job creation portfolio are effectively aligned with their target beneficiaries, focusing on women, youth, and marginalised communities. However, the level of alignment and the outcomes achieved vary across the programmes, depending on the contextual challenges and opportunities in different regions and sectors. Only SUED reports jobs figures which are disaggregated by age, gender and disability.

The programmes demonstrated a strong commitment to aligning their interventions with the needs of their target beneficiaries, with some success. The FCDO programmes ensured that inclusion was embedded by design rather than by default, with each programme incorporating specific mechanisms to target marginalised groups, such as women, youth and rural communities.

An emphasis on inclusion from the start ensured that interventions created meaningful economic opportunities for those typically excluded from job opportunities generated by mainstream economic activities. To illustrate, KCJF included an assessment of the impact on marginalised groups as a key criterion in selecting businesses for funding. This ensured that companies receiving support, such as Hello Tractor and ZUMI, were not only financially viable but also had a clear strategy for positively affecting underserved populations, particularly rural farmers and women in informal jobs. Manufacturing Africa integrated an impact analysis into its feasibility assessments for potential investments, ensuring that the businesses it supported would have a demonstrable impact on marginalised communities. Companies like Kentegra were selected partly because their expansion plans included strengthening rural supply chains and ensuring sustainable incomes for small-scale farmers. Kentegra's staff has a male to female ratio of 67:33 and women are to be found in leadership and technical roles. SunCulture's staff has a male to female ratio of 60:40, with most staff being youth in the 25-35 years age bracket. In both companies the staff is distributed between their head offices in Nairobi and in their sourcing zones or distribution zones across the farming counties in Kenya.

The needs of underserved and marginalised geographical areas were also incorporated into programme implementation approaches. SUED placed inclusion at the heart of its targeting strategy by deliberately working with municipalities that were outside the usual urban development hubs. By focusing on counties that were often neglected in urbanisation and development planning, SUED ensured that its interventions provided economic growth opportunities for regions that typically lack investment, thus targeting marginalised groups by geography. This approach also extended to value chains that were designed to create jobs for women and youth, particularly in climate-resilient agriculture.

While the direct impact of some large-scale infrastructure investments on marginalised groups like women, youth and SMEs was less evident, TMA complemented these efforts by undertaking dedicated projects aimed at enhancing inclusion. To illustrate, TMA implemented specific initiatives to support women in trade and provide targeted assistance to SMEs, ensuring that its broader interventions in trade facilitation were inclusive. These complementary projects helped TMA enhance the inclusion of marginalised groups in its programmes, even if the direct impact from some larger infrastructure investments was less clear. Additionally, TMA incorporated an assessment of the impact of its investments not only on the broader trading community but also on specific groups such as SMEs and women in trade, as part of its project appraisal reports.

Only SUED reports jobs figures which are disaggregated by age, gender and disability. Otherwise, programmes do not measure, or report jobs data disaggregated by inclusion indicators. This means that they cannot demonstrate job outcomes for their target beneficiaries.

4.3.4 Validation of the theory of change pathways towards job creation

This finding assesses the validity of the theory of change for FCDO's job creation programmes and tests its underlying assumptions and hypotheses to assess how the pathways are being implemented to contribute to job creation.[27]

Overall, the evaluation has confirmed that the portfolio level theory of change is valid and a good model for achieving outcomes through job creation programmes. There is evidence of the portfolio building an enabling environment for economic growth through policy reforms (SUED, MA, TMA) and trade infrastructure development (TMA), growing the investment ecosystem by supporting urbanisation within the county municipalities (SUED) and making them investment ready, facilitating access to technical assistance and capital (corporate financing, local and foreign direct investment, grants) for private sector players for economic growth (KCJF, MA , SUED), leading to enterprise growth and increased trade and revenues including cross border (KCJF, MA, SUED, TMA). This economic growth comes with very significant employment opportunities.

Pathway 1: Grants and Seed Funding: If FCDO programmes provide **grants or seed funding** to MSMEs and industries, these businesses will be able to implement growth-oriented investments, leading to increased revenue generation and job creation. This pathway directly supports enterprise development, enabling businesses to scale operations and generate employment opportunities and jobs creation activities, realising revenue growth and creating jobs.

Of the five pathways, the one commencing with issuing grants /seed fund to businesses is well evidenced from KCJF and SUED results (see Section 4.3.1 above), which are clearly attributable to their interventions. (As noted under efficiency – section 4.2.1 – this pathway also appears to be the quickest.) However, the evaluation notes that this pathway is not sufficient alone to create the envisaged impact. The success of KCJF for example, is not only dependent on grants to firms. TA to the firms (pathway 2) and investment connections (pathway 3) and market access (not in the Portfolio ToC) were a large part of KCJF's strategy to deliver innovation, sustained economic growth and jobs.

