# Thematic Evaluation of Kenya's Job Creation Programmes

## EVALUATION REPORT ANNEXES

Prepared by Triple Line | December 2024

# Document Control

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|---|---|
| Document title | Thematic Evaluation of Kenya's Job Creation Programmes: Evaluation Report Annexes |
| Reference no. | KEN 2652J |
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| Date | 18th December 2024 |

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# Annex 1. Case Study: Kenya Catalytic Jobs Fund

## Overview of KCJF Theory of Change

The KCJF aims to stimulate job creation by addressing market failures that prevent small and medium-sized enterprises (SMEs) from scaling. Through targeted interventions in sectors with high job creation potential, the fund supports businesses in addressing barriers to growth and improving productivity. The fund provides technical assistance, mentorship and financial support to SMEs to help them grow and create jobs. The KCJF focuses on creating job opportunities for marginalised and vulnerable groups, particularly youth, women and people with disabilities. Its theory of change is based on the following key elements.

- **Supporting High-Growth Sectors:** Focus on sectors such as agriculture, manufacturing and services, where scaling businesses can lead to sustainable job creation.
- **Capacity Building for SMEs:** The fund provides SMEs with technical assistance, mentorship and financial support to help them scale and create more jobs.
- **Market Linkages and Access:** KCJF works to connect SMEs with larger markets, both locally and internationally, enabling growth that leads to increased employment.
- **Inclusion and Equity:** The fund prioritises sectors and businesses that employ marginalised groups, including women, youth, and low-income populations, ensuring that job creation benefits are widely shared.

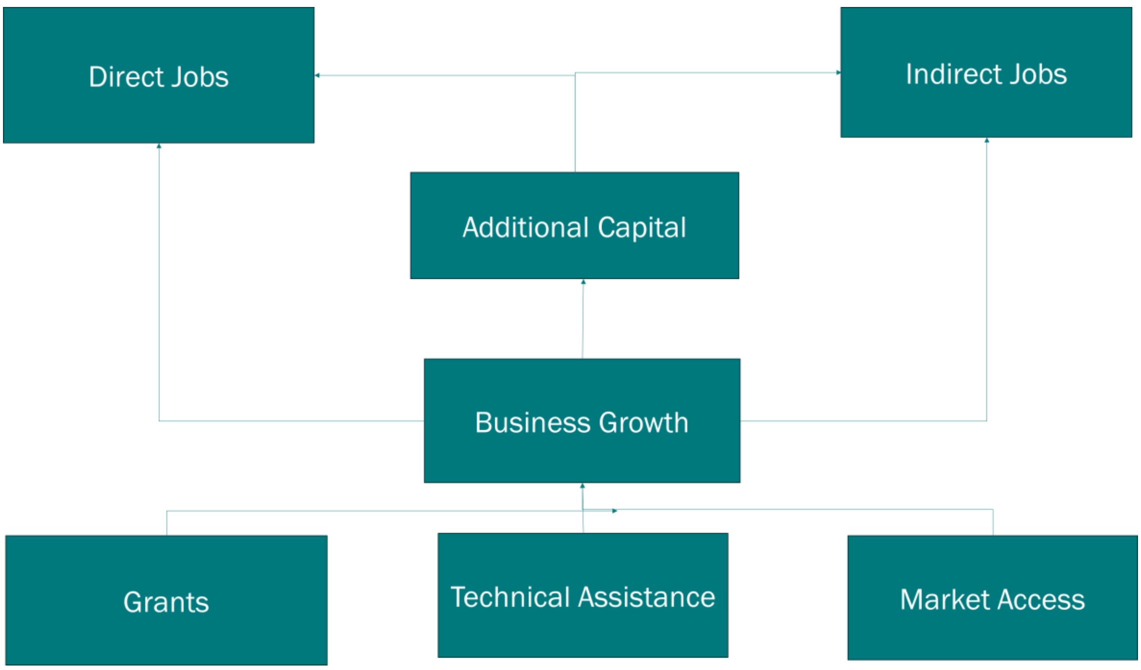


Figure 1: KCJF Programme job creation pathway (simplified)

# 1 Relevance

## 1.1 To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya?

KCJF-supported interventions were designed to be highly responsive to the needs of various Kenyan regions, taking into account the unique socio-economic contexts of each. A key focus was placed on marginalised areas, addressing specific challenges like environmental degradation in Turkana and market inefficiencies in agriculture and the informal sector.

- **Value Villages in Turkana:** This enterprise responded to the dire economic conditions in Turkana, an arid region with few livelihood opportunities beyond pastoralism. Value Villages established a fish processing plant to provide alternative income-generating activities for the local community, including women and youth. By focusing on fish and chicken feed production, the programme addressed both the scarcity of livelihoods and environmental sustainability.
- **TakaTaka Solutions:** Based in urban Nairobi, TakaTaka Solutions aimed to meet the growing need for waste management services in rapidly expanding urban areas. The programme not only tackled waste disposal but also created jobs by training waste pickers, many of whom were from marginalised backgrounds.
- **ZUMI's E-commerce Platform for Informal Retailers**: ZUMI tackled the needs of small-scale women apparel retailers in Kenya's informal sector. This intervention eliminated logistical barriers by creating a digital platform for women to source goods without traveling to markets daily. This directly addressed the traders' challenges, such as lack of access to capital and unsafe working conditions.

## 1.2 To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?

KCJF programmes were inclusive in their design and considered the effects on marginalised groups, particularly women and youth.

- **Value Villages:** The enterprise created opportunities for women and youth in Turkana, who had been traditionally excluded from formal employment. Women were engaged in fish processing and chicken-feed manufacturing, offering them new economic opportunities in an extremely marginalised region. Youth formed more than 60 per cent of the suppliers of fish to the enterprise.[1]
- **Ten Senses Africa**: By eliminating unscrupulous intermediaries and increasing transparency in trade, Ten Senses Africa ensured that smallholder farmers, including many women, were able to get better prices for their macadamia produce.
- **ZUMI:** ZUMI directly targeted women traders who face systemic barriers in accessing markets and supplies. The e-commerce platform saved time, reduced harassment, and improved income opportunities, all while empowering women to run more stable businesses.

[1] Source: Key informant interview with Value Villages

# 2 Efficiency

## 2.1 What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness.

The efficiency of the job creation pathways under KCJF varied significantly across sectors, with some pathways yielding quicker and more cost-effective results than others. Projects in agriculture, for instance, proved less resource-intensive and faster to yield indirect jobs due to the simpler nature of interventions, while manufacturing projects faced delays and higher costs due to infrastructure and technology needs. Risks associated with these interventions, including external factors like market prices and general economic trends, played a crucial role in determining their efficiency. However, the overall efficiency of the KCJF was positive, with many pathways managing to overcome inherent risks to generate meaningful employment.

### 2.1.1 Efficiency of Different Job Creation Pathways

**Agriculture (Ten Senses Africa):**

- **Length to Yield Jobs:** Within KCJF, the creation of indirect jobs at scale typically takes less time than the creation of direct jobs at scale. The agricultural pathway, as demonstrated by Ten Senses Africa, was particularly efficient in generating indirect jobs quickly. By focusing on improving supply chains for macadamia farmers and utilising blockchain technology, Ten Senses Africa facilitated the creation of thousands of indirect jobs within months, driven by increased productivity and expanded market access. This contrasts with the longer timelines often required to establish direct jobs, which depend on infrastructure development and other resource-intensive processes.
- **Resource Intensiveness:** This pathway was less resource-intensive compared to manufacturing or industrial interventions. It leveraged existing farming practices and applied technological solutions like blockchain, which required minimal capital but had high impact, resulting in a lower cost per job created (approximately GBP 5.4 per job)[2].

**Apparel (ZUMI - Apparel Retailers):**

- **Length to Yield Jobs:** ZUMI's e-commerce platform for small-scale apparel retailers in informal jobs improved efficient in terms of time. By eliminating go-betweens and logistical barriers, the platform enabled small traders, predominantly women, to increase their sales and profitability within a short time. This, in turn, led to rapid indirect job creation as traders expanded their businesses.
- **Resource Intensiveness:** ZUMI's pathway was not capital-intensive, as it focused on streamlining existing market practices rather than introducing new infrastructure. The use of digital tools minimised overhead costs, contributing to a cost-effective model of job creation.

**Manufacturing (Value Villages - Fish Processing Plant):**

- **Length to Yield Jobs:** The manufacturing sector faced more challenges in terms of job creation efficiency. In the case of Value Villages and TakaTaka Solutions, the length to yield jobs was delayed due to infrastructure challenges, including the time it takes to import or fabricate the

[2] KCJF Calculations based on investment value and jobs created (direct and indirect)

equipment, test and deploy it. The plant required considerable time and resources to become operational, which delayed direct job creation.

- **Resource Intensiveness:** Manufacturing interventions were more resource intensive. For example, Value Villages required substantial investment in machinery and power infrastructure, leading to higher costs per job created (approximately GBP 274.8 per job)[3]

**Case study evidence is that indirect job creation has proven faster to yield jobs at scale, particularly in sectors like agriculture (e.g., Ten Senses Africa). These jobs often require less upfront investment and rely on enhancing existing systems or supply chains so are also less resource intensive. Direct jobs, on the other hand, may take longer to yield but are often higher quality. This suggests that a balanced portfolio can optimise outcomes.**

## 2.2 What are the risks in the theory of change and how were these managed?

### 2.2.1 Infrastructure and Resource Constraints

**Risk:** Many KCJF projects, especially in sectors like manufacturing (e.g., Value Villages) and agriculture (e.g., FarmWorks), rely heavily on infrastructure such as electricity, transportation and water. Delays or inefficiencies in these areas can significantly impact project timelines and outcomes. For example, Value Villages faced delays due to unreliable electricity, which increased operational costs and slowed job creation.

**Manageability:** This risk is partially manageable through investment in alternative solutions, such as KCJF's funding of generators for Value Villages. However, long-term sustainability requires broader infrastructure development, which is outside the direct control of KCJF. Collaboration with government agencies and leveraging public-private partnerships could help mitigate this risk over time.

### 2.2.2 Political and Economic Stability

**Risk:** Political instability or economic shocks, such as inflation or unfavourable trade policies, can disrupt market access, affect demand and increase the cost of doing business. For instance, projects like Ten Senses Africa, which depend on export markets, could be affected by changes in international trade relations or economic downturns.

**Manageability:** This risk is less manageable by KCJF itself, as it depends on macroeconomic conditions and political decisions. However, diversification of markets (both local and international) and building resilience into supply chains can provide some mitigation. Additionally, fostering relationships with local governments to secure favourable operating environments is crucial.

### 2.2.3 Market Access and Volatility

**Risk:** For agricultural and informal sector projects (e.g., Ten Senses Africa, ZUMI), access to stable and profitable markets is critical. However, market volatility — caused by price fluctuations, competition, or seasonal variations for example — poses a risk to income stability for beneficiaries. Smallholder farmers, for example, may face lower prices during harvest seasons when market saturation occurs.

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[3] ibid

**Manageability:** This risk is moderately manageable through initiatives like market linkages, diversification of products and export market development. Ten Senses Africa addressed this by introducing blockchain technology to ensure transparency and build stronger connections with international buyers. However, ongoing market volatility can still impact income and job sustainability.

### 2.2.4 Capacity of Beneficiaries

**Risk:** A key theory of change assumption is that beneficiaries (e.g., farmers, small business owners, workers) have the capacity to adopt modern technologies, practices or business models introduced by KCJF interventions. However, limited education, skills, or financial literacy can hinder the effectiveness of these initiatives. For example, FarmWorks found that some smallholder farmers struggled to adopt modern agricultural practices.

**Manageability:** This risk is highly manageable through capacity-building initiatives, such as training programmes, apprenticeships and technical assistance. FarmWorks addressed this by providing structured training and support through farmer field schools, which increased the ability of farmers to adopt new practices. Continuous monitoring and tailored support are crucial to managing this risk.

### 2.2.5 Sustainability of Business Models

**Risk:** The sustainability of the business models developed under KCJF interventions is a critical assumption. If businesses cannot achieve profitability or scale, the jobs created may not be sustainable in the long term. For example, TakaTaka Solutions initially faced challenges with high operational costs, which affected the viability of its waste recycling model.

**Manageability:** This risk is manageable through proper business planning, financial support and technical assistance. KCJF has supported grantees like TakaTaka Solutions in optimising their business models to reduce costs and improve scalability. Ensuring that businesses have access to financing and markets is essential to long-term success.

## 2.3 Efficiency gains identified within each pathway

Generally the grant making pathway employed by KCJF was efficient and required lower inputs than technical assistance programmes, balancing efficiency in terms of job creation (i.e. creating the most jobs for the investment) with (1) the additionality of the intervention in terms of targeting businesses that would be unable to secure finance from other sources, and (2) targeting sectors or locations with more challenging contexts where costs are likely higher.

In relation to additionality, clearly an investment in a business which is in fact well-placed to secure investment from other sources (grants, impact or commercial financial) is not particularly additional compared to investing in a company in greater need of the grant because of their inability to secure finance elsewhere, for example because they have innovative ideas with potential for impact and therefore a higher risk profile. There is potential for greater additionality and therefore efficiency in the KCJF portfolio. One company supported was Hello Tractor, where the implementing partner believed that it was likely that the firm would have been able to secure financing and achieved the same impact without the support of KCJF.

# 3 Effectiveness

## 3.1 Have new jobs been created by the programmes?

The KCJF programmes successfully created both direct and indirect jobs across various sectors, including agriculture, manufacturing and informal markets. The validation of job figures, particularly indirect jobs, was challenging but mainly attributable to the specific interventions designed under each pathway. In terms of quality, jobs varied between sectors, with manufacturing providing more formal and stable employment, while jobs in agriculture for example often improved incomes but remained informal, with associated insecurity.

The programme has created both direct and indirect jobs across various sectors, with a total of 147,168 (Direct: 1,313 Indirect: 145,855)[4] jobs across all the investments in the different sectors.[5] The interventions have particularly benefited women, youth and marginalised communities, providing both formal and informal employment opportunities, thus making the interventions impactful for and well-aligned to the KCJF's target groups. Below is a highlight of the jobs created per sub-sector:

- **Apparel:** Through its e-commerce platform, **ZUMI** created 7,000[6] indirect jobs for small-scale apparel retailers in informal work, primarily women, by improving their market access and reducing logistical barriers.
- **Agriculture:**
  - **Ten Senses Africa:** Focused on improving the macadamia and avocado value chains, creating 170 direct jobs and 30,000 indirect jobs, mainly benefiting smallholder farmers in rural areas.
  - **FarmWorks:** Established an apprentice-based agronomy training institute and out-grower programmes, creating 150 direct jobs and 1,500 indirect jobs for smallholder farmers by improving their yields and access to markets.
  - **Hello Tractor:** Created 100 direct jobs and 44,000 indirect jobs through its digital platform, which expanded access to tractor services for smallholder farmers, improving mechanisation and productivity.
- **Manufacturing:** The fish processing plant in Turkana, set up by **Value Villages**, generated 76 direct jobs and 1,048 indirect jobs through the production of fish and chickenfeed, primarily employing women and youth in one of Kenya's most marginalised regions
- **Waste Management: TakaTaka Solutions** created 433 direct jobs and 1,520 indirect jobs in the waste management and recycling sector by expanding its buy-back centres and recycling operations, particularly benefiting vulnerable waste pickers.
- **Construction: Buildher** focused on training women in construction trades, leading to the creation of 240 direct jobs in the construction industry. This initiative aimed to address the gender gap in a traditionally male-dominated sector.

## 3.2 To what extent can the jobs figures presented by the programmes be validated, especially indirect jobs?

The validation of job figures, particularly indirect jobs, is challenging due to the informal nature of the jobs in many sectors targeted by KCJF. However, for a significant part of KCJF interventions supporting initiatives that apply technology in their supply chains, the number of indirect jobs is possible to validate using outreach data embedded in their systems. For example, digital tools can track participation in value chains and measure activity levels. Nonetheless, validating the actual increment in income remains more difficult due to external factors such as fluctuations in production costs and market dynamics, which can obscure the net economic benefits to individuals despite job

[4] KCJF annual Review October 2023

[5] KCJF Annual Review October 2023

[6] KCJF job creation data for Zumi

creation. Despite these challenges, there are strong indicators that the figures presented are attributable to the pathway interventions

- **Value Villages:** The 76 direct jobs created at the fish processing plant are easy to validate through formal employment records. However, the 1,048 indirect jobs in fish supply and related sectors are more difficult to track. The dispersed nature of these indirect jobs and the informal relationships with fishers make precise validation harder.
- **Ten Senses Africa:** The direct jobs for macadamia and avocado farmers are verifiable through employment records and data collected from farmer cooperatives. While Ten Senses block chain technology makes it possible to track the 30,000 indirect jobs, spread across multiple value chain actors (farmers, processors, transporters). While it is possible to validate the job creation numbers for Ten Senses Africa based on their block chain technology, it is more difficult to validate the actual net income earned by each farmer with additional validation mechanisms like enterprise surveys to understand shifts in cost of production[7].
- **ZUMI:** Indirect jobs created by ZUMI's e-commerce platform are challenging to validate, since they are not formal and there was no formal employment tracking. However, ZUMI's internal data show increased income and business growth for over 7,000 women traders, indirectly creating jobs for logistics and supply chain workers.

## 3.3 To what extent can the figures be attributed to the pathway interventions?

The job creation figures presented can be largely attributed to the specific interventions designed by KCJF. Each pathway directly addressed critical bottlenecks in its sector, enabling job creation.