Pathway 2: Business-Level Technical Assistance (TA): If FCDO programmes provide technical assistance tailored to industry or sector-specific needs—such as access to inputs, skills development, innovation, and enhancing competitiveness—both programme and non-programme MSMEs, manufacturers, and industries will experience growth, resulting in new job opportunities linked to improved business performance.

Pathway 2 is necessary to and effective in improving business practices, innovation and competitiveness leading to improvement in the quality of jobs (although not necessarily increased new jobs) or providing critical information for investment decisions rather than itself leading directly to

[27] This is not an EQ in the evaluation framework but was identified in the inception report as an evaluation activity and responds to ToR requirements for a theory-based approach.

these outcomes. It is best described as an important enabler or add-on to pathway 1 and others. KCJF and MA have TA as an additional intervention to support their main activities on other pathways.

Manufacturing Africa uses technical assistance quite extensively in its interventions as a tool to unblock barriers to investment. Sector-wide TA includes reports published for public consumption, and TA to governments on investment policy and regulatory reforms as well as capacity building to investment promotion agencies. For the 35 deals that have closed and FDI accessed (i.e. results arising from pathway 3), TA was provided to companies prior to deal closure, to ensure higher chances of success in raising investment, and in some cases closing financial deals faster. TA was also provided to enable the companies to improve company operations, efficiency and quality of work once they had received FDI. [28]

Pathway 3: Transaction Advisory and Investment Facilitation: If FCDO programmes provide transaction advisory services and facilitate access to foreign direct investment (FDI) or other capital sources, programme and non-programme businesses will secure investments to drive business growth. This leads to job creation through business expansion and increased economic activity.

Pathway 3 is best showcased by Manufacturing Africa which has been instrumental in facilitating £0.4 billion worth of FDI for 35 companies across the six focus countries. £0.27 billion of this has been accessed by companies in Kenya to invest in their business growth strategies. So far, five of them have reported creating 2,538 jobs.[29]

The evaluation found that unlocking investment alone may yield jobs but associated technical support consultancies on specific areas of need can very positively affect outcomes. For example, consultancy on industrial process optimisation and operational efficiency at Kentegra positively impacted job quality; and market assessment to understand potential opportunities and the competitive landscape has enabled SunCulture's targeted expansion into new geographies in Kenya, Uganda and Ivory Coast.

Pathway 4: Infrastructure Investments: If FCDO programmes invest in hard and soft infrastructure—such as transport networks, border facilities, or digital systems—this will strengthen in-country and cross-border trade systems. Improved infrastructure will support new and existing investments and attract importers/exporters, accelerates ecosystem growth, and supports job creation through expanded trade and economic activities.

Pathway 4 is showcased by TMA whose interventions focus on unblocking trade barriers by investing in improving efficiencies in the local and border trading infrastructure. The Mombasa Ports Authority said they saw new shipping lines and clients come to the port as a result of the improved efficiencies introduced through TMA interventions. There is also evidence of new malls and expansion of real estate in areas where the road infrastructure improved in Mombasa. This means economic growth and more jobs in the economy, although as noted earlier this cannot be quantified or validated.

Pathway 5: Policy and Enabling Environment Reforms: If FCDO programmes support policy reforms and improve the business enabling environment, this will empower government entities to enhance investment and trade conditions, strengthen public services (e.g., workforce quality), and attract investors. These improvements will drive business growth and foster the creation of jobs by both programme-supported and non-programme MSMEs and industries.

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[28] It should be noted that it was not possible to validate whether non-programme businesses who benefitted from TA and investment advisory went on to create jobs as the evaluation team was not given leads to any such companies. This part of the pathway cannot therefore be validated.

[29] Excel document with financial deals closed in Kenya supplied by MA as part of the programme documents to review

From evidence presented previously, this pathway does not in itself deliver jobs but is very much needed to provide an enabling environment for economic growth and jobs creation which businesses, supporting programmes and other economic actors can reap the benefit of. TMA and SUED have put this pathway at the centre of their model with some success. Unblocking barriers to investment is crucial to the outcomes reported by all four programmes under evaluation.

4.4 Coherence

4.4.1 Job creation pathway complementarity

This finding assesses the extent to which job creation pathways in the ToC strengthen or complement each other.

The portfolio level ToC provides a coherent jobs creation pathway, importantly also demonstrating the value of having the four programmes working together while complementing each other towards systemic economic growth and sustainable jobs creation. Each programme has components - job creation by KCJF, transaction facilitation by MA, investment attraction by SUED and trade facilitation by TMA – that not only demonstrate independence in job creation efforts but also the potential to create synergies where the benefits of one intervention are applied or even amplified by others. However, in practice, there is minimal deliberate coherence among the four programmes, and a missed opportunity to realise the full potential of the FCDO's jobs creation portfolio.

The portfolio level ToC provides a set of coherent jobs creation pathway, but importantly also demonstrates the value of having the four programmes working together while complementing each other towards systemic economic growth and sustainable jobs creation. Each programme has components - job creation by KCJF, transaction facilitation by MA, investment attraction by SUED and trade facilitation by TMA – that can not only work independently in job creation efforts but also have the potential to create synergies, where the benefits of one intervention are applied by or amplified by others. For example, an SME could benefit from streamlined procedures that benefit their entry into global markets, FDI to expand its operations to meet global demand, and TA on export standard certification or market segmentation; while improved import capabilities lower production costs and enhanced export efficiencies unlock new markets. From a programme perspective, if TMA and the Government or SUED-supported municipalities actively sensitised relevant parties including other FCDO supported stakeholders on trade infrastructure improvements and municipality investor readiness respectively, then companies - whether supported by FCDO programmes or not - could potentially take advantage of the improvements, invest and create employment opportunities. MA and SUED have formed a partnership to ensure alignment on strategies supporting investment promotion and green manufacturing initiatives. Otherwise the evaluation found minimal deliberate coherence between the four programmes, and therefore, a missed opportunity to realise the full potential of FCDO's jobs creation programmes.

The evaluation found evidence of stronger coherence in the design and implementation of job creation pathways within each programme as demonstrated below.

- The job creation pathways supported by **KCJF** were designed with significant complementarities that enhanced the overall impact of the programme. One of the programme's key strengths was provision of technical assistance, which helped businesses refine their models and unlock grant funding while preparing them for further commercial investments, showing that complementarities between capacity building and financial support were identified early in the design phase. From interview evidence with the KCJF programme team, supported enterprises were able to unlock an additional £3.12 million in grant funding and commercial investments due to the enhanced business models. Furthermore, market access research provided by KCJF opened new markets for enterprises, accelerating their growth and complementing their job creation efforts. A notable example is Value Villages, which, through KCJF's support, entered the chicken feeds market, diversifying its income and optimising value addition by using fish by-products for feed production.

- **Manufacturing Africa** has employed an approach that ensures complementarity. For example, TF is required to ensure companies have capital to invest in business growth and create jobs, but in many instances, they face investment barriers. TA is therefore applied to unblock the ecosystem barriers for both existing businesses and for new businesses in emerging sectors. Supported partners have also confirmed that it would have been difficult for them to access investments I without the transaction facilitation support provided by Manufacturing Africa. **SUED** supports urbanisation planning for municipalities enabling them to become investor ready while at the same time providing seed fund to businesses to invest in value chains (some investing in the supported municipalities) for business growth and jobs creation. Because of reduced funding however, SUED now provide investment advisory pathway with limited capacity building and investment climate interventions or integration with other pathways.
- **TMA**'s initiatives working together, as highlighted in interviews with freight forwarders and EPZ manufacturers, create a synergistic effect: infrastructure investments increase the capacity for handling trade and physical movement of goods; iCMS accelerates and streamlines customs processing, and RECTs enhances the security and monitoring of cargo in transit and across borders. This integrated approach optimises trade corridor operations, enabling smoother regional and international trade. The combined effects not only boost trade but also stimulate broader economic development by creating jobs, reducing operational costs, and improving the overall business climate in the region.

4.4.2 Labour supply and demand

This finding explores to what extent labour supply and labour demand issues were addressed across the portfolio.

The portfolio ToC exhibits heavier focus on pathways to create jobs, and less on labour supply. While all programmes have an objective to create jobs (labour demand), they have varied approaches to improving labour supply quality to meets the demand their activities stimulate.

Labour demand was at the core of the programme's job creation efforts through partnering with businesses to create market opportunities (KCJF – for example Ten Sense Africa which boosted access to international markets and increased demand for smallholder produce, generating indirect jobs along the supply chain); stimulating foreign direct investment to enable key industries to expand operations and create jobs (MA), supporting private sector investment in value chain projects and indirectly boosting employment by generating demand for agricultural produce (SUED - sometimes both in the same project such as Avo Fresh's avocado processing plant); and improving trade infrastructure and reducing trade barriers, creating a more conducive business environment to promote enterprise growth (TMA).

Programmes focused less on labour supply efforts but and took varied approaches to improving labour supply quality. Approaches included providing training for women and youth in construction and equipping farmers with modern agricultural skills (KCJF) and supporting companies to invest in building skills and capacity of new recruits, especially more junior ones, (MA and, with an operational efficiency focus, TMA).

4.5 Relative effectiveness and value for money

This finding addresses the evaluation's overarching question on the relative effectiveness and value for money of the different modalities of direct and indirect job creation in FCDO programmes in Kenya. Analysis also draws on evidence on effectiveness presented in Section 4.3.

Inconsistencies in jobs measurement make meaningful evaluation and comparison across job creation pathways – and therefore assessment of the relative effectiveness and VfM of modalities – very difficult and therefore that the overarching evaluation question cannot be directly answered.

Job quality and equity is also an important value for money consideration, but indicators are rarely measured. Evidence for the effectiveness of the pathway focusing on the enabling environment is

weaker but the wider value of other impacts of such programmes are also highly relevant and would provide a more holistic view of effectiveness (and value for money).