- **Value Villages:** The jobs created were directly tied to the fish processing plant infrastructure established by the enterprise. Without KCJF's intervention in providing capital, these jobs would not have existed. The indirect jobs in the fish supply chain were also a result of the increased demand for fish processing.
- **Ten Senses Africa:** The improvements in the macadamia and avocado supply chains were critical in creating both direct and indirect jobs. By introducing blockchain technology to streamline supply chains, Ten Senses Africa ensured that farmers could access international markets, leading to the creation of new jobs throughout the value chain.
- **ZUMI:** The platform's intervention in reducing logistical barriers and improving access to goods for women traders was responsible for the creation of indirect jobs.

## 3.4 To what extent were they quality jobs, – including income, formality, etc.?

### 3.4.1 Overall Assessment of Job Quality

- **Income:** Across all sectors, the interventions led to noticeable improvements in income, particularly in agriculture, waste management and construction. By addressing inefficiencies in supply chains, introducing modern technology and providing access to better markets, many beneficiaries saw their incomes rise significantly, even if their jobs remained informal.

[7] KCJF Ten Senses Africa case study

- **Formality:** Jobs in manufacturing, construction and certain roles in agriculture (e.g., FarmWorks mid-sized farms) were formalised, offering contracts, regular wages and additional benefits. However, a substantial proportion of jobs, especially those in agriculture and the informal retail sector, remained informal but still experienced improvements in income and working conditions.
- **Working Conditions:** In sectors like manufacturing (Value Villages) and construction (Buildher), formal jobs provided safer working conditions, regulated hours and better training opportunities. Informal sectors, like waste management and smallholder farming, saw improvements in efficiency and access to markets, which reduced vulnerabilities and improved livelihoods, even if other benefits of formalisation were not fully achieved.

The quality of jobs created under the Kenya Catalytic Jobs Fund programme varied significantly across sectors, with some offering formal employment and structured income, while others were more informal but still improved livelihoods. In many cases, the interventions focused on raising income levels, improving working conditions and formalising traditionally informal sectors, as illustrated by the following assessment of job quality across the key sectors:

### Agriculture

- **FarmWorks:** The jobs created by FarmWorks were mainly formal in nature, particularly those linked to mid-sized farms and apprenticeships in modern farming techniques. Workers employed on these farms received formal contracts and regular wages. Apprentices were trained in agronomy and technical skills, leading to better long-term employment opportunities with formal career paths. Farmers who partnered with FarmWorks also saw increases in income due to improved access to markets, higher yields and better farming inputs.
- **Ten Senses Africa:** Most jobs created in this project were indirect. Improvements in income for smallholder farmers were significant. By eliminating go-betweens and using blockchain technology to ensure fair trade practices, farmers were able to secure better prices for their produce. While these jobs remained informal, they provided more reliable and higher income streams compared to previous agricultural practices.
- **Hello Tractor:** Hello Tractor provided a mix of formal and informal jobs. Tractor operators were often employed formally, receiving stable income, while smallholder farmers who benefited from the mechanisation services saw improvements in productivity and income. Although the farming jobs remained informal, the mechanisation intervention significantly reduced labour time and increased yields, indirectly improving job quality and income stability.

### Apparel

- **ZUMI:** The jobs created through ZUMI were informal but had a substantial impact on women traders in the apparel market. By providing access to an e-commerce platform, ZUMI helped traders increase their sales and profitability, improving their income. While these jobs did not offer formal contracts or benefits, the intervention reduced the traders' exposure to exploitation by go-betweens and improved their working conditions by lowering transaction and transportation costs.

### Manufacturing

- **Value Villages:** The jobs created at the fish processing plant in Turkana were formal, providing workers with structured employment, regular wages and better working conditions compared to informal jobs in the region. Workers were trained in fish processing and food safety standards, which improved their skills and future employability. This formal structure contributed to higher job quality in an otherwise marginalised area.

### Waste Management

- **TakaTaka Solutions:** TakaTaka Solutions created a combination of formal and informal jobs within its waste management and recycling operations. Workers at the buy-back centres and recycling plants were formally employed, receiving stable wages and benefits. Informal waste pickers, who sold recyclable materials to TakaTaka Solutions, saw improvements in income but remained part of the informal economy. However, the company's intervention significantly raised the income potential for these workers, giving them access to a more reliable buyer and reducing exploitation by middlemen.

### Construction

- **Buildher:** Buildher's focus on training women in construction trades resulted in the creation of both formal and informal jobs within the construction sector. Women who completed the training were able to secure better-paying jobs and stable income. This intervention was particularly impactful in a traditionally male-dominated industry, improving both income and working conditions for the women involved.

**Recommendation:** Future programmes should include a context specific job quality measurement framework: Job quality is multi-dimensional, encompassing income, formality, working conditions, job security, and career progression opportunities. Programmes similar to KCJF should include a job quality framework with clear indicators, such as wages relative to the local minimum wage, contract types, provision of benefits, and opportunities for skill development.

## 3.5 To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities, etc)?

The KCJF programmes were highly effective in targeting their intended beneficiaries, with a clear focus on women, youth and marginalised communities. The interventions were designed with inclusion in mind, ensuring that job creation pathways reached those most in need of economic opportunities. Across the projects, these groups were prioritised in line with the programme's objectives to promote inclusive job creation.

- **ZUMI:** ZUMI's platform directly targeted small-scale female apparel retailers in Kenya's informal markets, such as Gikomba. These women, who often face challenges such as poor access to capital and exploitation by go-betweens, benefited significantly from the platform. By reducing transactional costs and improving market access, the platform helped over 7,000 women traders improve their incomes and grow their businesses[8].
- **Value Villages:** In Turkana, Value Villages' fish processing and chicken feed production projects created jobs primarily for marginalised groups, particularly women and youth. Turkana is one of the poorest regions in Kenya, with limited economic opportunities. The project's focus on creating employment for these vulnerable groups, who had few alternatives, demonstrated strong alignment with KCJF's target to uplift marginalised communities.
- **Ten Senses Africa:** This agricultural initiative also aligned well with KCJF's target groups, particularly smallholder farmers, many of whom are women. By improving access to international markets and streamlining supply chains, Ten Senses Africa helped rural women farmers increase their earnings. The inclusion of women in agricultural value chains is crucial, especially in areas where women play a significant role in farming but often lack access to better markets.

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[8] KCJF job creation data

# 4 Coherence

## 4.1 To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase?

The job creation pathways supported by KCJF were designed with significant complementarities that enhanced the overall impact of the programme. One of the key strengths of the KCJF was its provision of technical assistance, which helped businesses refine their models and become more attractive for investment. This assistance not only enabled businesses to unlock grant funding but also prepared them for further commercial investments, showing that complementarities between capacity building and financial support were identified early in the design phase. For instance, KCJF-supported enterprises were able to unlock an additional £3.12 million in grant funding[9] and commercial investments due to their 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. This demonstrates how KCJF's holistic approach — combining financial support, technical assistance, and market research — created synergies that strengthened job creation pathways. KCJF also made efforts to share key lessons from the programme with the broader business development sector, publishing a series of learning papers. Although the direct impact of these publications is less discernible, this knowledge-sharing initiative aimed to complement the programme's efforts by influencing business development strategies more broadly.

## 4.2 To what extent were both labour supply and labour demand issues addressed across the portfolio?

KCJF addressed both labour supply and demand issues through a balanced approach:

- **Labour Supply:** Through initiatives like Buildher, KCJF provided training to improve the skills of women and youth in the construction sector, thus expanding the supply of skilled labour. Similarly, FarmWorks trained farmers in modern agricultural practices, equipping them with the skills to meet increasing market demand.
- **Labour Demand:** On the demand side, KCJF collaborated with businesses to stimulate market opportunities. For example, Ten Senses Africa expanded access to international markets, increasing the demand for smallholder farmers' produce and creating indirect jobs along the agricultural supply chain. The increased market demand directly translated into more employment opportunities for local communities.

By addressing both supply and demand, KCJF ensured that jobs were not only created but sustained through market-driven needs, providing long-term employment opportunities for beneficiaries.

[9] KCJF Annual Review 2023

## TakaTaka Solutions

TakaTaka Solutions is a social enterprise that addresses solid waste management through recycling and composting. The company has successfully scaled its operations, leading to significant job creation of both informal and formal jobs through its interventions in waste management and recycling. The expansion of operations, including the establishment of buy-back centres, directly resulted in the creation of 433 direct jobs and 1,520 indirect jobs within the waste collection and recycling value chain.

- **Direct Jobs: Jobs include waste collection, sorting and plant operations, particularly at their buy-back centres and recycling plants.**
- **Indirect Jobs: Waste pickers and collectors who operate within the informal economy benefit indirectly by selling recyclable materials to TakaTaka Solutions. This network of informal workers supports thousands of individuals, especially vulnerable groups.**

The job figures presented by TakaTaka Solutions are credible and can be validated based on the structured interventions that expanded their recycling operations:

Buy-Back Centres: The introduction of multiple buy-back centres significantly increased the capacity for collecting and processing waste. Waste pickers from various dumpsites could now sell recyclable materials directly to these centres, providing a reliable income stream. This structure makes it possible to track direct job creation in formal settings.

Indirect Jobs Validation: Indirect job figures, especially for waste pickers, are more challenging to validate due to the informal nature of the work. However, TakaTaka's systems—such as weighing recyclables and paying waste pickers based on quantities delivered—provide a way to estimate the number of individuals benefiting from these activities.

The job creation figures can largely be attributed to TakaTaka Solutions' pathway interventions, specifically its expansion into buy-back centres, which significantly boosted recycling capacity and job creation.

Increased Recycling Capacity: By addressing inefficiencies in waste collection and processing, TakaTaka Solutions was able to ramp up operations at its recycling plants, increasing the demand for both direct and indirect labour. The KCJF-funded buy-back centres reduced the distance waste pickers needed to travel, thus increasing efficiency and profitability for all involved.

Scaling Operations: TakaTaka's introduction of technology and increased sorting capacity enabled them to create a more efficient system, directly contributing to the job figures presented.

The jobs created by TakaTaka Solutions varied in terms of quality, with significant improvements in income and stability for workers:

Formal Jobs: Jobs at the recycling plants and buy-back centres, such as waste sorters, are formal, stable jobs. For instance, waste sorters earn a standard daily wage of KES 700 (approximately USD 6.30), which is above Kenya's minimum wage, providing workers with a decent and reliable income.

Informal Jobs: Waste pickers and collectors, who are part of the informal sector, also saw improvements in income. They can earn up to KES 30 per kilogram of plastic waste delivered, providing a better livelihood than previous systems where waste pickers were underpaid.

TakaTaka Solutions demonstrated strong alignment with the KCJF's target groups, focusing on vulnerable and marginalised communities:

Vulnerable Groups: Many of the jobs created through TakaTaka Solutions were filled by marginalised groups, including waste pickers from street families and homeless individuals. By providing better pay and more stable work, these individuals saw improvements in their livelihoods and economic empowerment.

Youth Employment: TakaTaka Solutions also employed young people across its value chain, offering jobs in waste collection, sorting and recycling plant operations, contributing to reducing unemployment among youth.

# 5 Jobs Measurement in Line with Best Practice and the Jobs Measurement Framework

The key challenge that KCJF encountered was in the nature of the intervention and its impacts. KCJF funded MSMEs with innovative solutions to address barriers to productivity in specific target value chains (agriculture, manufacturing, digital, gig economy), thereby creating opportunities for increased employment and / or income generation. The nature of the value chains meant that downstream beneficiaries were likely to be self-employed / informal entrepreneurs (i.e. smallholder farmers, fishers, waste pickers). KCJF therefore applied an intentionally broad definition of jobs, in-line with the 2013 ICLS Resolutions,[10] which captured both direct and indirect jobs under the three clusters of: *for pay; for profit; for family gain.*

This approach is broadly in-line with the JMF, which proposes the definitions set out. The JMF, however, indicates that the number of new jobs and the number of jobs supported or maintained be captured separately. The three clusters could have captured this: for pay = new jobs; for profit and for family gain = jobs supported. However, in the final measurement disaggregation has not been applied and jobs are only disaggregated by direct and indirect (with the three proposed clusters not disaggregated). From reviewing the descriptions of the jobs created, validated by discussions with the programme team, it is clear that the vast majority of jobs would be categorised as *jobs supported or maintained*, rather than *new jobs*, when applying the JMF definitions.

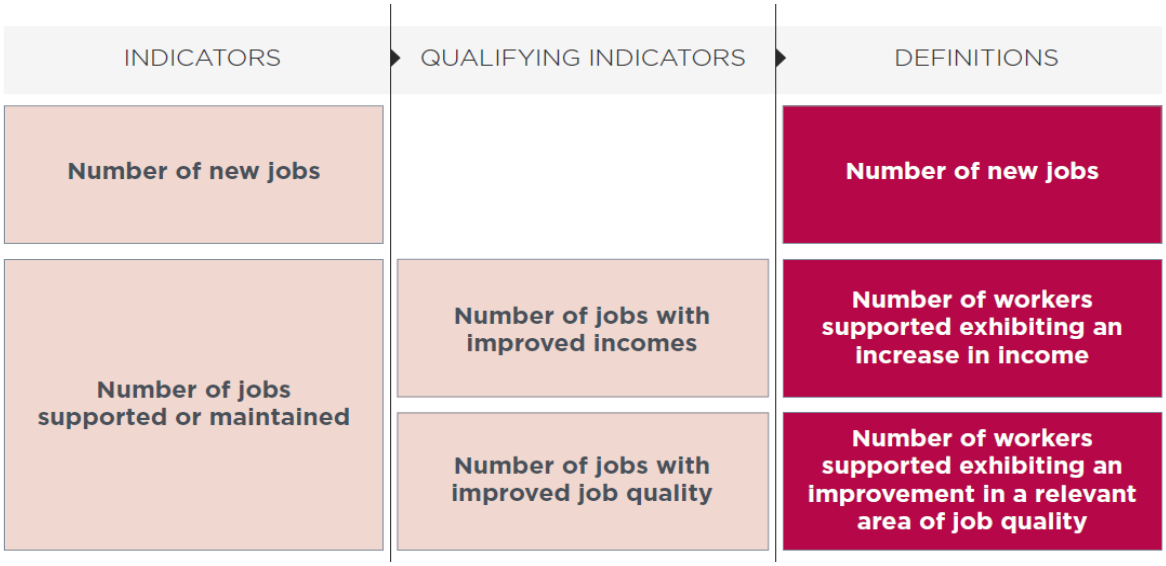


Figure 1: Proposed indicators and associated definitions

The jobs measurement methodology applied was self-reporting by grantees with some limited validation / triangulation by the implementing partner via follow-up phone calls and production of case studies for nine of the grantees, although these case studies focused primarily on illustrating the narrative for each grantee. Self-reporting, with limited validation, is sub-optimal in terms of robust data collection methodology. This approach was used, however, due to limited budget available for primary data collection.

[10] International Conference of Labour Statisticians (ICLS)

There are also questions around attribution due to the self-reporting and the nature of the intervention. Some of the grantees also received additional funding and support from other sources, and in some cases, it is difficult to attribute the impact of the KCJF support based on the reporting. It should be noted that this is not the case with all grantees, however. For example, TakaTaka Solutions' reporting was able to attribute the impact due to the KCJF funds being used to support a specific intervention (buy-back-centres).

Reported figures are not disaggregated by gender, age, disability, or otherwise. Other indicators of job quality are not reported. Given the informal nature of many of the indirect jobs supported by the KCJF interventions, reporting improvements in job quality would have been particularly relevant, as per the JMF definition.

Recommendations for future measurement of jobs in similar modalities include:

- Jobs reported to be clearly disaggregated between new jobs and jobs supported.
- Disaggregation by gender and inclusion indicators
- Indicators on job quality to be measured, particularly important where jobs are being supported rather than created
- Attempt to clearly attribute the impacts of the grant and support received; where attribution is unclear because grant is not clearly ringfenced for a specific activity, apply some attribution % based on assumptions

# 6 Learning

## 6.1 What best practices and lessons learned can be identified to improve the design, implementation and impact of jobs creation initiatives

- **Formalising informal work remains a challenge:** KCJF revealed that while considerable progress was made in improving income and working conditions, formalising jobs in sectors like agriculture and informal retail remained difficult. For instance, most jobs in BuildHer and TakaTaka Solutions remained informal, though they provided better income and working conditions. While improving job quality is crucial, more effort is needed to formalise jobs in traditionally informal sectors to provide workers with greater security and benefits.
- **Capacity building and training boosts long-term employment:** Many KCJF projects, such as BuildHer and FarmWorks, included capacity-building components to provide beneficiaries with the skills needed to access better-quality jobs and sustain employment. In agriculture, apprenticeships provided through FarmWorks Institute equipped individuals with technical skills that increased their employability in modern farming operations. This emphasis on capacity-building helped improve long-term job security for beneficiaries.
- **Flexibility and adaptation to local context is key:** KCJF's success in different regions of Kenya highlighted the importance of adapting job creation initiatives to local contexts. For example, Value Villages addressed the specific infrastructural challenges in Turkana, such as power shortages, while Savanna Circuit Technologies adapted its cooling solutions to remote areas lacking reliable electricity. Each intervention was designed to fit the needs of the local environment and people.
- **Strong partnerships and market linkages are crucial for sustainability:** The KCJF programme highlighted the importance of building strong partnerships across value chains and connecting job creation initiatives to sustainable markets. FarmWorks collaborated closely with smallholder farmers to link them directly to markets, bypassing aggregators. TakaTaka Solutions built reliable market linkages for recyclables, allowing informal waste pickers to access better income

# Annex 2. Case study: Manufacturing Africa

## Overview of Manufacturing Africa's theory of change

Manufacturing Africa (MA) is a seven-year FCDO funded programme whose goal is to contribute to economic transformation by catalysing Foreign Direct Investment (FDI) in manufacturing, with positive spill-over effects for wider economies including job creation. This case study highlights how MA's transaction facilitation (TF) and technical assistance (TA) work with the private sector and government bodies to unlock opportunities for increased foreign direct investment (FDI) into manufacturing to drive job creation. MA operates across six African countries - Rwanda, Kenya, Nigeria, Ethiopia, Senegal, and Tanzania. The case study is focused on the work done by MA to support economic growth and jobs creation in Kenya. This case study explores MA's impact in Kenya, examining its theory of change, pathways for job creation and identifying lessons to enhance future initiatives.