Our analysis has also shown that comparing individual modalities is of limited usefulness. There are synergies between the different pathways and their outcomes mutually reinforce delivery of jobs impacts. VfM can therefore be maximised by considering pathway complementarities and how they can be leveraged.

Inconsistencies in jobs measurement make meaningful evaluation and comparison across job creation pathways – and therefore assessment of the relative effectiveness and VfM of modalities – very difficult. As noted in the effectiveness assessment, jobs impacts have not been robustly measured across FCDO's economic development programming in Kenya. The review of measurement approaches against the Job Measurement Framework highlighted gaps, weaknesses or inconsistencies for all programmes, albeit to different extents.[30] A major weakness, consistent across all programmes, was the lack of disaggregation between the number of new jobs versus the number of jobs maintained or supported (i.e. through improvements to income and / or job quality). Though both are important impacts, job *creation*, by definition, implies *new* jobs. To adequately answer the overarching research question, which refers explicitly to job creation, would therefore require this disaggregation. Moreover, the evidence indicates that the majority of the jobs impacts reported by programmes were more adequately described as jobs *supported* rather than *created*. Attribution of jobs to programme interventions was also not applied consistently across the programmes. While programmes such as MA attempted to apply a robust approach to attribution, only measuring impacts (or the share of impacts) that could clearly be attributed to the programme, others such as KCJF were unable to do so.

Each of the programmes have created and supported jobs, but the absence of job creation data for the pathway focusing on the enabling environment means that evidence for its effectiveness is weaker. Despite the noted deficiencies in jobs measurement approaches, and associated implications for the accuracy of the jobs numbers reported, the evidence does indicate that pathways are creating new jobs, as well as supporting existing jobs through improved incomes. Even in the case of TMA, where the programme has not measured or reported jobs created, primary data collected for this evaluation does show that jobs have been created through it. However, non-measurement of jobs does mean that evidence is weakest for pathways focussed on the enabling environment, including public infrastructure, policy / regulatory reform, and trade enabling systems interventions.

Job quality is an important consideration when comparing pathways, but indicators are rarely measured. Job quality indicators, including income, formality, skills development and so on were not measured by the programmes. This shortcoming is particularly relevant as the bulk of reported jobs impacts are jobs supported rather than new jobs. Lack of job quality indicators – and no sense of differential quality between them - means that this important dimension cannot be factored into any VfM assessment. (To illustrate, without differentiation a new job in a steel factory paying $5,000 per annum is counted in the same way as a supported uplift in income of 10 per cent for an avocado farmer on $1,000 per annum.)

Pathways generated wider impacts (i.e. beyond job creation) which should be considered in any VfM assessment. The value of the programmes is not generated or measured only in terms of jobs. To varying extents, the programmes also deliver other, arguably equally important, impacts and benefits. These impacts do not (necessarily) result in job creation but do contribute significant value that should be considered in any full comparison of VfM across the modalities. Examples of these wider impacts include:

[30] Each case study includes a section on jobs measurement lessons.

- Increased fiscal revenues generated from the Integrated Customs Management System and Regional Electronic Cargo and Drivers Tracking System interventions under TMA
- Improved access to urban services, e.g. waste collection, electricity etc., for urban residents from SUED supported projects
- Reduced flooding and congestion for residents, schools and businesses as a result of TMA supported roads projects

Ascribing value to wider impacts beyond jobs also allows a more holistic view of effectiveness. SUED, for example, was clearly designed during the business case with a broader focus than just jobs, supporting investments in both value chains for climate resilience and infrastructure targeting access to urban services. There is evidence that the focus on jobs over these other impacts may have reduced the effectiveness of the programme overall, by focussing on value chains investments with a smaller investment value than public infrastructure, which would have generated enabling impacts (that were not measured) as well as wider benefits for urban residents.

Equity considerations are hampered by an absence of data disaggregated by gender and inclusion indicators. Analysis against the JMF showed that only SUED reported disaggregated figures – by age, gender and disability. Equity is however addressed by all programmes through efforts to incorporate inclusion considerations in both design and implementation.

Crucially, there are synergies between the different pathways and their outcomes mutually reinforce delivery of jobs impacts, suggesting that VfM can be maximised by considering the complementarities and how they can be leveraged as a whole rather than by comparing individual modalities. As exemplified in the ToC, the pathways target different outcomes to deliver job creation impacts. As noted in the coherence analysis, these outcomes are mutually reinforcing and have positive spillovers into each other. For example, interventions that reduce the cost and time for businesses to trade across borders (i.e. TMA) create an enabling environment. Jobs impacts are *second-order* – they occur as a result of businesses taking advantage of the improved environment to invest and / or expand their operations. The synergies with more direct private sector interventions (i.e. MA, KCJF, SUED) are clear – a stronger enabling environment is more attractive to the private sector investors targeted by these pathways; therefore more or larger investments, with associated larger job creation impacts, will be viable.

5 Conclusion

FCDO has responded to the urgent need to create jobs in Kenya through the private sector and economic development through a variety of programmes over the last few years. They have ranged from direct job creation mechanisms with a short pathway to impact (KCJF) to support for investment in businesses (MA), creating jobs and promoting inclusive economic growth with government through better urban planning and attracting investment (SUED), to addressing more systemic issues to increase trade, reducing friction and providing essential infrastructure, necessarily on a longer time trajectory (TMA). The portfolio level theory of change for FCDO's job creation programming through its different pathways is evidenced as valid and effective.

The approaches and methodologies used to measure job impacts vary widely across the programmes and have gaps and weaknesses which undermine the reliability, completeness and usefulness of reported jobs data. As a result, data is not sufficiently robust to enable adequate monitoring and evaluation of the programmes and means that whilst the pathways themselves are evidenced as leading to jobs in qualitative terms, outcomes are not reliably quantified and the relative effectiveness and value for money of the different pathways cannot be assessed.

Value for money could be strengthened overall, across the portfolio as a whole, rather than by focusing on programme level value for money by attempting to compare modalities. Synergies between the job creation pathways make them mutually reinforcing. A holistic, integrated portfolio approach to future job creation programming planning and design could amplify progress towards jobs outcomes and maximise value for money overall (and more effectively than taking a binary either/or approach). Capturing the wider impacts of programmes beyond jobs but highly relevant to context and needs and the enabling environment for job creation, such as improved access to urban services or increased fiscal revenues, would also provide a more holistic view of overall value and effectiveness.

Finally, the evaluation has found that all four programmes are relevant in different ways to the needs of the Kenyan economy and to particular contexts and, largely, to the needs of women, young men and women and other marginalised groups. All programmes have considered inclusion in both design and implementation and there is evidence of women and marginalised groups benefitting from programmes although job outcomes cannot be quantified due to a general absence of disaggregated data.

The evaluation (and the programme level case studies which underpin it) provide FCDO with a range of evidence, insights and learning to inform future decisions on job creation and economic development programming. These decisions will need to take into account trade-offs between short and long-term investment, more immediate and downstream results, and direct and indirect job creation, and how best to leverage FCDO's available funding, political and economic influence and strategic position or comparative advantage in Kenya.

6 Lessons

Lessons drawn from evaluation findings and conclusions are presented below, in response to the EQ 'what best practices and lessons learned can be identified to improve the design, implementation and impact of future job creation initiatives?' Although they are principally intended to inform future job creation programming in FCDO (not only in Kenya) many can be applied to programmes addressing other development challenges. Lessons are therefore relevant to a wide range of actors both in FCDO, and indeed outside. Lessons will be shared in dissemination webinars with officials in BHC Nairobi directly involved in job creation programming, implementing partners and potentially external stakeholders (to be discussed). In addition to these portfolio-wide lessons, each case study includes programme level learning. Lessons are presented in the order of successive stages of the programme cycle.

Portfolio design

1. **Theory of change analysis can help to identify and highlight synergies between pathways.** The ToC provides a useful framework for understanding how change happens and how different pathways can reinforce each other. The report provides examples for how this has occurred for these programmes, and this could be made a more explicit part of the design approach to deliver sustainable jobs creation, for example by aligning enabling environment policy interventions in one programme with policy blockages encountered by another; or aligning target groups or geographical contexts across programmes.
2. **'Value' has many dimensions and needs to be defined if it is to be measured meaningfully.** Improvements in the nature of jobs and the wider impacts of programmes beyond jobs are additional sources of value which can be generated by job creation programmes. Setting out a framework which defines the different ways in which value that is expected from a portfolio and for whom, and how it is to be measured (indicators, data collection and analysis etc.) is a first step in assessing value for money.
3. Linked to the above two lessons, **value can be maximised overall by taking a holistic view** of how different programmes in a portfolio can work together to complement and reinforce each other and create a more effective portfolio as a whole, rather than seeing pathways as 'either/or'.

Programme design

4. **Programme budget cuts can lead to programmes focusing on shorter-term and more direct pathways to impact.** These decisions can skew the portfolio and potentially mean that decisions are being made on the basis of what can be measured rather than robust data on what works (and potentially is of greater value) in the longer term. (As an example, SUED cut or substantially scaled back interventions in enabling type interventions to prioritise more direct investment advisory.)
5. **GESI considerations in design are effective when they are based on consultation** to understand the needs of different stakeholders and beneficiaries, **and followed through into implementation approaches,** for example **selection** criteria for delivery partners.

Programme Implementation

6. **Effective stakeholder engagement and accompaniment / capacity building can enable replication and sustainability and build longer term impact but needs to be built into delivery plans**. Evidence from SUED was that immature municipalities and limited capacity hampered delivery and stifled the ability of officials to replicate the intervention for greater impact. The intervention had not been implemented in a way which intentionally aimed to build capacity, and this was a missed opportunity.
7. **Stakeholder capacity assessment usefully informs choice of partners and can thereby help to manage programme risk.** Understanding the capacity of potential partners before engaging them can help to ensure that risk to delivery is proportionate and manageable, and also guide capacity building support to strengthen delivery.