### MA pathways to jobs creation

Manufacturing Africa's theory of change centres on the belief that targeted support to manufacturing firms and governments can drive inclusive economic transformation, create quality jobs, and foster sustainable growth. MA tailors its interventions to meet the specific needs of each country, addressing bottlenecks in the manufacturing sector and unlocking investment opportunities. Its pathways to job creation consist of two main components: Transaction Facilitation and Technical Assistance. Together, these components provide comprehensive support to firms and governments, enabling them to attract and utilise foreign direct investment effectively.

### Pathway 1: Transaction Facilitation

MA's Transaction Facilitation component is designed to enhance investor engagement by promoting awareness of investment opportunities and facilitating connections between investors, buyers, and countries. This pathway focuses on supporting manufacturing firms in preparing for and raising capital to expand their operations. MA supports both greenfield (new) and brownfield (existing) investments by guiding firms through market assessments, commercial due diligence, financial modelling, and investor matchmaking. By enabling firms to acquire the necessary capital, TF helps them scale up manufacturing, increase production capacity and improve operational efficiency. The expanded operations not only generate direct and indirect jobs but also enhance firm revenues, contributing to broader economic growth.

### Pathway 2: Technical Assistance

The Technical Assistance pathway complements TF by focusing on systemic improvements in policies, institutions, and individual firm capacities to attract and retain FDI. TA addresses gaps and opportunities within the manufacturing sector, providing tailored support across multiple levels. TA identifies growth opportunities in sectors such as agri-processing, waste recycling, pharmaceuticals, textiles, and energy. It offers policy and regulatory reform support to create enabling environments for investment. Through TA Manufacturing Africa also aims to facilitate new market penetration and supplier linkages to integrate firms into local and global supply chains. For example, MA support on unlocking policy and regulations barriers in the electric vehicle sector opened up investment opportunities enabling greenfield investments in electric vehicles in Kenya at a total of $40.8 million in FDI.

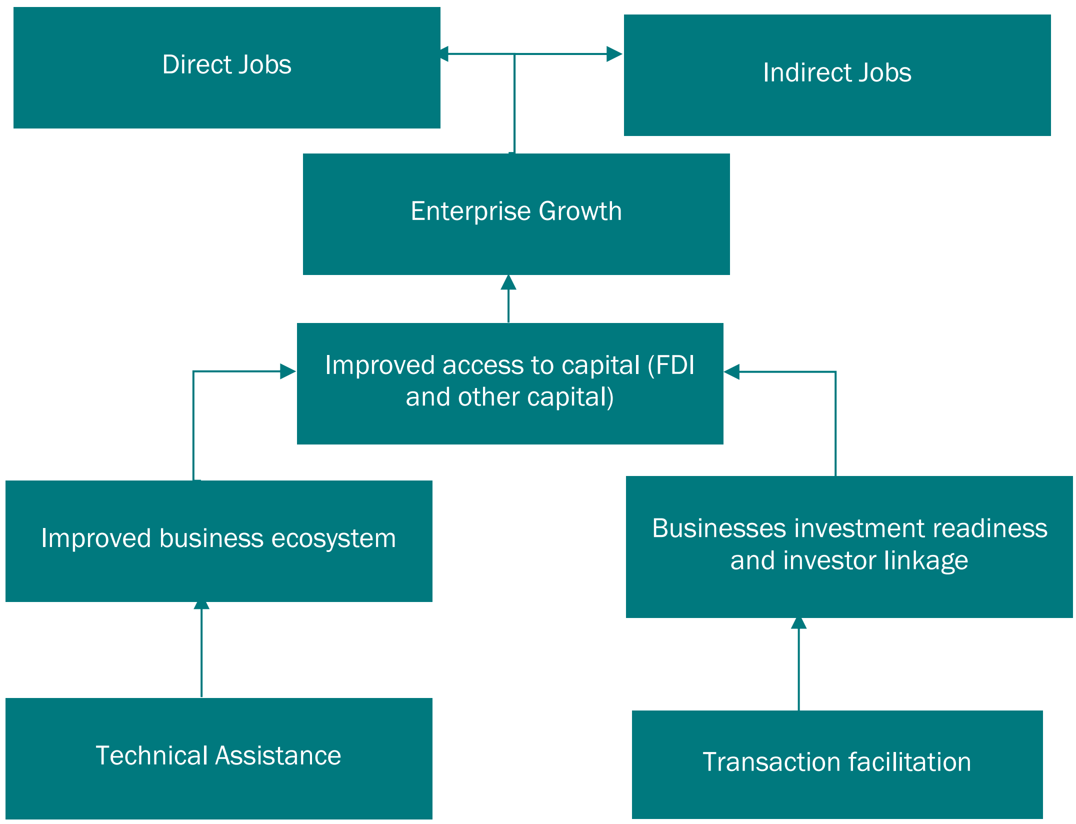


Figure 2: Manufacturing Africa theory of change (simplified)

MA's theory of change provides a plausible strategy with substantial potential for large-scale job creation through targeted investments in the manufacturing sector. The investments facilitated by MA have demonstrated a strong capacity to deliver impactful outcomes, including the creation of quality jobs. The evaluation found that the time lag to job creation (after the investment) varied due to factors such as delays in fund disbursement by investors, and varying implementation timelines depending on the nature of the business operations for example the time take for procurement, installation and commissioning of new production, equipment. Recognising these challenges, MA's logframe targets have been designed to accommodate these timelines, with the first jobs typically materialising approximately two years after the initial investment. Future programming in job creation can also learn from these realities.

# 1 Relevance

## 6.2 To what extent was MA Africa designed to respond to the needs of particular contexts and geographies within Kenya?

**The programme design was relevant to context:** it was designed to help unlock the necessary investment for Kenya's growth in sectors with significant potential to create employment. In Kenya, focus sectors include textiles and apparel; food and beverages; building and construction; agricultural machinery and agri-processing, consumer electronics assembly, recycling and packaging, pharmaceuticals, computer and electronic products, and motor vehicles. By targeting these priority sectors, MA seeks to create a ripple effect that not only unlocks specific investments but also enhances Kenya's industrial capacity and broader economic resilience.

**The programme is aligned with national strategies for job creation and growth:** Although it is implemented in six African countries, the MA team ensures that the pipeline in each country focuses on investments that align with national strategies. Enhancing manufacturing is one of Kenya's big four agenda items and one among the six priority sectors identified by the Kenyan government to catalyse GDP growth rate from the current level of 5- 5.5 per cent to 10 per cent annually as envisioned in Kenya Vision 2030 and the BETA plan. Kenya is enhancing the local manufacturing industry to offer employment to Kenyans and reduce the trade deficit that the country is currently experiencing. MA is, therefore, very well aligned with national strategy.

**Relevance in choice of company:** In selecting companies to support, MA employs a comprehensive impact assessment model to identify those with the greatest potential for delivering transformative outcomes. This model evaluates key factors such as the company's investment appetite, capacity to scale manufacturing operations, potential for enterprise growth, and job creation prospects, particularly for target groups like women and youth. Additionally, MA assesses its own additionality—its unique ability to unlock investments by addressing barriers such as data gaps, the need for market assessments, supplier linkages, and regulatory challenges. To ensure accountability and incentivise impact delivery, MA integrates a Payment by Results (PBR) mechanism into its approach. This framework links disbursements to measurable outcomes, such as the realisation of jobs or inclusion indicators. By combining a rigorous impact assessment model with PBR incentives, MA ensures that the companies it supports are both high-potential and committed to delivering the desired development impacts, thereby aligning resources with meaningful economic transformation.

**Choice of sectors suitable for driving growth with the Kenya context:** MA has strategically curated a list of sectors with high potential for attracting investments and creating jobs at scale. The selection of these sectors is guided by a set of well-defined criteria, including the sector's capacity to drive inclusive economic transformation, alignment with national development priorities, scalability in terms of job creation, and contribution to sustainable and green growth. The prioritised sectors include:

- **Agriculture and agri-processing**: Recognised for its significant potential to create large-scale employment, particularly in rural areas, while addressing food security challenges.
- **Waste recycling and sustainable packaging**: Targeting environmental sustainability while fostering job creation in green industries.
- **Pharmaceuticals**: Supporting health system strengthening and contributing to regional self-reliance in essential medicines.
- **Textiles and apparel**: Driving employment through value addition and integration into global supply chains.
- **Energy (including renewable energy and electric vehicles)**: Promoting sustainable development and green manufacturing while addressing the growing demand for clean energy solutions.

While MA remains open to exploring opportunities in other sectors, its curated approach ensures resources are focused on areas where the potential for meaningful impact is greatest. For instance, while innovative sectors like electric vehicles offer transformational opportunities, traditional sectors such as agriculture often present more immediate pathways to large-scale job creation. Agricultural enterprises, however, frequently face barriers in accessing corporate financing, making MA's facilitation critical in unlocking their growth and employment potential. By combining flexibility with strategic sectoral focus, MA maximises its ability to deliver impactful investments across diverse economic landscapes.

**Manufacturing Africa Business Case**

In Africa, manufacturing has stagnated at just 12 per cent of GDP and provides only 6 per cent of all jobs. Kenya is well positioned to attract FDI into manufacturing. It has a large domestic market with strong consumer spending, an open economy with no capital or forex controls and higher quality talent than its regional peers.[11] To capture its full manufacturing potential, Kenya should harmonise the policies that affect priority sectors to reduce conflict between regulators and state agencies; reduce the number of permits and licenses to register and operate required at national and sub-national levels; create accountability and oversight across government, regulators and state agencies to improve coordination and collaboration; and address governance and corruption challenges at the national and county level that create additional operational challenges for businesses (particularly important in light of Kenya's 2022 election). MA has identified TA opportunities to support these changes and will develop this pipeline further. (MA Business case)

## 6.3 To what extent did MA consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?

MA has developed a comprehensive and well-documented approach to Gender Equality and Social Inclusion (GESI), which includes a GESI handbook designed for use by private sector stakeholders to promote inclusivity and equitable growth. This handbook serves as a practical resource to guide businesses in integrating GESI principles into their operations, policies, and investment strategies. However, the implementation of GESI initiatives at the programme level has faced challenges. After 2020, budget constraints led to a significant reduction in GESI measurement activities, including initial diligence and post-investment assessments. As a result, the programme shifted its focus to ensuring minimum compliance with "do no harm" principles, prioritising safeguarding and basic GESI requirements during the screening of pipeline deals. Despite these constraints, MA continues to mainstream GESI in its operations by:

- **Screening for GESI Compliance**: All deals must meet basic safeguarding requirements and have relevant policies in place.
- **Support for capacity and policy development**: Where gaps are identified, MA provides technical assistance to strengthen or establish necessary GESI-related policies.

Looking ahead, MA recognises the critical importance of promoting inclusivity and plans to enhance its GESI efforts if additional resources become available. Building on the foundational work already undertaken, the programme aims to further integrate GESI considerations into its strategies, ensuring that its investments contribute meaningfully to gender equality and social inclusion.

[11] Manufacturing Africa Year 4 Annual Report.

# 2 Efficiency

## 6.4 How efficient is the job creation pathway in terms of a) length / time to yield jobs; and b) resource intensiveness

### 6.4.1 Length / time to yield jobs

From interview evidence, deal closure timeframes for MA investments vary widely, ranging from six to 30 months. This extended timeline reflects the complexity of the process, which includes critical steps such as business plan development, market assessments, supply chain strengthening, sustainability gap analyses, identifying and engaging potential investors, deal sourcing, screening documentation, negotiating terms, and finally securing the investment. For greenfield investments, the process does not end at financial closure: implementation of the investment and realisation of job creation typically require an additional 12 to 24 months. This extended timeline means that job creation is not immediate and occurs incrementally as businesses scale their operations. For example, an IFC-supported investment of $8 million is expected to take approximately 5 years to reach its projected job creation target of 150 positions. The company hired about 25 staff in the first year, an additional 50 in the second year, and continued to grow its workforce gradually over the subsequent years. Such examples highlight the considerable time lag between investment and the realisation of significant employment outcomes, especially for complex projects requiring infrastructure development or operational ramp-up. Despite these delays, the job creation pathway as outlined in MA's theory of change has proven effective. Kentegra, for instance, emphasised the adverse impact of delays in fund disbursement, noting how such delays affect the timely implementation of planned activities and subsequent job creation. These insights underscore the importance of managing expectations and aligning timelines with the inherent complexities of investment-driven job creation.

However, the contribution made by MA plays a crucial role in shortening the time taken by companies to raise capital. Investment match-making activities shorten investor/investee connection time. MA has more knowledge about the market and the investors and what they are looking for, which helps them narrow down their outreach. MA also give investors a short-list of firms in whose business plan or proposal they might be interested in investing. Investors have reported that these linkages have shortened their processes from 15 months to less than 12 months. This would also contribute to shortened time to job creation compared to an environment without MA support.

### 6.4.2 Resource intensiveness

#### MA resource utilisation

Manufacturing Africa has demonstrated significant capability to invest in sectors with the potential for large-scale job creation. However, to fully capture the job creation impact of MA investments, a more comprehensive approach to job measurement is required — one that includes direct, indirect, and induced jobs generated by these investments. While MA's current job measurement methodology estimates direct and indirect jobs based on the scope of investment and attribution, induced job impacts remain unmeasured due to limited resources. Current estimates indicate that in Kenya, MA-facilitated investments will create 14,381 direct jobs and 36,573 indirect jobs once the 17 investments that have reached financial close are fully implemented. These investments include seven greenfield and ten brownfield projects, with £0.27 billion of foreign direct investment facilitated. However, as noted no mechanism currently exists for estimating the induced jobs resulting from these investments. To contextualise the value of jobs created by MA, it is also essential to consider the quality of jobs, including income levels, stability, and skill development, and the additional leverage generated by companies that raised further capital beyond what was facilitated by

MA. In Kenya, five of the 17 facilitated companies have reported 2,538 jobs created so far, reflecting the tangible impact of MA's investments (see Table 1) The two firms interviewed highlighted how MA's support enabled them to scale operations and create sustainable employment opportunities. Additionally, MA has achieved strong results in value for money (VfM), with a ratio of £1 spent unlocking £9 of investment.[12] This highlights the long-term dividends of MA's investments, particularly in enabling startups and early-stage companies to establish and grow.

### Balance of Technical Assistance and Transaction Facilitation[13]

As noted, Manufacturing Africa employs both Technical Assistance and Transaction Facilitation to unlock investment opportunities, strategically applying each approach to address specific barriers. TF focuses on removing investment barriers at the enterprise level by providing direct support such as corporate financing, business plan development, and preparing investment materials to raise capital. Meanwhile, TA addresses broader ecosystem-level barriers, such as regulatory gaps, market inefficiencies, and policy obstacles, creating an enabling environment for investments to thrive. For instance, in the electric vehicle sector, MA utilised market studies under TA to unlock two transformative investments. These studies identified critical ecosystem-level challenges, such as unclear policy frameworks and limited supply chain readiness and provided actionable recommendations to address these barriers.

As a result, MA facilitated investments worth £26 million[14] into an innovative EV bus manufacturing company which was made possible by resolving ecosystem-level issues. Over time, MA has refined its balance between TA and TF. While TA played a critical role in Years 1 and 2, consuming 60 per cent of the programme budget, its share reduced to 30 per cent by Year 3 as TF became the primary tool for directly unlocking deals.[15] This shift reflects a strategic realignment during the COVID-19 pandemic, emphasising enterprise-level support through TF to accelerate deal closures. The flexibility of this dual approach ensures MA can address both immediate deal-making needs and long-term systemic challenges in the investment landscape.

**Kentegra – improved efficiency through technical assistance**

At Kentegra, manufacturing efficiency support has led to an increased production rate and a reduced cost of production. A machine that produced 200kg of by-product per hour now produces 500kg per hour. As a result, one machine performing a similar function is now not in use because just one has proved sufficient. Final product losses have reduced by 3 per cent, meaning increased sales and revenue to the company. According to employees, these improvements in machine operations have made their work easier and enabled them to work for less time in a week.

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[12] Manufacturing Africa Annual Review 2023

[13] This section explores the following questions: How / has the TF process become more efficient as the programme has progressed – have any improvements been made? The latest annual report indicates a shift in focus to 'big bets' – what does this mean in practice and for the potential impact?

14 MA Y4 Annual Report

[15] Interview evidence

## 6.5 What were the risks identified in the theory of change and how does programme design mitigate these?

70 per cent of the portfolio was pivoted towards high Inclusive Economic Transformation (IET) deals which were proving to take a long time to materialise, so halfway through the 10-year programme MA raised concerns with FCDO that this may delay the achievement of the logframe targets. Instead, MA proposed a portfolio approach, which allowed more deals in traditional sectors such as agri-processing. These sectors score lower on the IET scale but tend to deliver quicker results in terms of job creation and livelihood improvements. This change was approved by FCDO.