Monitoring and evaluation

8. **Cuts to MEL budgets ultimately hamper delivery by limiting the availability of data about programme outcomes which could inform decision making.** Budget cuts involve difficult choices and maintaining delivery on the ground is naturally a priority for implementers. However the cuts to MEL budgets have contributed to the poor data quality encountered by the evaluation. Good quality data is essential to understanding what is being achieved, crucially for whom, where and how and therefore how delivery might be adapted to strengthen outcomes.
9. **Programmes can only be compared if they have employed a common measurement framework** and therefore generated comparable data. Methodological inconsistencies and data gaps and weaknesses make programme comparison unsound and potentially misleading.
10. **Any framework for job measurement needs to be tailored to the specific context and ensure that the definition of quality is appropriate.** To illustrate, while formal contracts are a key consideration for the JMF in assessing job quality in an environment of high unemployment like Kenya, there are informal jobs (without formal contracts) that yield higher income and better quality of life than formal jobs with a relatively lower income.
11. **Programmes require guidance and capacity to adopt and implement suitable measurement frameworks.** The weaknesses in the each of the different approaches taken by programmes indicate that they needed guidance and appropriately skilled staff to design and implement suitable MEL systems - as well as tools and budget.
12. **Commitment to inclusion in design and implementation is undermined if data is not disaggregated** to show how and to what extent programme outcomes have been achieved for different people and those with intersecting characteristics (e.g. young women, or women with disabilities) and how they have benefitted from the programme. This information would in turn enable programme delivery can be strengthened to be more inclusive.

7 Recommendations

Recommendations are directed at FCDO decision-makers and programme managers.

Recommendation 1: Strengthen complementarity between FCDO programmes with job creation outcomes by taking a holistic, integrated portfolio approach

Organised complementarity between programme across FCDO's job creation portfolio is critical for maximising impact. Interventions such as SME support, supply chain development and infrastructure improvements have the potential to generate a strong pipeline of investments and foster an enabling business environment. For example, programmes supporting SMEs can align with Manufacturing Africa by creating a supply of investment-ready businesses, while initiatives like those under SUED and TMA can address ecosystem challenges and improve the business environment for these investments to thrive. Proposed actions to implement this recommendation include;

- **Establish and develop a portfolio-level ToC :** Utilise the portfolio-level theory of change established during this evaluation as a foundational framework for decision-making. Refine and update the ToC to clearly identify synergies between job creation pathways and ensure that all programmes contribute to complementary short- and long-term job creation outcomes. For example, align SME-focused interventions with enabling environment reforms to address gaps in investment readiness and sector growth. Ensure that different groups (e.g. men and women) continue to be visible in the ToC so that outcomes are not lost.

- **Leverage synergies across programmes:** Establish structured processes for identifying and strengthening synergies across FCDO programmes during both design and implementation phases. This includes fostering or deepening collaboration between programmes like Manufacturing Africa (investment advisory and deal facilitation) and TMA/SUED (enabling environment reforms and ecosystem development). Such coordination can amplify job creation outcomes by ensuring that investments facilitated by MA are supported by robust business environments and supply chains developed by other programmes. FCDO can develop a portfolio level matrix that identifies the complementarity between programmes and mandate the programme to report on this annually to ensure a proactive approach to coordination and collaboration.

- **Embed iterative design mechanisms:** Incorporate mechanisms for periodic reviews of the portfolio-level ToC to adapt to emerging challenges and opportunities. This iterative approach ensures that programmes remain responsive to shifts in market dynamics, regulatory changes, and operational hurdles, maintaining alignment with the overall job creation goals. Regular ToC reviews should include stakeholder input to assess synergies and adjust strategies to optimise outcomes. FCDO could utilise programme annual reviews to regularly assess complementarity and test the plausibility and effectiveness of the different pathways to inform changes to the portfolio or individual programmes in the portfolio.

Recommendation 2: Develop a holistic impact measurement framework for economic development programming – it is not all about job creation.

To ensure a comprehensive understanding of programme impacts, adopt a framework that evaluates both job-related outcomes and broader economic contributions. While job creation is a key outcome, it is equally important to assess how programmes contribute to the broader preconditions for sustainable economic growth, such as enterprise growth, investment attraction and improvements in the business enabling environment. These foundational impacts often drive systemic change and create the conditions for long-term job creation. The approach needs to recognise that some impacts cannot be measured and quantified within the timeframe of a programme and avoid incentivising implementers and officers to direct resources to shorter term measurable impacts which are potentially less valuable in the long run.

- **Incorporate non-job impacts in programme results frameworks:** expand the measurement framework to capture enabling impacts beyond job creation, such as:
  - Enterprise growth: Assess how programmes contribute to increased revenues, market access and scalability for businesses.
  - Business enabling environment: Evaluate improvements in regulatory frameworks, infrastructure and policy environments that support economic activity including policy to support the inclusion of more marginalised groups such as women and people with disabilities in the labour market.
  - Sectoral and/or fiscal impacts: Track contributions to fiscal revenues and sector-specific performance (e.g., trade volumes, manufacturing output)
  - Develop standardised metrics to quantify these impacts wherever feasible, ensuring consistency across programmes.

- **For longer-term, enabling type pathways to job creation, focus reporting on what can be measured (robustly) while still recognising that these pathways are targeting job creation as the ultimate goal.** Design such programmes based on robust evidence base and support the expansion of this evidence base through standalone research, e.g. ex-post reviews of interventions and their impact on different beneficiaries (e.g. women) after the completion of enabling interventions, once impacts have been realised.[31]

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[31] This is illustrated with the example of TMA. There is a robust evidence base that demonstrates that the high cost (including time-cost) of trading across borders in Africa is a major barrier to investment, growth and job creation. This provides a strong rationale for interventions that reduce the cost and time to trade, and an evidenced pathway to jobs. However, measuring and demonstrating these jobs impacts, within the timeframe of the programme, is challenging. Rather than focus resources on ex ante impact measurement of questionable accuracy, the alternative is for programmes to report what is measurable, and which is clearly linked, by the secondary evidence base, to job creation. In this case, that would consist of evidence of reduced cost and time of trading across borders.

Recommendation 3: Strengthen jobs measurement by adopting and applying the JMF consistently across FCDO economic development programming[32]

A consistent and standardised approach to measuring job creation outcomes is critical for ensuring accountability, comparability and evidence-based decision-making across FCDO's economic development portfolio. The Jobs Measurement Framework provides a comprehensive and structured methodology for assessing both the quantity and quality of jobs created, including direct, indirect, and tertiary employment however it has not been mandated or applied consistently by the programmes. By requiring this, FCDO can ensure that job creation is measured in a way that aligns with its strategic objectives, while also capturing nuanced impacts such as inclusion, geographic distribution and sustainability. Below are some proposed actions to implement the JMF.

- **Institutionalise the JMF across the whole portfolio:** This evaluation has clearly demonstrated the need for *a* job measurement framework, whether the current JMF, developed in 2021 specifically for FCDO programmes, which has not been formally adopted or "rolled out" across FCDO, or a revised version. Applying a unified JMF will go a long way to addressing the challenges encountered during this evaluation with poor quality, and lack of, jobs measurement data. Specific benefits are that the JMF will:
    - ensure the same definition, and disaggregation, is applied for jobs created vs jobs supported;
    - ensure that approaches to attribution are applied consistently;
    - guide selection of consistent, and appropriately robust, measurement approaches, depending on the type of intervention.
- **Apply the JMF consistently across economic development programming:** To be effective, a JMF must be applied consistently and ideally across the entire FCDO economic development portfolio, not just in Kenya. Clear and consistent standards will ensure data quality across the board, enable comparison (to an extent33) and help to avoid unintended perverse incentives to employ less robust approaches, as is the case currently for approaches to attribution.[34] Use of the JMF could be a requirement of programme implementation set out in programme terms of references.
- **Ensure that job measurement approaches incorporate measures of job quality - and that this is taken into account in programme design (e.g. to avoid fast but low-quality job creation).** Headline figures such as total jobs and / or cost per job do not capture the full impact of job programmes and can create counterproductive incentives for implementers and FCDO programme officers. FCDO should also developed contextually appropriate indicators to measuring job quality. For example, the existence of formal contract is considered an important indicator for job quality in the JMF. However, a strict application of this indicator could potentially exclude a significant number of entrepreneurs working in their own enterprises. As such, metrics such as income increment and consistency could provide better measures in a context like Kenya where a majority of the jobs are created in the informal economy. Additional guidance should be

[32] It is also important to note that if modelled approaches to measuring ex ante impact are adopted, they have a significant margin for error because they are based on proxies and often macroeconomic data that is several years old. They can be useful to provide an indicative representation of impact but are less robust than ex post, verifiable figures so caution is needed if comparing the two.

[33] It should be noted that a JMF would not solve the problem of "comparing apples with oranges" entirely. Different interventions necessitate different approaches to measuring jobs, for example via direct counting or reporting versus ex ante macroeconomic modelling, which would still require caution when comparing results, (in particular, comparison between more direct private sector support with associated supply chain impacts and enabling environment interventions with second-order impacts.

[34] As evidenced by the evaluation: KCJF does not have a method for attributing jobs created (and counted) to the programme which has led to them reporting very high jobs impacts. This compares to the more robust approach to attribution (and therefore more conservative job impact reporting) taken in Manufacturing Africa

provided on the level of income increment (% increment) from the baseline or the average daily income that should be considered to be a job created to ensure consistency across the portfolio.