### Table 1: MA Kenya FDI deals closed (Source: Manufacturing Africa)

| No | Company | Account Type | Sector | Greenfield/ Brownfield | USD (millions) | Committed jobs | Actual Jobs Direct | Attribution Level | Date of financial close |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Mr Green Africa | Startup | Rubber & plastics | Greenfield | 8.96 | 27 | 86 | 75% | 13-Jan-22 |
| 2 | Mr Green Africa | Startup | Recycling | Greenfield | 7.00 | - | - | 25% | X |
| 3 | Sanergy | Startup | Recycling | Greenfield | 18.80 | 499 | 748 | 75% | 29-Jan-21 |
| 4 | Takataka Solutions | SME | Recycling | Brownfield | 4.30 | 100 | - | 100% | 13-Feb-23 |
| 5 | Orbit Chemicals Ltd | Large Enterprise | Chemicals | Brownfield | 53.60 | 500 | 500 | 100% | 08-Sep-20 |
| 6 | IFC/ Blue Nile | Large Enterprise | Iron and steel | Brownfield | 8.00 | 25 | 370 | 75% | 03-Aug-20 |
| 7 | Glacier Products | Large Enterprise | Agri-processing | Brownfield | 6.19 | 156 | 834 | 100% | 07-Dec-20 |
| 8 | Kentegra Biotechnology | Greenfield/ Startup | Agri-processing | Brownfield | 15.00 | 176 | - | 50% | 01-Mar-23 |
| 9 | Livestock Trade Services | Greenfield/ Startup | Agri-processing | Greenfield | 1.65 | 820 | - | 50% | 11-Dec-23 |
| 10 | Phatisa | PE player | Packaging | Brownfield | 14.50 | 300 | - | 75% | 26-Oct-22 |
| 11 | Burn Manufacturing | SME | Machinery and electrical equipment | Brownfield | 6.00 | 200 | - | 25% | 30-Jun-22 |
| 12 | SunCulture | SME | | Greenfield | 22.00 | 320 | - | 100% | 13-Dec-22 |
| 13 | Moko | SME | Paper and wood | Brownfield | 6.50 | 1,000 | - | 25% | 30-Mar-22 |
| 14 | Roam (formerly Opibus) | Startup | Vehicles & transport equipment | Greenfield | 35.80 | 90 | - | 75% | 26-Oct-21 |
| 15 | BasiGo | Startup | | Greenfield | 5.00 | 65 | - | 50% | 06-Dec-23 |
| 16 | Norfund | Donor Funded Inst'n | Apparel | Brownfield | 25.00 | 10,000 | - | 75% | 24-Feb-23 |
| 17 | Regal Pharmaceuticals | Large Enterprise | Pharmaceuticals | Brownfield | 2.00 | 50 | - | 100% | 27-Oct-22 |
| 18 | GlobelEQ | HQ in the UK | Energy | Greenfield | 117.00 | - | - | 10% | 02-Feb-24 |
| | | | | | **357.30** | **14,328** | 2,538 | | |

## 6.6 How could the pathway / programme be delivered more efficiently?

Manufacturing Africa demonstrates efficiency by strategically combining Technical Assistance and Transaction Facilitation to deliver investments. While TF focuses on removing immediate barriers to individual investments and has the shortest pathway to job creation, TA addresses broader systemic challenges, creating a more conducive environment for investments across the manufacturing sector. This dual approach enhances the effectiveness and scalability of MA's interventions. The majority of MA's budget has been allocated to TF, particularly after Year 2, given its direct and immediate impact on unlocking investments and creating jobs. TF provides tailored support to businesses, such as preparing business plans, securing financing, and navigating deal negotiations. Meanwhile, TA plays a critical enabling role by addressing ecosystem-level barriers, such as regulatory bottlenecks and information gaps. For example, MA's TA was instrumental in advancing Kenya's electric vehicle sector. MA produced a comprehensive sector report highlighting the opportunities and investment potential in EV manufacturing. This was coupled with support to Kenya's national taskforce to develop the policy and regulatory framework required to attract EV investments. These efforts not only facilitated two EV-related investments supported by MA but also laid the groundwork for additional investments in the sector, creating a ripple effect of potential job creation beyond MA's directly supported businesses.

However, considering the resources constraints particularly for TA, MA could leverage partnerships with other donor-funded programmes and government agencies to optimise resources and reduce duplication of effort. This includes deepening collaborations with initiatives like SUED or FSD Kenya to share market insights and co-develop enabling policies, thereby accelerating the pathway from investment to implementation. Finally, adopting a robust monitoring framework to measure the ripple effects of TA on indirect and induced job creation could help MA better demonstrate its full impact and justify resource allocation.

# 3 Effectiveness

## 3.1 Have new jobs been created by the programmes? How do interventions help to achieve logframe indicators related to investment mobilised and jobs created? How does MA track this?

Over its 8-year programme, Manufacturing Africa aims to generate £1.2 billion of new foreign direct investment into manufacturing and create 90,000 jobs across the five African countries where it operates. To date, MA has facilitated 35 FDI deals, securing commitments for 18,772 jobs, of which 5,255 jobs have been reported as created.[16] In Kenya, MA has closed 17 deals with a commitment to create over 14,381 direct jobs and 36,573 indirect jobs. Currently, 2,538 direct and indirect jobs have been reported by five companies providing this data (see Table 1). This figure reflects the gradual nature of job creation, as businesses require time to implement investments and scale operations. The job creation trajectory is expected to accelerate in the coming years, reflecting the

[16] Manufacturing Africa logframe 2023/24

inherent time lag between raising capital and realising employment outcomes. Kentegra, which secured $15 million in investment facilitated by MA, has demonstrated this progression. Starting with smaller-scale job creation, the company is steadily scaling up its workforce as its operations expand, reflecting the phased nature of job realisation in MA-supported projects.

**Kentegra – job creation through investment**

Kentegra produces and sells pyrethrin extracted from dried pyrethrum flowers to global insecticide and pesticide manufacturers. The Kentegra Biotechnology factory started operations in 2018 with a factory plant within the export processing zone in Athi River, Kenya. The company closed a deal for $15million of investment in March 2023 and commissioned another factory located in their major sourcing region of Naivasha in 2024 to tap into the growing farmer base. The following job creation impact was verified through interviews with management, employees, and farmers.

The factory manager reported the following figures:

- 330 direct employees spread across the two factories and field operations, an increase of over 50 per cent (from 150) before the MA investment support.
- 35,000 contracted farmers, a six-and-a-half-fold increase from 7,000

Transaction Facilitation provided by Manufacturing Africa plays a significant role in improving the quality of jobs in supported companies. TF has been instrumental in enhancing business practices, fostering innovation, and boosting competitiveness, which directly contributes to better job quality.

For example, Kentegra benefited from TF through capacity-building initiatives that improved operational efficiency and introduced innovative technologies. This enabled the company to provide better training, fairer wages, and enhanced working conditions for its employees. In addition, Kentegra used the $15 million investment facilitated by MA to expand its facilities and workforce, hiring additional employees while providing extensive training and development opportunities. Similarly, in the electric vehicle sector, MA's TF support helped unlock investments that allowed companies to improve production standards, incorporate environmental, social and governance (ESG) principles, and create roles requiring specialised skills, contributing to higher-quality employment opportunities.

## 3.2 To what extent can the business growth and jobs created be attributed to the pathway interventions?

MA employs a robust jobs attribution strategy during assessment of a partner before the support decision is made, relying on multiple data sources to ensure job estimates are reliable and applying several "filters" to ensure they are conservative.[17] It ensures that it only counts jobs created as a result of programme support and discounts further based on the involvement of other advisors, and jobs figures do not include every livelihood improved,

[17] Manufacturing Africa Lessons Learnt on Jobs Measurement February 2024

The additionality of MA interventions is demonstrated across the portfolio. Many of the MA portfolio transactions would not have taken place without MA intervention. The expertise that the implementing consortium can leverage through its globally known partners' ability to provide investors with studies, data, information, and networks enables investment decisions which either otherwise would not have happened at all, or which would have taken much longer and been more expensive to reach. In the view of programme managers, for EV companies whose investment is more novel, the data and market validation which MA provided addressed a fundamental barrier (lack of market information) which was blocking investment. This is a sector where MA believes investments can be fully attributed to the support it provides.

**Attribution testimonies from supported firms**

Regal Pharmaceuticals: "We decided to start constructing a new facility, and thought we could work on the feasibility study ourselves. This was not as easy [as we thought] and that is how we came across and engaged with Manufacturing Africa who prepared a really good business plan for us. Following this, we prepared an information memorandum which we issued to various financiers and based on that we managed to close a funding deal $6 million and on top of that we have got some additional funds coming in as well". *Summarised from the impact video on the MA website*

Sunculture: "In Series A we accessed $14 million and in Series B $27.5 million. This money enabled our expansion in Kenya from one to two offices and from less than 100 staff to more than 200 staff, and 20 distribution shops all over Kenya. We have also expanded to Uganda and Côte d'Ivoire with about 140 staff from zero. We have also established carbon credit, IT, procurement, and a big sales department with over 400 commission-based agents. Our carbon credit work was initiated after a related technical consultancy from MA. In addition, the market assessment provided us with information on market potential and size and the competition, enabling us to have targeted expansion in Uganda and Côte d'Ivoire. We would have remained very small or not exist without MA support."

The number and quality of jobs created by investments vary significantly across sectors due to differences in capital intensity, labour demands and growth momentum. A $5 million investment in agriculture, for example, might generate 2,000 jobs because of the sector's reliance on labour-intensive practices, while a $10 million investment in the pharmaceutical sector might result in only 200 jobs due to the capital-intensive nature of manufacturing and the specialised skills required. This variation is evident in MA's portfolio, where job creation outcomes differ widely by subsector, as highlighted in Table 1. The quality of jobs also varies across sectors, influenced by factors such as wages, job stability, training opportunities and working conditions. For instance:

- Agriculture: Jobs in this sector tend to be lower in quality, often characterised by lower wages, informal contracts, and limited career progression opportunities. However, these roles can provide critical income and employment for marginalised groups in rural areas.
- Pharmaceuticals: Jobs are typically of higher quality, offering formal employment contracts, competitive wages, opportunities for professional growth, and better workplace conditions due to regulatory standards and the need for skilled labour.

Sectoral growth momentum also affects job creation. In emerging and rapidly expanding industries like electric vehicles, the availability of skills and training programmes plays a crucial role in scaling employment. Investments in nascent or high-growth sectors may initially generate fewer jobs due to skill shortages or operational delays but can lead to significant long-term employment impacts as the ecosystem matures.

Manufacturing Africa employs a robust methodology for measuring and attributing jobs created through its Payment by Results framework, combining ex-ante job estimation and post-investment validation. The ex-ante job estimation uses a model that integrates the company's operations and supply chain linkages to forecast direct and indirect job creation. This estimation provides a realistic projection of employment impacts by considering the company's capacity, sector dynamics, and potential local sourcing opportunities within its supply chain. MA also incentivises investments with high potential for employment generation in the supply chain by incorporating a "use of local supply chain" metric in its PBR framework. This metric prioritises deals that are likely to create significant indirect jobs by sourcing locally, thereby amplifying job creation beyond the immediate operations of the business.

The ex-ante job creation assessment is complemented by an ex-post validation, which primarily focuses on direct jobs created and, where clear linkages exist, indirect jobs in supply chains. This process ensures that job creation outcomes align with initial projections and provides accountability for reported impacts. However, induced job impacts, such as those arising from broader economic activity, are not currently measured due to resource constraints.

## 3.3 Does the TA component increase the effectiveness of MA / how? Is the balance between TF and TA is right / which represents better VfM / or how does the combination enhance VfM?[18]

### 3.3.1 TA and TF complementarity

The balance between Technical Assistance and Transaction Facilitation is critical to Manufacturing Africa's effectiveness and its ability to deliver value for money. While more investment deals and subsequent job creation have been as a result of TF-led activities, TA significantly enhances the effectiveness and efficiency of deal closures by addressing ecosystem-level barriers and providing critical information to both investors and businesses. TA supports the investment process by providing market studies, regulatory advice and ecosystem analyses that enable investors and businesses to make informed decisions, fast-tracking deal closures. For example, TA in the electric vehicle sector provided the regulatory groundwork and market intelligence that led to two significant investments. TF, on the other hand, focuses on directly unlocking deals by preparing businesses for investment. TF's impact is immediate and measurable, as it directly correlates to the number of deals closed and the jobs created. For smaller companies, TF has accelerated access to foreign capital, enabling faster growth and job creation. However, longer-term TF initiatives, such as the development of industrial parks, may take more time to yield tangible benefits, as evidenced by the lack of tenants in some parks supported by MA. TA and TF complement each other, with TA addressing systemic barriers and TF focusing on individual transactions. This combination enhances VfM by:

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[18] Additional question for this case study

- **Accelerating investment timelines:** TA expedites deal preparation and regulatory clearances, enabling faster realisation of jobs through TF-supported investments.
- **Creating systemic impact:** TA unlocks opportunities for broader economic transformation by improving sectoral ecosystems, such as policy reforms and capacity building for local suppliers.
- **Delivering scalability:** Larger transactions supported by TF, particularly those involving multinationals, often create systemic impact through scale. However, multinationals are less likely to invest in ventures with smallholder-dominated supply chains due to higher risks and time demands, an area where TA is more impactful.

The current balance between TA and TF — where TF takes a larger share of the budget after Year 2 — appears appropriate for achieving MA's goals. However, increased collaboration between TA and TF components, along with targeted resource allocation for TA in strategic sectors, could further enhance effectiveness and VfM. MA's ability to deliver both short-term job creation through TF and long-term systemic transformation through TA ensures its interventions remain impactful and sustainable.

**Mr. Green on Additionality:**

"MA were core to setting up our plan not only to scale up but to grow sustainably. The support in building our growth plan in the next 8 -10 years was very critical and made the vision very tangible for us. Manufacturing Africa not only supported on building the business plan and the financial modelling but also trying to make sure that we have targeted messages for financing for the business. Mr. Green's scale was roughly 8,000 tonnes thus far since we started in 2014, and today we are 17,000 tonnes. We are very excited that some of the things that we dreamt off in 2021 are now coming to fruition, like our big flagship factory, which is going to serve the entire East Africa and has the capacity of 20,000. I would say this expansion has really blown up for Mr. Green and allowed us to be present in nearly all the major cities in Kenya and moving into Uganda and Tanzania. We have employed over 400 people directly and many more indirectly across Kenya and touched over 5,000 lives through our engagement with waste pickers and suppliers. We hope that in the next two years we will be touching over 10,000 lives". *Summarised from the impact video on the MA website*

### 3.3.2 TA and policy work

Evidence suggests that unlocking barriers and improving the enabling environment for business has immense potential to enable huge investment, international trade, profitability, and creation of many thousands of jobs. MA has had several interventions in Kenya towards an enabling environment and policy reforms, where government institutions are supported based on identified areas with potential to unlock investment barriers. In Y4, MA strategically combined sector-shaping TA work that drove the deal pipeline with government support to unblock deals[19]. MA interventions in the policy and enabling environment reforms are implemented in two ways.

**Targeted TA support to government:** from MA annual reports -

[19] MA year 4 annual report, page 9.

MA supported the Sagana Agro-Industrial City development team to conduct value chain analysis and develop a value proposition for its industrial park. Most of the sector-shaping TA work had components of government support TA work (e.g., AGII, EV regulatory framework).

MA produced detailed investment enabler roadmaps for the Ministry of Industrialisation, Trade and Enterprise under themes including electric mobility, recycling, and green construction materials. Incentive enabler recommendations fed into Treasury for consideration under their green fiscal incentives development and supported a private industrial park developer.

**Targeted policy related TA support to firms:** The experience of an EV company, BasiGo, provides a good example of where TA has made a real difference at a policy level in unlocking investment barriers. MA wrote a policy paper for BasiGo to use to influence government to reduce or exempt tax for EVs, so that they could be competitive against internal combustion engines, especially buses. Based on this paper, BasiGo were able to unlock this barrier, be granted the tax exemption and were then able to secure $5 million of investment from PII.

However, as interviewed programme staff and the firm confirmed, it is not easy to facilitate enabling environment reforms with a single entity unless they are sufficiently large and important to prompt the government to pay attention. Yet for MA's partner, this pain-point if removed, could be a game changer in terms of jobs creation.

**Kentegra – Potential to create impact at scale with reduced barriers: biggest pain point is regulatory approval to penetrate new international markets**

'If I were to be asked what I need, I would say I need support to facilitate faster regulatory approval in Kenya and other target markets. Pyrethrum used to be one of the highest foreign exchange earners in Kenya. If the regulatory pain points were not there, we would unlock hundreds of thousands of jobs. I have been working with the Pyrethrum Processors Association of Kenya, but they are dragging their feet. It is difficult to push through these regulatory issues as a single company. Kentegra is currently paying agents within foreign countries to help in unlocking the barriers. It is extremely expensive to get these approvals. For example, for the US market, I am having to spend 3.5million dollars for environmental approval".

## 3.4 To what extent were the jobs created quality– including income, formality etc.?

The jobs created through Manufacturing Africa investments in Kenya are of relatively superior quality, particularly in terms of income, formality (which is often associated with higher quality due to its terms and conditions) and working conditions. For example, Kentegra, expanded its workforce from 130 to 330 employees with MA support with jobs are characterised by formal contracts, competitive wages, and robust training programmes, ensuring employees gain valuable skills aligned with industry standards. Similarly, investments in the electric vehicle sector, such as the establishment of new manufacturing facilities, created formal, high-skilled roles in production, engineering, and maintenance. These positions typically offer stable employment, benefits, and opportunities for career advancement.

Additionally, MA's focus on local supply chain linkages further enhances job quality by creating stable income opportunities for smallholder farmers and local suppliers. For instance, companies in the agri-processing sector supported by MA have incorporated fair trade practices as part of their ESG thereby improving livelihoods and economic security for rural communities. While the quality of jobs varies across sectors, MA's emphasis on compliance with ESG standards ensures that its investments contribute to better quality jobs.

**Quality of Jobs at MA-supported companies**

Kentegra

- 100 percent of the employees at the company are employed full time, on either permanent contracts or renewable annual contracts. There are 21 people in technical roles. Some jobs are done by contractors on needs basis.
- Compared to other companies within the EPZ zone, Kentegra provides better quality jobs in terms of incomes, which are higher than others, and work patterns.
- 'When it comes to operators, we earn higher, the hours are also good, because they work 4 days and rest 4 days. Most places they work 8-hour shifts in 6 days.' *(Employee)*

SunCulture

*"While other companies in our sector have been laying off staff, we have experienced no redundancies, no pay cuts, long serving employees who are doing well are rewarded, most of our staff is young (25-35yrs) and attracted to the work for its innovativeness, given on the job training, and we have a culture openness".* FGD with SunCulture employees

## 3.5 To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?

The programme logframe employment indicator targets are not disaggregated by gender although reported results are. To date, at programme level, 29 per cent of direct jobs created were filled by women (700 out of 2,423).[20] The reported indirect jobs number (2,832) is not disaggregated by gender.

The case study explored how the jobs created through MA investments have benefitted target groups, to illustrate how the programme has supported inclusion.

**Gender focus at MA-supported companies**

Kentegra: About 67 per cent of employees are aged 35 years and below. Gender wise, employees at the factory level are about 20 per cent female; but company wise about 35 per cent. Kentegra provides equal employment opportunities for both men and women and has considerations for people with disability - friendly spaces including ramps in the factory, though as of now none of the 330 staff is a person with disability. Additional benefits include a lactation room for mothers. Opportunities are well distributed, and the company recognise achievements across the team. There are examples of women holding roles in which they are typically unrepresented – for

[20] 2023/24 programme logframe

example, as an engineer, shift supervisor, electrical engineer, stores officer and the quality assurance manager. (Kentegra Employees FGD)

SunCulture: *"The staff is 40 per cent female and 60 per cent male. The company's solar powered irrigation systems are sold to 70 per cent men and 30 per cent women customers. The impact studies we have conducted indicate that the products benefit more women as they work more on the farms."* (SunCulture Employees KII)

The following box outlines the impact beyond job creation to strengthened livelihoods through personal testimonies, illustrating how the MA-facilitated investment in Kentegra has benefitted them.

**Impact beyond job creation – Suppliers' Performance**

Kentegra has grown its field operations and farmer supplier base significantly from 700 to 35,000 between 2018 and 2024. The field and farmer support team has grown from 1 field manager to over 45 people. 40 of these are agronomists, each working with 600-800 farmers providing all the support required to ensure the crop is performing well and managing the buy back and payments. They give additional training like financial literacy and regenerative agriculture. They also have 4 seedlings nurseries to supply farmers with the right seedlings. All the farmers are contracted. On average farmers grow pyrethrum on half an acre, harvest 50kg /month (total of 300kg) and harvest for 6 months in a year.

**Impact beyond job creation – Suppliers' Success stories**

A youthful male farmer aged 26: "I started pyrethrum farming in 2023 after staying home for about two years since leaving a tertiary college and not securing employment. I farm on half an acre leasing land at about Kes 3,000 per year. I started harvesting an average of 21kgs every two weeks since April 2024, earning monthly profit of Kes 6000. From the proceeds, I was able to open a cybercafé in our village centre, which gives me KES 10,000 per month. I was able to clear my fee balance and fund my graduation ceremony. I have now joined hands with two of my friends, leased another half an acre of land next to my Pyrethrum farm, already prepared for planting onions for sale" (KII)

A male farmer who started pyrethrum farming 3 years ago in 2021: "When I started, it was a challenge getting seeds, I bought once and recycled in my subsequent planting before joining Kentegra where I receive quality seedlings in time for planting. Pyrethrum is less labour intensive and requires almost zero inputs besides the seedlings and pays more. I farm on an acre, harvest an average of 100kg monthly for six months [resulting in] a total of 600kg annually and making KES 90,000 per year. With pyrethrum contributing a third of my income, I have managed to diversify my farming to include onions, cabbages, dairy and beef farming, and save half of my pyrethrum proceeds in Etica money market fund. I have saved a substantial amount of money. I am happy Payment should be by quality with farmers drying the flowers using solar which yields better results earning more."

A retired government employee and female farmer aged 76: "I used to farm Pyrethrum in the 1970s when it was a big thing in Kenya. Then our buyer was the Kenya pyrethrum board. I stopped growing when the sector died, and the board no longer came to buy. Three years ago, Kentegra came recruiting for pyrethrum farmers and I enrolled. I plant on two acres of family land, having started with half an acre then steadily increased to two acres. I harvest an average of

100kgs per month for 6 months annually, making about KES 200,000 in profit, this in addition to my little pension. They have recently reported that the current crop dies off faster and Kentegra has already responded by providing a more resilient seed variety which I will plant in the next season. Since I am a retired woman, I use the money from the pyrethrum to buy medicine for my old age diseases. I do not have to bother my children to take care of my expenses. And for those of my children who need financial help, I can help as I am more liquid."

# 4 Coherence

## 4.1 To what extent did job creation pathways strengthen / complement each other? Were these complementarities identified in the design phase?

The evaluation found compelling evidence for the complementarity between MA's two intervention areas — Transaction Facilitation and Technical Assistance — and how they work together to achieve impactful outcomes. TF focuses on ensuring that companies have the necessary capital to invest in business growth and create jobs. However, in many cases, these investments cannot proceed due to structural or operational barriers. This is where TA comes into play, addressing and resolving those barriers to unlock investment potential. While TA on its own does not directly deliver jobs, it serves as a critical enabler by enhancing the conditions necessary for FDI and subsequent job creation. TA provides critical market and operational insights that inform strategic investment decisions. For example, MA's market assistance enabled SunCulture to explore expansion into new geographies. However, such expansions would not have been possible without the foundational FDI facilitated through TF. This synergistic approach ensures that TF and TA not only address immediate investment needs but also build a foundation for sustainable economic transformation and job creation, demonstrating their interdependence and strategic alignment. TA has also been effective in improving business practices, innovation, and competitiveness, leading to improvement in the quality of jobs as illustrated from interviews with Kentegra.

**Complementarity of Transaction Facilitation and Technical Assistance**

Kentegra (production, processing and export of pyrethrum and its products) has had support from several donor agencies and development programmes while leveraging what others have done before, all building towards improved business. First there was the wide-ranging support from MA Africa through which they accessed $15million of FDI, then through a series of TA, they received support on factory efficiency improvement leading to reduced use of machines, improved quality of output, reduced losses, and an improved work experience for employees. Kentegra was also supported with a market assessment and strategy which is very instrumental to their market expansion plan.

SunCulture (suppliers of solar pumped irrigation systems) accessed a total of $41.5 million of FDI which was used to scale up operations, expand beyond Kenya into Côte d'Ivoire and Uganda and enhance products and services to customers (i.e. farmers.) The expansion would not have been successful without the additional TA provided – market studies looking at potential, sizing, enabling factors and analysis of the competition.

Manufacturing Africa has collaborated with several donor-funded initiatives in Kenya to enhance coherence and maximise impact. One notable partnership is with the Sustainable Urban Economic Development (SUED) programme, where MA engaged regularly to align on strategies supporting investment promotion and green manufacturing initiatives. Additionally, MA worked closely with the Financial Sector Deepening Kenya programme to advance the Green Fiscal Incentives framework, which is designed to support sustainable industrial development through incentives for environmentally friendly manufacturing practices. However, there is scope for deepening the coordination between Manufacturing Africa and other FCDO funded programmes to leverage synergies and enrich the pipeline of impactful investments. FCDO-funded programmes often possess specialised expertise and established networks that can complement MA's efforts. For example, SUED's focus on urban economic development aligns with MA's objectives in green manufacturing and sustainable industrial growth. Greater collaboration could unlock opportunities to attract investment into emerging urban manufacturing hubs. By pooling resources with other FCDO programmes, MA could scale its technical assistance particularly for complex sectors like green manufacturing or pharmaceuticals.

### 4.2 To what extent were both labour supply and labour demand issues addressed across the portfolio?

Under Manufacturing Africa's Payment by Results (PBR) framework, skills development is one of the eight assessment criteria used to evaluate the impact of supported deals. This criterion measures how effectively a deal incorporates the absorption and development of skills to drive enterprise growth. Based on the PBR ex-ante and post-ante assessments conducted in Year 4, 96 per cent of MA-approved investments scored 1 or above in skills development and local management. A notable example is Kentegra, which has significantly expanded its workforce, growing from 130 to 330 employees. The company has hired across several functions including administration, management, factory operations, farmer support and nursery/farm roles. To ensure optimal performance, Kentegra provides extensive training and induction for all employees. This includes upskilling individuals with minimal qualifications, such as those with a basic high school education who initially joined as casual labourers but were subsequently trained, absorbed into the organisation, and assigned roles based on their acquired skills and abilities. Furthermore, Kentegra recently launched a new factory in addition to its existing facility in Athi River, Nairobi. The new factory has created additional employment opportunities, with workers trained and deployed to meet operational needs. This expansion highlights the company's commitment to skills development as a driver of growth and its alignment with MA's objectives under the PBR framework.

## 5 Jobs Measurement in Line with Best Practice and Jobs Measurement Framework

Manufacturing Africa employs a structured and methodical approach to measuring job creation to ensure that its interventions are effectively driving economic transformation. Job measurement is a critical component of MA's results framework, as it provides insights into the impact of foreign direct investment facilitated by the programme on employment outcomes. MA focuses on capturing both direct jobs, created within the businesses it supports, and indirect jobs, generated through supply chain linkages and downstream economic activities.

- **Tracking direct and indirect jobs:** For direct jobs, MA relies on company-reported data, collected post-financial closure and during subsequent monitoring phases. Indirect jobs are estimated using the Joint Impact Model (JIM), a manufacturing-focused tool developed by Steward Redqueen. This model applies sector-specific multipliers derived from Social Accounting Matrixes to data such as firm revenues and procurement activities, providing robust estimates of job impacts across supply chains.
- **Progressive Monitoring:** MA also employs a progressive monitoring approach, recognising that job creation often lags financial closure due to the time required for investment implementation and operational scaling. Monitoring typically occurs 12-18 months after deal closure, with jobs only counted towards logframe targets when investments are operational. Additionally, MA applies an attribution framework to ensure reported jobs reflect its contribution, adjusting for input from other advisors or partners.

While MA's methodology is grounded in best practices, it has inherent limitations, such as the inability to disaggregate between new and supported jobs using modelled approaches and gaps in measuring job quality and broader livelihoods improvements. These limitations highlight the need for continuous refinement and validation to ensure accurate and meaningful reporting. To further enhance the effectiveness and accuracy of its job measurement framework, MA could adopt several improvements that build on its existing methodology:

- Adding metrics to assess job quality — such as income levels, job stability, access to benefits and opportunities for skill development — can provide a deeper understanding of the impact of jobs created by MA-supported investments.
- In addition to gender, include disaggregation by age, disability, job type (e.g., new vs. maintained jobs), and other inclusion indicators. This would provide deeper insights into the inclusivity and equity of job creation.
- Extending monitoring timelines to track job creation at the implementation stage and validating modelled estimates through supply chain surveys would provide more robust and credible data.
- Expanding the scope to include livelihoods improvements and supported or protected jobs would enable MA to capture the broader socio-economic impacts of its interventions.

# Annex 3. Case Study: Sustainable Urban Economic Development Programme

## Overview of SUED job creation pathway

The SUED programme (2016-2024) primarily focuses on the investment attraction pathway to job creation, whereby technical assistance (TA) is provided to beneficiaries, in this case county / municipal governments, to identify, prepare and market projects to potential investors in order to mobilise investment into critical bankable: 1) climate-resilient infrastructure; and 2) value chain projects. Seed funding in the form of grants is provided to crowd-in private sector investment. The programme has also provided support to capacity building in the municipalities in urban planning and maintaining investments, as well as supporting policy and legislative changes necessary to unlock private sector growth.

**As per the Business Case:** SUED will support market-driven growth in emerging towns and cities in Kenya that will ultimately help Kenya to exit from aid as a middle-income country. SUED will help Kenya's expanding intermediate towns and cities along key growth corridors to attract more investment for crucial infrastructure and job-intensive value chain projects, ensuring these are inclusive for women and girls and resilient to climate change; and create more jobs and better livelihoods, particularly for young people. SUED will do this by working with the public and private sector to improve urban economic planning, business environment reforms, and developing bankable urban investments. This support will help create the right conditions for these emerging urban areas to grow in a way that is both inclusive and sustainable, reducing rural-urban poverty, addressing aspects of migration, violent extremism, underpinning wider work on the 'golden thread'.

The job creation pathway for SUED as originally envisaged in the SUED business case and initial programme design is as follows:

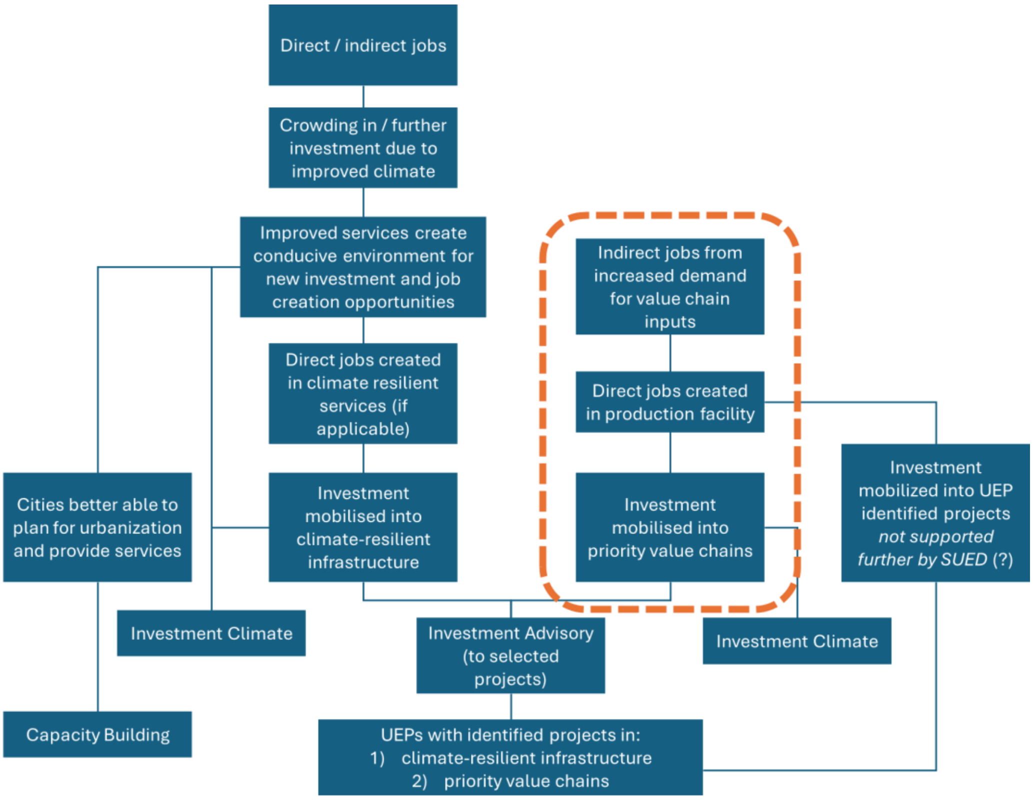


Figure 1 SUED Job Creation Pathway (source: SUED business case 2016)

The original business case from 2016 indicated the following budget allocation:

Technical assistance to support:

- Improved economic planning by economic corridor local authorities (£16.5million): with assistance to county authorities and private sector actors, and some national support.
- Better business environment (£10.1million): addressing constraints to private investment; investment promotion strategy; strengthened public-private dialogue; and market strategies

Establishment of an Urban Investment Advisory Facility (UIAF) to support county level PPP investment in:

- Infrastructure (£23.6million), including energy, water, business and industrial estates, and
- High potential value chains (£17.6million) to develop high value-addition jobs and incomes

In the course of implementation, however, the focus of the programme shifted to become primarily weighted towards the investment advisory pathway (highlighted in the orange dotted line in the diagram above) – approximately 95 per cent of the technical advisory budget following the urban economic planning (UEP) phase was allocated to investment advisory (IA), with limited capacity building and investment climate interventions. Moreover, the focus was on value chains projects, principally in agriculture, over infrastructure. This re-focussing of the programme design was driven partly by cuts to the programme budget as a result of COVID-19, under the direction of FCDO.

# 1 Relevance

## 1.1 To what extent was SUED designed to respond to the needs of particular contexts and geographies within Kenya?

The programme was designed explicitly to respond to the needs of particular contexts and geographies. It was designed to work in intermediary cities in harder to reach geographies and partner municipalities were selected from across the country. The selection process was inclusive – all 66 municipalities were invited to apply, and applications were supported by SUED. Of municipalities sent the call for proposals, 56 responded, and 12 were selected (this number having been increased from ten by FCDO during inception). Criteria for selection included:

- Political commitment – willingness to allocate budget to urban economic development, provide staff resources to work with, and willingness to work with the private sector;
- Proximity to a larger urban area such as Nairobi or Mombasa as an indicator for economic development potential;
- Social inclusion;
- Climate resilience; and
- Alignment with Kenya Urban Support Programme (KUSP)21 – building on similar work and priorities identified.

The Urban Economic Plan creation process including consultation and workshops with community and special interest groups. Plans were oriented around identification of context-specific value chains and catalytic projects to unlock growth in these – and hence were explicitly responsive to particular contexts / geographies.

As discussed in more detail later, the programme could have been designed more explicitly to respond to the lack of capacity and nascent status of municipalities[22]. The lack of capacity, or even existence, of municipal governance structures was not adequately reflected in the original business case, which caused some challenges in the early stages of implementation. More explicit links to Kenya's decentralisation process could, arguably, have further strengthened SUED's relevance, and impact.

[21] The Kenya Urban Support Programme (KUSP) is a government initiative funded by the World Bank, aimed at enhancing urban development and governance in Kenya. The programme's primary goal is to strengthen the capacity of urban areas to provide improved services, enhance infrastructure, and promote sustainable urbanisation.

[22] The concept of municipalities was introduced as part of the wider decentralisation process outlined in the 2010 constitution and first defined in the 2011 Urban Areas and Cities Act, amended in 2019 to further clarify the roles and responsibilities. At the inception of SUED, many municipalities, including those selected, had still not been fully established / granted municipality status.