- **Mandate the collection and reporting of disaggregated data** (e.g., by gender, age, geography) to ensure that benefits are reaching intended target groups equitably – or that problems in doing so are visible and addressed. Lack of disaggregated data and evidence for programme impact on different groups is a real weakness in programmes which are intended to target specific sectors of the population and are funded by overseas development assistance.

Recommendation 4: Provide practical support to programmes undertaking jobs measurement.

Even if applying the JMF is a requirement, programmes would benefit from support to do this well. This could take several forms.

- **Provide support, guidance, advice and training from FCDO staff** with appropriate skills to build programme MEL staff capacity to implement jobs measurement well. The support could be provided by a centralised dedicated and expert unit working across FCDO programmes rather than through a distributed model across Posts, to ensure that advice is consistent, available and provided by skilled personnel.
- **Create a centralised repository** of methodological papers, examples of best practice, and tools, which could be adapted by programmes when designing their own approaches, thus reducing initial design and set up costs for programmes.
- **Undertake spot checks** to assess the robustness of MEL systems and the quality of data being reported including its disaggregation. This could be undertaken by the central unit, or by programme managers with advice from the central unit as needed, using templates or checklists aligned to the MEL requirements. The spot checks would provide assurance, identify challenges and as needed, trigger support and guidance.
- **Share learning between programmes** about good practice and how to overcome challenges in applying the JMF. This could be done through a community of practice run by the central unit or be more organic. Evidence from spot checks could feed into this learning along with short reports on JMF application which could be synthesised from short reflection reports provided by programme MEL teams.

Recommendation 5: Ensure that MEL budgets are adequate to implement a robust approach to jobs measurement

Programmes must have adequate budgets for MEL in order to apply robust approaches to jobs measurement consistently.

- **Guidance on MEL Budgets:** Develop guidelines for allocating a fixed percentage of programme budgets to MEL activities based on programme size and complexity. The proposed percentage should match the measurement requirements for each programme in the portfolio. FCDO could also retain a centralised fund that the programmes can access to meet emerging measurement obligations.
- **Protect MEL Funding:** Ensure that MEL budgets are safeguarded during budget reductions, as robust and disaggregated data collection is critical for evaluating programme outcomes and improving future designs.

Recommendation 6: Enhance portfolio-level learning to improve portfolio effectiveness

Organised cross-programme learning is essential for maximizing the impact of FCDO's job creation portfolio. By fostering knowledge sharing and collaboration, FCDO can identify best practices, address inefficiencies, and refine programme strategies to deliver better outcomes for the intended beneficiaries (e.g., young men and women, marginalised communities, people with disabilities). Cross-programme learning not only enhances the understanding of what works but also enables the replication of successful interventions across contexts and sectors. Key actions to implement portfolio-level learning include;

- **Conduct regular cross-programme analysis:** Organise systematic reviews of interventions across the portfolio to assess performance (including for whom), cost-effectiveness and value for money. Identify successful models and approaches that can be scaled or replicated in other programmes, ensuring consistent delivery of high-impact results. Use cross-programme analysis to uncover common challenges and develop collective solutions.

- **Iterative reviews of the portfolio-level theory of change:** Periodically review and refine the portfolio-level ToC to ensure it reflects emerging challenges, opportunities, and lessons learned. Use these reviews to adjust pathways, improve programme synergies, and optimize resource allocation for better cost-effectiveness. Incorporate stakeholder feedback and if possible different participant voices from target groups during these reviews to ensure alignment with real-world needs and conditions.
- **Facilitate peer learning across programmes:** Establish a platform or community of practice for programme teams and implementing partners engaged in job creation to share insights, case studies and best practices. One example could be best practice in adopting a GESI lens in intervention design and implementation to better achieve results for target groups.

By way of a post script, the evaluation team draws on its wider knowledge of FCDO's economic development programming, rather than by findings from this evaluation, which did not encompass a comparison of approaches by different development partners, to suggest that FCDO considers comparative advantage when designing the portfolio of economic development programmes – what does FCDO do best, and why?

FCDO has traditionally been well-placed to take a long-term, patient approach to development when compared to others in this space such as foundations and impact investors. As a major bilateral partner to Kenya, FCDO is also comparatively better placed to intervene in enabling interventions. Put simply, while it is relatively straightforward to set up and run a challenge fund, there are fewer partners that can build institutions, influence policy and invest in infrastructure.

- Take a holistic view of value for money and of the job creation ecosystem to consider relative priorities. This could mean de-prioritising interventions with relatively quick and measurable impacts – at least where other partners are comparatively better placed to implement these. This is particularly relevant in a context of uncertainty about budgets.
- Identify and build synergies between FCDO programmes and interventions by other actors aiming to create jobs in Kenya. FCDO is positioned in an ecosystem of support for economic development which similarly provides scope to build on complementarity (e.g., between pathways, target group, geography). This would entail working more closely with other development partners The ToC could be used as a guiding framework.