## 1.2 To what extent did SUED consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?

Strengthening rural-urban linkages was an explicit objective of SUED, with the programme designed to benefit both the urban poor and rural households. The focus on priority value chains in each county has resulted in benefits in-line with the intended targets (see later section on jobs impact).

SUED is working with 12 municipalities to ensure inclusivity and sustainability of their supported programmes by enhancing their capacity to better manage inclusive urban economic development within their local context. UEP design for all SUED programmes **integrated a gender and inclusion study**[23] **for each municipality** with the aim to understand the barriers to economic participation by marginalised groups. These gender and inclusion study findings influenced the design of UEPs through:

- Encouraging **equal participation** in the study workshops and UEP design process by the identified excluded categories in the Municipality, to ensure incorporation of diverse views.
- Collaborative stakeholder engagement approaches such as **community driven UEP** development to ensure buy-in.
- The GESI diagnostic study phase including close collaboration with County GESI specialists to incorporate their **expertise** on GESI priority areas.
- Overall **knowledge use and best practice adaptation** by SUED in developing UEPs to ensure inclusivity following the study recommendations including advocating for GESI data to demonstrate evidence for benefits of GESI for County buy-in.
- Incorporating GESI interventions directly into UEP/programme design is recognised by SUED as **more cost-effective** compared to implementing these interventions independently as evidenced by the study.

# 2 Efficiency

## 2.1 How efficient is the job creation pathway in terms of a) length / time to yield jobs; and b) resource intensiveness

### 2.1.1 Programme delivery timescales

As outlined in the pathway overview section above, SUED TA was provided to municipalities in two phases, following an initial application and selection process. The first phase comprised of development of UEPs by all 12 selected municipalities, while the second phase was primarily IA, with minimal capacity building and investment climate support provided to fewer.

The total budget for the UEP phase was £5.5million to develop 12 UEPs, just less than £460k per plan. The UEPs were developed via a consultative, participatory process lasting, on average, around

[23] Best Practice Document- Integrating Gender and Social Inclusion in Urban Economic Development by Tetra Tech International Development Europe - Issuu

six months. Though the process was noted as being participatory, the UEPs were developed by external consultants for municipalities, rather than municipalities being supported to deliver their own plans.

The subsequent investment agreement phase cost around £300k per investment, with the entire advisory phase taking between nine and 18 months to complete, followed by average implementation duration of a further 12 months once the investment was mobilised. Just 8 of the 12 municipalities involved in the UEP phase progressed through the IA phase as four were dropped during IA process due to FCDO budget cuts, lack of municipality engagement and implementation challenges. The investment agreement process is as follows:

- Prioritisation of UEP investments: six selected initially from the UEP for further assessment; three then selected for pre-feasibility study (PFS) for each municipality – duration two months.
- Pre-feasibility study – assessment of the technical, economic, financial, environmental and social impacts of the investments to pre-feasibility level – duration three months.
- Market sounding – this activity varied depending on the particular investment; sometimes an investor was identified early, even during the PFS, while in other cases it could take multiple soundings of a completed PFS to identify a suitable and interested investor – duration of anything from one month to one year, with an average of three months.
- Seed funding allocation and approval – seed funding was used in all SUED supported investments, allocated based on need / viability gap, with an average seed funding of 25 per cent of the total investment value – duration six weeks.
- Due diligence – final due diligence on the selected investor and approval by FCDO and municipal boards – duration one month.
- Project implementation – seed funding is disbursed in tranches based on project progress and performance; implementation monitored by SUED to completion – average duration 12 months for value chain projects.

### 2.1.2 Time to yield jobs

In terms of the time taken to yield jobs, from the initiation of support to project completion and operationalisation, on paper, based on the timings above, the average duration is around 2.5 to 3 years. In reality, however, the programme encountered delays in between phases that sometimes added to the duration. In particular, delays were encountered at the municipal / county level.

Prior to SUED commencing TA support to a municipality, a number of criteria had to be met, including the formation of the municipal board and other governance requirements, as well as basic structural planning (i.e. physical / spatial planning and asset inventory) of the municipal area. SUED was initiated at the early stages of Kenya's devolution process. Thus many of the municipalities selected for participation were still in the process of being formally created, and governance structures had not yet been put in place. This resulted in sometimes substantial delays from the selection and first engagement with a municipality to the initiation of the UEP and subsequent IA phases.

For example, in the case of Kerugoya municipality, Kirinyaga county, the initial engagement with SUED was in April 2019. However, the municipality was unable to fulfil the criteria and initiate the UEP process until 2021. The UEP was approved by the municipal board in November 2021; however, the IA phase did not commence until January 2023, following the contract signing in February 2022.SUED also encountered challenges with obtaining consensus / approvals with municipal governments for the prioritised projects. Municipal boards themselves also faced significant challenges in obtaining approvals for UEPs and investments from the counties. Given the nascent status of municipalities in Kenya – i.e. with many being formed only after / around the commencement of the programme –

there remains both lack of clarity and resistance to their roles and functions. Most municipalities remain subordinated within the county structure with staff seconded by counties to fill positions. This resulted in institutional tension, and delays, when it came to approvals of both UEPs and investments.

This is exemplified by the contrasting case studies of Kerugoya and Kisii. Kisii municipality has made significant progress towards establishing an independent and functional municipal governance structure, as outlined in the 2019 Act. The municipal board is chaired by a local businessman Jamaludin Shamji, with a municipal manager and other key staff also in place. The roles and responsibilities of the municipality have been clearly defined, as well as a line of reporting to the county government, aided by a positive working relationship with the County Executive Committee Member (CECM) responsible for land and urban development, Grace Waziri. The UEP is therefore owned by Kisii municipality, with positive support from the county in its implementation, and, as a result, approvals and progress between phases was straightforward.

In Kerugoya, the municipal governance has not been able to gain significant traction and remains subordinated within the county government. Though the minimum criteria for SUED to proceed have (presumably) been met, and the UEP was produced for Kerugoya municipality, the subsequent and current engagement in IA has been at the county, rather than municipal level, and the investments supported are not strictly in Kerugoya (i.e. the tomato processing plant is in Sagana industrial park). While the county did indicate that the UEP was appreciated and it has been formally adopted as an input to the County Integrated Development Plan (CIDP), the process was not without hurdles. One issue was the alignment of the UEP with the county's parallel "mountain city blueprint" which outlines a vision for four municipalities in the county, each with separate specialisations, of which Kerugoya is identified as the "wellness city". Generally, the challenge has been with devolvement of responsibilities from county to municipality, summed up in the quote from the current SUED counterpart, CECM for Agriculture, Livestock, Vet & Fisheries, Dr Gachara John: *"how can the child give direction to the father"* – where the child is the municipal government, and the father is the county.

In addition to challenges related to internal governance structuring at the municipal level, the time required to generate jobs from project initiation to completion and operationalisation is significantly influenced by UEP readiness. The SUED programme is implemented in phases, with municipalities grouped based on their progress in completing the UEP process. For instance, Group 1 municipalities had already completed the UEP stage, covering the period from initial engagement to onboarding the IA firm. Further delays arose from technical discussions regarding the alignment and prioritisation of projects for progression. Resources / cost to yield jobs

SUED is on course to mobilise £61,362,514 of investment by August 2024. Across the 8 municipalities which participated in the IA phase (4 groups of 2), 17 investments have been signed to-date (5 public investments and 12 private investments), with more in the pipeline, yielding over 74,000 jobs for completed projects, as follows:

**Table 1: SUED supported investments** *Source: SUED Quarterly Report: Jul-Sept 24*

| Project | Status / likelihood | Public / private | Investment total (£m) | Seed (£m) (% total) | Jobs (year 1; over time) |
|---|---|---|---|---|---|
| Malindi CSS- Waste 2 Value | Completed | Public | 1.80 | | |
| Malindi mango processing | Completed | Private | 1.97 | 0.48<br>24% | 1,024<br>4,000 |
| Malindi chilli processing | Completed | Private | 1.25 | 0.25<br>20% | 1,060<br>11,000 |

| Project | Status / likelihood | Public / private | Investment total (£m) | Seed (£m) (% total) | Jobs (year 1; over time) |
|---|---|---|---|---|---|
| Isiolo SuDS | Completed | Public | 1.04 | | |
| Isiolo waste management | Completed | Public | 0.05 | | |
| Kisii avocado oil processing | Completed | Private | 2.58 | 0.47<br>18% | 1,195<br>3,000 |
| Kisii banana fibre and banana fibre product | Dropped | Private | N/A | | |
| Kisii integrated waste management project | Completed | Private | 1.1 | 0.8<br>73% | 283<br>283 |
| Kisii water supply + other public investments | Completed | Public | 22.9 | | |
| Iten Potatoes processing | Completed | Private | 15.45 | 0.74<br>5% | 5,227<br>10,000 |
| Iten groundnut processing | High | Private | 1.6 | | |
| Iten integrated sports hub/sports medicine complex | Dropped | Private | N/A | | |
| Kisii E-Mobility | Dropped | Private | Unknown | | |
| Eldoret Avocado Pack House | Completed | Private | 2.24 | 0.5<br>22% | 4,000<br>4,000 |
| Eldoret Maize | Completed | Private | 2.90 | | |
| Eldoret Solar Refrigeration | High | Private | Unknown | | |
| Kerugoya Tomato | Completed | Private | 1.95 | 0.49<br>25% | 5,225<br>20,000 |
| Kerugoya Hydro | Completed | Private | 2.45 | 0.61<br>25% | 57<br>57 |
| Kerugoya Essential Oils | Medium | Private | Unknown | | |
| Lamu Cashew | Completed | Private | 2.26 | 0.49<br>22% | 1,860<br>7,000 |
| Lamu Cotton | Completed | Private | 2.58 | 0.51<br>20% | 5,240<br>15,000 |
| Lamu Fish | Completed | Private | Unknown | | |
| Lamu Fruits | Medium-High | Private | Unknown | | |
| Wote Grain | Medium | Private | Unknown | | |
| Wote Fruits | Medium | Private | Unknown | | |
| Wote River Park | Low | Public | Unknown | | |
| Wote Honey | Low | Private | Unknown | | |
| Wote Moringa | Low | Private | Unknown | | |

| Project | Status / likelihood | Public / private | Investment total (£m) | Seed (£m) (% total) | Jobs (year 1; over time) |
|---|---|---|---|---|---|
| Wote public projects | Completed | Public | 0.9 | | |
| **Total (of completed projects)** | | | **63.42** | **5.34** | **25,171<br>74,340** |
| **Average (of completed projects)** | | | **3.73** | **0.53<br>25%** | **2,517<br>7,434** |

In terms of the efficiency of mobilising investment:

- 17 investments have been completed / signed to-date across 8 municipalities, just over 2 per municipality. If those in the pipeline with a "high" chance of completion are also included, the total is 21, slightly more than 2 per municipality. Though if the 12 municipalities that started the UEP process are included the average drops to 1.8 per municipality.
- The average total value (including seed funding) of the investments is £4.03m. However, this is skewed by a couple of large investments (Iten potato processing, and Kisii public municipal investment package). The median investment size is just less than £2m.
- Taking the average cost of support to the UEP and IA phases, the preparation cost per project is approximately £500k (i.e. assuming 2.25 projects per UEP plus £300k for the IA phase per project). If the cost of the Project Management Unit (PMU) overheads were included this would increase further.
- This £500k preparation cost and mean investment value of £4m indicates a project preparation cost of 12.5 per cent. This is high by international comparison, with preparation costs typically ranging between 5-10% in developing countries.[24]
- For the median project with an investment value of £2m, this ratio doubles to 25%, which is unusually high.

In terms of the efficiency of creating jobs:

- Jobs are estimated only for the 12 private sector projects. Jobs are reported for year 1, as well as for long-term estimates (as operations scale up). The average number of jobs created per project in year 1 was 2,517, while the long-term estimate was 7,434. This includes two projects, Kerugoya hydropower and Kisii waste management, that do not have explicit linkages to job creation. If these projects are excluded, the average rises to 3,104 and 9,250.
- Based on the total investment mobilised, the cost per job across the 12 projects is: in year 1, £1,344; and £454 in the longer term. The cost per job for just the 8 value chain projects is: in year 1, 1,203; and £407 in the longer term.
- Based on the resources committed by the SUED programme project, comprising of preparation costs (£500k per investment) + the seed funding (average 25% of total investment), the cost per job across the 12 projects is: in year 1, £212; and £72 in the longer term. The cost per job for just the eight value chain projects is: in year 1, £195;

[24] https://www.gihub.org/articles/financing-project-preparation-governments-effectively-utilise-financing/ / https://www.eu-africa-infrastructure-tf.net/attachments/library/gridlines-the-african-project-preparation-gap.pdf / https://ppp.worldbank.org/public-private-partnership/sites/ppp.worldbank.org/files/2022-03/gih_project-preparation_full-document_final_art_web-2.pdf

and £66 in the longer term. If overheads, as well as the additional UEP costs, were included, however, these values would decrease significantly.

## 2.2 What were the risks identified in the ToC and how were these managed?

The key risks faced by the programme were political. The nascent / non-existent state of municipal governance was a major challenge, that does not appear to have been fully recognised in the original business case. This caused significant delays in the transition from selection of municipalities to implementation of the UEP and IA phases. The tension between municipalities and counties was also a challenge. The programme managed this by being adaptable in how it engaged with stakeholders, particularly as the programme progressed. In the case of Kerugoya, engagement is now primarily at the county level as officials at this level have assumed responsibility for implementing the projects.

Elections took place during the programme in 2022 resulting in changes to county and municipal governments. This has presented challenges, notably in Wote municipality where significant progress had been made towards implementing several projects, which are now at risk of non-completion.

The political risks have been mitigated to some extent by engaging with many municipalities (i.e. 12), diluting the risk of some municipalities not progressing. However, there are trade-offs to this broad versus deep support, as discussed in the final section. The focus on private sector driven projects also mitigated political risks to an extent. After a difficult initial start, these risks are being well managed now by the programme, with strong relationships established in counties / municipalities where investments are ongoing, aided by monthly in person engagement.

## 2.3 How could the pathway / programme be delivered more efficiently?

### Increase the investment size

The ratio of project preparation costs to investment mobilised is low, even by developing country contexts, and not accounting for programme overheads. One reason for this is the relatively low values of the investments supported. The cost of producing a robust pre-feasibility study does vary with the size of the investment, but there are some fixed costs (i.e. a minimum floor) regardless of size, especially when engaging international (standard) consultants. It is not possible to assess whether the average cost of £300k per project prepared was value for money in and of itself as part of this evaluation. Infrastructure project preparation costs in developing countries typically range from 5-10% of the total project investment, and about 3-5% of project costs in developed countries[25]. Further feasibility assessment and due diligence may also be conducted by the investors. For example, one investor, Avo Fresh (see more details of investment later), confirmed that additional feasibility assessment was necessary before an investment decision could be made, including further benchmarking of avocado production and forecasting. The project preparation costs are therefore higher still than those incurred / funded by SUED. It is important to tailor the PFS process as far as possible to investors requirements to ensure maximum benefit.

The low value of the investments represents a trade-off between targeting smaller towns in poorer, more challenging regions of Kenya (for example Kisii, Kerugoya and Lamu), versus larger cities with greater capacity to absorb larger investments (such as Nairobi and Mombasa) – and the balance

[25] https://www.gihub.org/articles/financing-project-preparation-governments-effectively-utilise-financing/

between maximising total impact and equity. It is noted that the SUED programme explicitly targeted these more challenging urban centres.

### Streamline project identification, prioritisation and preparation

The significant investment in the UEP phase was also potentially inefficient. As a means to project identification, the process could be significantly streamlined. One option would be to use existing plans and strategies prepared by counties / municipalities as the basis for initial project identification. UEPs were often integrated into County Integrated Development Plans (CIDPs). A more streamlined project identification and planning phase could be integrated with the broader investment attraction phase with consistency in the teams used for initial identification, prioritisation and preparation.

### Take an embedded / more holistic approach to supporting municipalities

Support could have been provided in a more embedded way to counties and municipalities, rather than relying on an external consultancy approach, thus both making use of local government staff and resources and enabling capacity building / skills transfer. Providing a more embedded or "handholding" approach could also have accelerated the process for municipalities to establish the necessary governance requirements for receiving SUED support, a cause of significant delays in the initial phase of the programme. Where municipalities (or counties) have been supported to produce the plans themselves, there is also likely to be greater ownership of the plans.

This more embedded approach was proposed by Kirinyaga country (Kerugoya municipality) in the case study interview. While the UEP for Kerugoya municipality was appreciated and has been formally adopted as a tool to guide investment and development, the issue of replicability was raised. The county would like to produce similar plans for the other three municipalities; however, they lack the technical capacity to do so. They view the lack of participation of county staff in the original UEP process as a missed opportunity.

### Recommendations

- Consider increasing investment size to improve the ratio of project preparation costs to investment mobilised whilst ensuring that the size of the investment is appropriate to context.
- Streamline project identification, prioritisation and preparation: Project identification could be streamlined by using existing plans and strategies prepared by counties / municipalities as the basis. The planning phase could also be integrated with the investment agreement and inputs could be further streamlined if there was greater consistency in the teams used for initial identification, prioritisation and preparation.
- Take an embedded and more holistic approach to supporting municipalities in order to build local capacity and enable replication. If external consultants are needed, ensure that designated local staff work closely with them throughout and that skills transfer is an expected outcome of the engagement.

# 3 Effectiveness

## 3.1 Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions?

New jobs have been created by the programme. As per the latest quarterly report (Jul-Sept 24), 10,667 direct and indirect jobs have been created, with another 33,561 in the pipeline to be created through deals already signed. These are full time equivalent adjusted.

Jobs figures are based on reporting by supported investees and include direct jobs with the firm, as well as with confirmed suppliers. As they are reported, rather than estimated using a modelling approach, the figures are readily validated and assumed to be accurate. As SUED is supporting greenfield investments, jobs figures are clearly attributable to the programme.

Discussions with investors and with the case study municipalities indicate a high level of additionality: it is clear that, in the majority of investments, the county / municipal government would have been unable to prepare and market the projects to attract investors without the support of SUED. At a minimum, support from the SUED programme has helped to accelerate investment into the projects significantly. In the case of the Hydro Box investment in Kerugoya, however, it should be noted that the investor is already active in Kirinyaga county and SUED is supporting expansion to a second site in the county. In this case, there may be questions regarding the additionality of SUED's support in preparing and marketing the project although, once mini hydro had been identified as a priority project for the county, the selection of Hydro Box as the investor appears to be sound given their track record of success in the neighbouring county. For their part, Hydro Box indicated that SUED had been valuable in accelerating and facilitating discussions with Kirinyaga county to advance the project.

For some investments supported, displacement may be a concern. Investors are generally already active in Kenya, usually in the same value chains. In some cases, there is a risk that the project represents a decision to invest in new facilities in the target SUED municipality, instead of expand existing operations, usually in and around Nairobi. From the perspective of the municipality / county in question, this does not diminish the impact of the programme. But from a national economic development perspective, at least some portion of economic activity is being displaced from one location (i.e. Nairobi area) to another, with redistribution rather than growth generating effects at the national level. Nevertheless, this redistribution brings additional benefits, such as reducing inequality and poverty and curbing migration to Nairobi.

The majority of SUED investments are still in the set-up and construction stages and are not yet operational. As such, there was limited opportunity to validate the reported jobs figures on-the-ground. To note, as stated in the evaluability assessment, for the individual investment transactions supported by SUED, baseline data was collected at the start of the engagement. However, the evaluation team did visit one fully operational project in Kisii, the Avo Fresh avocado oil processing facility.

**Avo Fresh – job creation**

The Avo Fresh factory in Kisii has been operational since early 2023. It produces avocado oil from avocados sourced locally in Kisii county. The following job creation impact was verified from a site visit to the factory and interviews with management, employees, and farmers.

The factory manager reported the following figures for job creation:

- 60 short term employees during the high season; reducing to 25 during the low season
- Employment is shift based, with workers recruited on casual contracts based on the planned operations which depend on adequate supply of avocados – this was confirmed by employees interviewed
- 3,875 registered farmers / suppliers, of which 80% (3,100) are active in supplying avocados to the factory – just over 60% deliver directly to the factory, while the remainder aggregate for collection by Avo Fresh locally

In addition, KIIs with two farmers revealed the following additional job creation impacts:

- Both farmers indicated that they had increased their production in response to the demand from Avo Fresh – from 6 tonnes to 8 tonnes and from 16 tonnes to 20 tonnes.
- Consequently, they had increased the number of labourers employed on their farms – from 4 to 8, and from 3 to 6

It should be noted that the factory currently operates at around 50% capacity, processing 35 tons of avocados per day versus installed capacity of 70 tons. This is due to the variability and seasonality of supply. If supply and production could be increased, job creation would also rise.

The issues of additionality and displacement were discussed with David Gitonga, General Manager of Avo Fresh. Avo Fresh was identified by SUED during the market sounding as a potential investor in an avocado processing facility in Kisii, identified as a priority project and validated via a pre-feasibility study. At the time, Avo Fresh had not considered expanding operations to north-west Kenya due to the perceived lack of viability (their main factory is in Thika). The SUED study was critical in shifting the perception of the firm to the potential viability of production in Kisii.

Avo Fresh then conducted their own internal feasibility assessment. This noted that the Kisii greenfield facility, while viable, was still less economic than expanding the existing facility in Thika. Seed funding was therefore also necessary to close this viability gap and incentivise the investment decision in Kisii. Avo Fresh have now also expanded their operations in Thika in addition to the new Kisii facility, in part due to the additional capital availed by the seed funding, therefore mitigating any significant displacement impacts.

## 3.2 To what extent were they quality jobs – including income, formality etc.?

SUED does not routinely collect data on job quality, such as income, benefits, training etc. However, as part of the deal structuring and the seed funding requirements, all investees must comply with all relevant national and county labour (and other) laws.

Data on job quality and livelihood impact was collected through KIIs with employees and farmers at Avo Fresh, as follows:

**Avo Fresh – job quality**

Two female employees at Avo Fresh reported the following job quality indicators and benefits:

- Prior to working at Avo Fresh, both employees reported that they had no formal employment. Instead, they were involved in micro enterprise grocery retail (i.e. selling fruit and vegetables at street side)
- They reported income at Avo Fresh of 672 KES per day, versus an average of 200 KES per day in their micro enterprise – more than three times the income
- This has had a significant impact on their quality of life, both reported the benefits as being able to pay their children's school fees, as well as use savings to inject capital into their micro enterprise. They anticipated that the capital injected into their business would result in increased earnings from that business in the long-term, i.e. a spillover effect
- Employment is not full-time or regular. The work is in shifts and is highly seasonal, with no employment from December to March. Shifts are communicated to the workers by phone call / text.
- Both indicated a preference for working at Avo Fresh full-time / more often, if that was a possibility, due to the higher incomes versus their alternative micro business.

Two farmers who supplied avocados to Avo Fresh reported the following job quality indicators and benefits:

- Prior to Avo Fresh, farmers supplied avocados primarily to markets in Nairobi. The price per kg is 17 KES in Nairobi versus 16 KES paid by Avo Fresh. As the cost of transport to Nairobi is substantially higher at 40,000 KES than to the Avo Fresh factory at 20,000 KES, farmers are benefiting from increased profits.
- The county government is also working with farmers to introduce the Hass seed variety, as well as providing training in the use of fertiliser etc. required to successfully grow Hass. Avo Fresh confirmed that they are providing Hass seeds to the county government, who then propagate and distribute. Hass produces twice as much oil per avocado as the traditional local variety and Avo Fresh purchases for 30 KES versus 17.

## 3.3 To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?

The beneficiaries of the jobs are aligned with those targeted in programme design. The broad objective of SUED was to facilitate development outside of the major cities to intermediate cities and, with the exception of the Nairobi Railway City component (not reviewed in detail in this study), this has been achieved. The business case also targeted rural-urban linkages, which SUED has delivered through its focus on catalytic value chain investments. As shown above, this has had – or is likely to have - a positive impact on the incomes of rural farmers as well as urban workers employed in the production facilities.

Job creation data provides disaggregation of jobs by male, female and PWDs, with 13.3% of the latest reported 10,667 jobs[26] reported as being held by able females under 35, From the example of Avo Fresh (one of two operational value chain investments), the majority of the jobs were benefiting women, who were otherwise employed in the informal economy, and therefore well-aligned with targets.

# 4 Coherence

## 4.1 To what extent did job creation pathways strengthen / complement each other? Were these complementarities identified in the design phase?

SUED was designed to complement the KUSP, building on the support that counties received through this to strengthen capacity, governance and finance and implement basic infrastructure and services projects. In a few cases the support provided by SUED via the UEP has helped municipalities to unlock additional funds from the KUSP programme for public infrastructure – in particular in Kisii (as discussed in detail later in the case study). These linkages could have been strengthened, but following FCDO budget cuts the emphasis shifted towards IA for private sector value chains projects.

SUED, and the focus on unlocking agriculture value chains, is aligned with GoK strategy, in particular the 10-year agriculture sector transformation strategy. Lack of a market is one of the major problems that farmers have and SUED seeks to address this by connecting farmers with investors who will process their produce in the county. SUED also aligned with the Sustainable Development Goals (SDGs), especially SDG 11.[27]

## 4.2 To what extent were both labour supply and labour demand issues addressed across the portfolio?

SUED was targeted at labour demand, supporting private sector to invest in value chain projects that would create direct jobs and indirect jobs by creating demand for agricultural produce, i.e. as a purchaser / off-taker.

# 5 Jobs Measurement in Line with Best Practice and Jobs Measurement Framework

SUED has created jobs directly via supported private sector interventions (i.e. agro-processing facilities) as well as stimulating demand in the target value chain (i.e. as an off-taker of agricultural produce). These indirect impacts have been measured via self-reporting from the supported investment, both for direct jobs and for indirect jobs in their supply-chain. Evidence of indirect jobs includes contracts with suppliers. SUED does validate data via on-the-ground monitoring of supported

[26] SUED Quarterly Report: July-September, 24

[27] SDG 11: Sustainable Cities and Communities - Make cities and human settlements inclusive, safe, resilient and sustainable

investments to measure actual jobs created once the project is operational and tracks them against job creation commitments made at financial close Though this will end once the programme closes, with some investments still to reach full operational status.

Attribution of SUED supported investments is relatively clear-cut since SUED is generally supporting greenfield investments that can be clearly attributed to the project identification, preparation and market sounding conducted by the programme. The nature of the investments supported did raise some questions around the potential for displacement (see above). JMF indicates that the issue of displacement should be considered in programme design and not at measurement stage.

Jobs have not been disaggregated into new jobs and jobs supported or maintained. Similar to KCJF, many of the jobs impacts reported in the supply chain are more accurately captured as jobs supported rather than new jobs. Having noted this, KIIs with farmers supplying the Avo Fresh project in Kisii did indicate that they employed additional labour on their farms as a result of increased production, which would indicate new jobs impacts not currently being measured by the reporting of supplier contracts.

Reported figures are disaggregated by age, gender, and disability. In terms of job quality, SUED, as part of the investment due diligence, require all investments supported to comply with national employment regulations for minimum pay and conditions, but further indicators of job quality are not reported.

SUED also potentially creates jobs via enabling impacts, defined in the JMF as: “job impacts deriving as a result of improved ability to conduct business.” These enabling impacts have not been measured. Support to investment climate was originally envisaged to be a key component of SUED, and therefore enabling impacts would have been significant, but this component was later removed during implementation. However, additional investments supported in public infrastructure (e.g. waste management, electricity, water supply) would also have potential enabling impacts that could and should be monitored to provide a comprehensive assessment of job creation impacts. Infrastructure projects take much longer time to actualise so jobs created will lag considerably behind investment.

Recommendations for future measurement of jobs in similar modalities include:

- Jobs reported to be clearly disaggregated between new jobs and jobs supported.
- Indicators on job quality to be measured, particularly important where jobs are being supported rather than created.
- Encouraged to capture and measure the enabling impacts – these are potentially significant and could influence decisions with regard to direction of programme resources if fully captured.

# 6 Learning

The SUED programme evolved from the original business case design through implementation, partially in response to the pressures of budget cuts as a result of the COVID-19 pandemic. The components on capacity building and TA for municipal governments in improving urban planning, management and business environment were significantly reduced, with the emphasis placed on investment advisory for value chains investments. This had two effects that can provide the basis for learning for future programming:

### The impact of a programme like SUED is wider than short-term job creation

- The original business case and ToC for SUED had a broader focus than job creation in value chains, which was just one intended impact. Support to improve planning and management of urban areas, as well as investment into climate resilient infrastructure and provision of services to urban residents have benefits on health, well-being etc., but seem to have been de-emphasised during implementation. Capturing / measuring these impacts, in addition to jobs, could potentially lead to alternative perspectives on interventions and investment decisions.
- The focus on jobs as the rationale for SUED was a point of query for local government counterparts. While job creation and livelihoods is clearly a major priority of county / municipal governments, they emphasised that the provision of services to residents should be considered an equally important benefit.
- The mini-hydro project in Kerugoya is an example of a project that generates limited headline job creation figures but will provide affordable electricity to residents and small businesses with hidden benefits such as improving the quality of life of the households, including increasing study time for children as well as reducing the cost of doing business for small businesses. This may have secondary impacts on job creation and income generation, but as noted, these impacts are not measured or tracked by the SUED programme. Similarly, the Green Leaf waste management project in Kisii will create few (measurable) jobs but have a significant impact on the health and well-being of residents, as well as environmental and climate impacts from increased waste recovery and improved proper disposal.

### Institutional capacity building requires patience, but impacts are likely to be more sustainable than short-term TA

- Kenya's devolution process is still finding its feet, with the devolution of powers from counties to municipalities only just beginning when SUED started. This created significant challenges in the initial stages of programme implementation, with municipal governance structures not yet fully established for the programme to support and work with. To an extent, these challenges have been mitigated by adapting to the unique circumstances of each municipality / county to progress investments, e.g. the contrasting cases of Kerugoya / Kirinyaga, where investments were being implemented at the county level, and Kisii, where ownership and the role of the municipality is much clearer.
- There may, however, have been a missed opportunity to focus more on building effective and sustainable municipal governance structures. Issues of capacity transfer, replicability and sustainability were cited by stakeholders in Kerugoya / Kirinyaga. Related to this, it is not clear that the full impact and VfM is being achieved by the UEPs. The status of some UEPs is unclear, i.e. in the four municipalities "dropped" by the programme. In other cases, while the UEP was formally adopted, the responsibility for its implementation is not clear, particularly where municipal governance structures have not been fully established and / or are ineffective. For the most part, projects from the UEPs have been integrated into the CIDPs, but, as the ratio of public to private investment projects demonstrates, municipalities have at present, limited capacity to implement the UEPs and raise investment from other sources – for the most part they remain largely unimplemented beyond the SUED supported investments.
- This is where the components on capacity building and investment environment could have delivered significant impacts. These are exemplified with the example of Kisii municipality, More than 40% of the total SUED investment mobilised to-date has been in Kisii, the majority from

outside the IA as the municipality has been able to use the UEP to raise investment. This has however been from a single project worth £22million. .

- The lesson for future programming is to balance and / or consider the trade-offs between investment advisory type support, which can deliver impacts more quickly, more directly attributable, and with relatively fewer risks, with "deeper" TA and capacity building which has the potential to deliver greater, or at least more sustainable, impacts over the long-term. Equally important, these have to be understood and incorporated into programme design at the outset.

# Annex 4. Case Study: TradeMark Africa

## Overview of TMA job creation pathway

TMA has multiple jobs creation pathways but all of them are linked to trade facilitation. Below is a summary of the job creation pathways as envisaged in FCDO's Regional Economic Development for Investment and Trade (REDIT) business case 2017-2023 and TMA's Kenya country programme strategy (funded by donors including FCDO).

- **Improvement in transport and logistics infrastructure:** TMA invests in enhancing the efficiency and capacity of key transport and logistics infrastructure, particularly at major ports and border points. This includes technical assistance and capital investments in infrastructure such as roads and ICT systems to streamline customs and tax processes. These investments lead to job creation in construction, maintenance, and operation of improved facilities. Additionally, TMA plays a critical role in sustaining jobs in key sectors like logistics and transport by helping retain Kenya's competitiveness as the gateway to Eastern and Central Africa. By reducing transit times and costs, these interventions ensure that Kenya remains a preferred trade route, supporting the livelihoods of transport operators, logistics workers and businesses dependent on reliable trade routes. They also indirectly support jobs in sectors reliant on efficient transport and logistics services, such as cross-border trade, manufacturing, and agriculture.
- **Reduction of Non-Tariff Barriers and Improvement of Trade Standards:** TMA initiatives aim to reduce non-tariff barriers (NTBs) and enhance trade standards and processes. This includes supporting the harmonisation of standards, upgrading testing equipment and strengthening capacities of national standards bureaus. By making trade processes more efficient and reliable, these initiatives help increase the competitiveness of local businesses, supporting existing jobs and creating new ones in sectors like horticulture.
- **Enhancement of the Regulatory and Policy Environment for Trade:** TMA works on improving the trade regulatory and policy environment, supporting governments to meet economic development commitments. This includes advocacy for policy reforms and improving the business climate. Better policies and a more favourable business environment encourage domestic and foreign investments, leading to job creation across multiple sectors.
- **Promotion of Inclusive Trade:** TMA promotes the inclusion of women and small businesses in trade, aiming to create platforms and systems that enhance their capacity and access to trade opportunities. By focusing on inclusivity, TMA helps ensure that economic benefits of trade expansions are more widely distributed, supporting job creation in underrepresented and marginalised groups.
- **Support for Export Capacity:** TMA's initiatives include targeted support to increase the export capacities of East African businesses. This includes interventions to improve production capacities and enhance the quality and marketability of goods. Developing export capacities leads to higher production volumes and can open new markets for businesses, directly affecting job creation by increasing demand for labour.

The FCDO has been a significant donor to TradeMark Africa, with a wide range of investments meant to enhance regional economic development by improving trade infrastructure and policy frameworks in East Africa. Below is a summary of FCDO investments in TMA through REDIT:

## Transport and trade infrastructure development

- **Mombasa Port:** FCDO supported critical infrastructure improvements at Mombasa Port, enhancing logistics and capacity. These investments were aimed at reducing transportation costs and improving trade flow efficiency along the Northern Corridor.
- **One-Stop Border Posts (OSBPs):** The UK also invested in developing OSBPs such as the Moyale OSBP between Kenya and Ethiopia. These posts significantly reduce trade barriers by streamlining customs procedures, cutting delays for cross-border traders.

## Trade facilitation and policy support

- **Automation of trade processes:** such as supporting the Kenya Revenue Authority (KRA)'s Integrated Customs Management System (iCMS) and Regional Electronic Cargo and Drivers Tracking System.
- **Enhancing standards and regulatory frameworks:** FCDO contributed to strengthening the capacity of the Kenya Bureau of Standards through investments in laboratory equipment.
- **COVID-19 Response:** During the pandemic, FCDO's supported TMA's Safe Trade Emergency Facility, which helped ensure trade could continue despite restrictions. This included investments in technology interventions and supply chain support.

The scope of FCDO investments in TMA is wide and a comprehensive job creation assessment was not possible within scope of this evaluation. As a result, a sample of investments was selected to inform the evaluation. This case study focuses on investments made by FCDO in the Mombasa West Infrastructure programme (Mombasa Roads) and automation of customs clearance and cargo tracking systems. Below is a summary on the key projects funded by FCDO that are covered by this thematic evaluation.

- **Integrated Customs Management System**: The iCMS is designed to simplify and harmonise customs procedures by digitising and integrating various customs processes. This system aims to reduce the time and cost associated with clearing goods at customs by automating previously manual or semi-automated processes. The system is widely used by the trading community and supports various functions like customs declarations and tax invoicing and payments.
- **Regional Electronic Cargo Tracking System**: is aimed at enhancing the security and monitoring of cargo movement across borders within the East Africa region. The system uses technology to track cargo in real-time, ensuring compliance with transit regulations and reducing incidents of cargo theft or loss.
- **Mombasa West Programme**: The Mombasa West Programme focuses on improving road infrastructure around the Port of Mombasa to improve evacuation of goods from the port by trucks. This initiative is implemented jointly by TradeMark Africa and the Government of Kenya. The main roads targeted for improvement include Port Reitz/Airport Road, Kipevu Road, Magongo Road and Mbaraki Road. The enhancements have involved dualling, introducing service roads, and making junction improvements to facilitate better traffic flow.

  The main pathways identified through this case study included;
- **Increased export efficiency**: Simplifying customs procedures, reducing waiting times at borders, and improving logistical infrastructures can lower transaction costs and enhance the competitiveness of domestic goods on the international market. As exports increase, production scales up, leading to job creation in manufacturing, packaging and other directly related sectors.

- **Enhanced Import Capabilities:** By reducing the costs and delays associated with importing, businesses can access a wider range of inputs and goods at lower costs. More efficient imports processes lead to expansion of businesses and creation of jobs, not only in direct production but also in ancillary services like distribution, sales and maintenance.
- **Improving Small and Medium Enterprise (SME) Participation in Global Trade** : SMEs often face greater challenges in navigating the complexities of international trade. Streamlining trade procedures disproportionately benefit these enterprises, enabling them to compete globally. By facilitating SMEs' access to international markets, trade facilitation can lead to job creation within these businesses, which are often significant employment drivers.
- **Development of Trade-Related Services:** Efficient trading processes increase the demand for related services, transport and logistics, warehousing and accommodation services along the main trade routes. This leads to growth in the service sector, which creates a wide range of jobs.

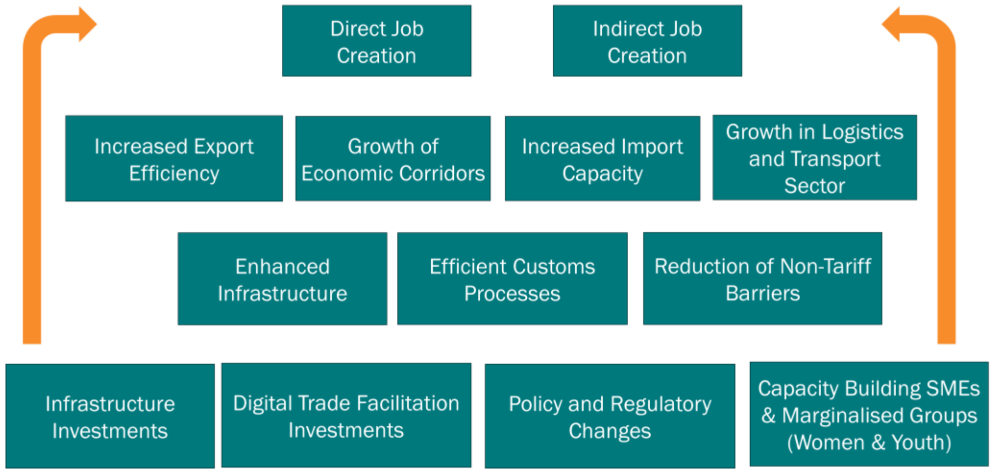


Figure 3: TMA Programme job creation pathway

# 1 Relevance

## 1.1 To what extent was TMA designed to respond to the needs of particular contexts and geographies within Kenya?

The TMA programme (as well as FCDO investments in the programme) is highly relevant for the Kenya economy. The programme was designed to respond to inefficiencies at the Port of Mombasa and the Northern corridor as a whole by improving transport and logistics infrastructure at the port and key border points to facilitate easier and faster movement of goods. This includes reducing barriers at borders and improving port operations to enhance access to regional and international markets. Other objectives of the programme included reducing non-tariff barriers to trade in the region by streamlining the regulatory and policy framework governing trade in Kenya. This objective focuses on simplifying customs procedures, reducing non-tariff barriers and harmonising standards across the region to create a more conducive trade environment. The programme was also expected to facilitate the integration of East African countries into global trade systems by improving their export capabilities and compliance with international trade regulations. This aims to increase the region's share in global markets. At the points of inception of both the Mombasa West Programmes and customs clearance, the port operations were extremely inefficient, clearance and collection of goods from the port taking up to 30 days.

Feedback from all the key respondents interviewed for the thematic jobs creation evaluation show that all the investments made by FCDO were relevant for the trading community, the port operations and the residents of Mombasa County.

> *'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 Star of the Sea. 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.'* Interviewee, County Government of Mombasa

## 1.2 To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?

TMA investments in infrastructure have considered the impact of the investments on the local community and ensure that the communities benefit from the infrastructure and that, where necessary, negative impact has been mitigated. TMA has a structured process of implementing social and environmental safeguards across all its infrastructure investments. For example, the construction of Mbaraki road would have led to significant flooding from water run-off from the road, affecting the residents living alongside it. TMA has therefore invested in expansion of the drainage outfall serving Mbaraki to mitigate against the impact of flooding risk.

TMA also has complementary dedicated initiatives to make trade more inclusive. TMA promotes the inclusion of women and small businesses in trade, aiming to create platforms and systems that enhance their capacity and access to trade opportunities. By focusing on inclusivity, TMA helps ensure that the economic benefits of trade expansions are more widely distributed, supporting job creation in underrepresented and marginalised groups.

At the Port of Mombasa, TMA has been supporting the Kenya Ports Authority (KPA) to implement the institution's gender policy and this has seen significant growth in the representation of women in key departments that were initially male dominated, like engineering. The institution has also witnessed the growth in the representation of women at senior management positions within the company. Feedback from the key respondents interviewed at KPA show that the representation of women senior management (board, general manager and head of departments) has improved from less than 10% to 33% of the senior managers across the organisation.

# 2 Efficiency

## 2.1 How efficient is the job creation pathway in terms of a) length / time to yield jobs; and b) resource intensiveness

Evaluating the efficiency of TMA job creation pathways involves analysing how quickly the different investments yield jobs (length/time efficiency) and the extent of resources required to generate employment (resource intensiveness). A qualitative assessment of the efficiency of TMA pathways to job creation, focusing on time to job creation and resource intensity, shows that efficiency varies significantly across pathways. Infrastructure projects, while resource and time-intensive, generate significant employment opportunities that can be sustainable over the long term. In contrast, trade facilitation and capacity-building initiatives may be quicker and require fewer resources, but the immediate impact on job creation can vary depending on the sector and scope of the intervention. Each pathway contributes uniquely to the overarching goal of enhancing economic growth and employment. Our analysis breaks down the efficiency of these pathways based on these criteria to identify strengths and areas for optimisation.

### 2.1.1 Length/Time to Yield Jobs

#### Infrastructure development

**Time efficiency:** Infrastructure projects typically have a longer lead time before they directly generate jobs because of the extensive design, approval and construction phases required. However, once these projects are operational, they can quickly generate significant numbers of jobs both directly, through construction, and indirectly, through the efficiencies created for other industries once the road is completed. The situation is even more complex for TMA because most TMA funded infrastructure projects are implemented jointly with the Government of Kenya with a requirement for counterparty funding coming from the government. This has the impact of significantly increasing the time taken to complete the infrastructure. For example, the construction of Magongo road which was initially planned to take 24-months took 74-months to complete due to challenges related to the allocation of adequate resources for the compensation of landowners along the road corridor. Whilst the delays in construction did not lead to an increased project cost for TMA, it did lead to an increase for the government, and this could reduce the value for money of the investment both from an impact and cost perspective.

#### Trade facilitation measures (e.g., streamlining customs procedures)

**Time Efficiency:** Initiatives like implementing the Integrated Customs Management System or simplifying cross-border trade regulations can yield jobs rapidly. The impact on jobs can be observed as soon as these systems go live, and they require less time to implement compared to infrastructure projects. The deployment of iCMS created immediate demand for qualified customs agents who could work with the new system. As a result, many of the authorised economic operators can now do customs clearance in-house. The efficiency impact on goods clearance time were also felt in a matter of months and this triggered growth in export business and transport businesses. The graph below shows the significant reduction in container clearance times at the Port of Mombasa shortly after the implementation of the iCMS system by KRA in 2019.

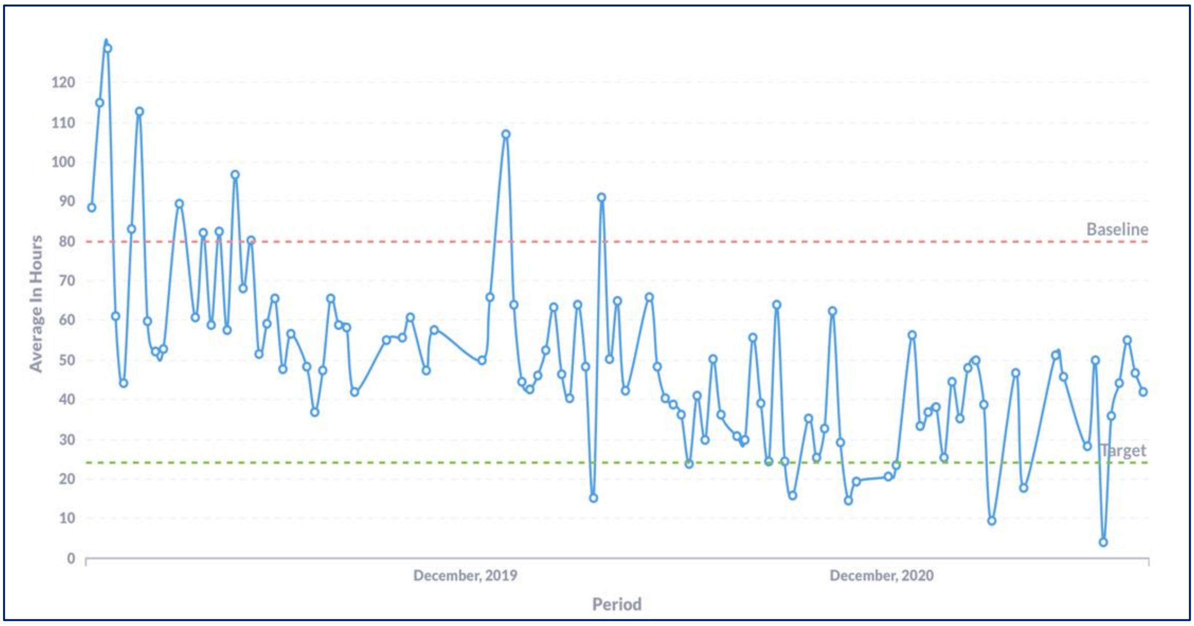


Figure 4: Time taken (average number of hours) to clear goods at Port of Mombasa following the introduction of iCMS in 2019

### 2.1.2 Resource Intensiveness

#### Infrastructure development

**Resource intensiveness:** Infrastructure development is typically the most resource-intensive pathway due to the high costs associated with materials, labour, and technology required for construction. Despite the high initial investment, the long-term benefits including substantial job creation and economic multiplier effects can justify the outlay. The construction of a major highway may require significant financial investments and human resources but facilitates numerous economic activities along its route that sustain many jobs. An assessment done by stakeholders in the transport sector before the implementation of the Mombasa West Programme showed the economy was losing at least $12 billion because of the traffic jams in Mombasa due to lack of adequate infrastructure for evacuating cargo from the Port of Mombasa (from interview with the Kenya Transporters Association).

#### Trade facilitation investments

**Resource intensiveness:** Trade facilitation measures are less resource-intensive compared to infrastructure projects. They mostly require investments in software, training and process re-engineering which, while costly, are generally less so than physical infrastructure projects. Implementing a digital customs system involves software development and training costs but these are significantly lower than building physical customs facilities. The total budget for the Mombasa West programme is $58.75million[28], compared to the combined budget for both iCMS and RECTS of

[28] Project Appraisal Report- Mombasa West Infrastructure Programme

$14.2million[29]. This shows the huge difference in the resource intensiveness between the infrastructure and the trade facilitation investments.

## 2.2 What were the risks identified in the ToC and how were these managed?

The FCDO business case for TMA[30] and country strategy identified key risks that could affect the successful implementation of its programmes. These risks were related to political, economic, operational, financial, social, environmental and technological factors. Below is a summary of the main risks identified and how they were mitigated during implementation, as highlighted in the business case and subsequent reports.

**Political and governance risks:** *Changes in political leadership, government priorities, or instability could delay or derail TMA's projects.* TMA engaged in high-level advocacy and maintained strong relationships with governments and key ministries. The programme was designed to be aligned with regional and national priorities, ensuring that changes in political leadership did not drastically impact project continuation.

**Operational risks:** *Complexities in implementing that requires the support of multiple agencies could lead to delays, inefficiencies, or conflicts between stakeholders*. For example, even when the resources to undertake compensation for landowners along the Magongo road were availed by the government, the project still experienced delays related to the land compensation procedures including engagement with the landowners to settle on an agreeable value for the land. TMA implemented a robust project management and monitoring systems to track progress and address operational challenges as they emerged. TMA also engaged in continuous stakeholder dialogue, particularly with the relevant ministries and implementing agencies to address operational bottlenecks.

**Financial risks:** *Delays or reductions in funding from donors could jeopardise the timely completion of TMA funded investments.* TMA mitigated financial risks by securing co-financing agreements with multiple development partners, thereby spreading financial risks across various sources. TMA also implemented a phased project delivery model, ensuring that critical components of projects could be completed even if full funding was not available at the outset.

**Social and environmental risks:** *Infrastructure projects could have adverse environmental or social impacts, such as displacing communities, environmental degradation, or disruption of local ecosystems.* TMA implemented environmental and social safeguards by conducting environmental and social impact assessments before commencing infrastructure projects. Community engagement processes were established to ensure that local populations benefited from the projects and that any social or environmental risks were mitigated.

**Technological risks:** *The failure of critical digital systems like iCMS or RECTS could disrupt trade facilitation efforts and negate the benefits of streamlined customs procedures.* TMA worked closely with customs authorities and national governments to ensure capacity building and training on the use of new technologies. The implementation of systems like iCMS and RECTS was accompanied by the deployment of technical support teams to ensure smooth transition and minimise the risk of system

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[29] Evaluation of TradeMark Africa ICT For Trade (ICT4T) Portfolio in Strategy 2 (2017-2023)

[30] Business Case for Regional Economic Development for Investment and Trade (REDIT)

failures. TMA also supported the revenue authority to expand the capacity of its data centre to ensure adequate capacity to accommodate the requirements of the new system.

**Stakeholder engagement and buy-in risks:** *Lack of support from key stakeholders, such as the private sector, government agencies, or civil society, could undermine the effectiveness of TMA's interventions.* TMA has invested heavily in multi-stakeholder engagement, ensuring that all relevant actors were involved in the design and implementation phases of projects. TMA supported the development of a Port of Mombasa charter which provide for a multi-stakeholder engagement and accountability platform on key issues affecting the efficiency of the port. This has helped build trust and ensured alignment between TMA's interventions and the needs of its stakeholders.

## 2.3 How could the pathway / programme be delivered more efficiently?

The nature of TMA's work is inherently complex, involving a wide range of actors and stakeholders, with many factors influencing the pace of delivery that are beyond its direct control. This complexity introduces inherent risks that cannot be entirely eliminated. Key risks include political economy risks such as changes in government priorities, which could delay, or derail projects and financial risks tied to securing consistent funding. While TMA employs strategies to mitigate these risks, the diverse and interdependent nature of its projects means that some level of risk will always be present. However, engagements with key stakeholders during this evaluation has provided some useful suggestions on how TMA could improve the efficiency its programme delivery process. Below we highlight some of the suggestions from the respondents;

a. **Phased implementation of infrastructure projects:** Large infrastructure projects often experience delays due to the scope and complexity of construction. Implementing a phased approach, where key sections or stages are completed and operationalised before the entire project is finalised, can help generate immediate benefits such as improved traffic flow and initial job creation. This approach can be mirrored in future infrastructure projects to reduce time to impact. For example, partially opening new lanes or sections of upgraded roads in Mombasa West could have provided early relief from traffic congestion – with its attendant economic benefits - rather than waiting for the full project to be completed.
b. **Improving coordination among stakeholders:** Better coordination between government agencies and stakeholders involved in project execution can reduce delays caused by miscommunication or overlapping responsibilities. Establishing a clear governance framework for multi-agency coordination would reduce inefficiencies. Similarly, improving coordination between government bodies and private sector actors involved in ICT4T initiatives could streamline project execution and ensure smoother implementation across borders.
c. **Consolidation of TMA Projects for greater efficiency:** To enhance project efficiency TMA should consider consolidating its efforts by focusing on a limited number of key projects at any given time. By narrowing the scope and prioritising high-impact initiatives, TMA can ensure that resources—financial, technical, and human—are effectively deployed to guarantee the timely completion of these projects. While it remains a core objective of TMA to leverage contributions from governments and other partners, spreading its own contributions too thinly across multiple projects can dilute the focus and compromise project efficiency. TMA should adopt a strategy that prioritises projects based on their potential for impact and alignment with strategic goals, ensuring that each project receives the necessary attention, oversight, and resources. This approach will mitigate

the risk of delays, cost overruns and inefficiencies, ultimately improving the efficiency and effectiveness of TMA's interventions.

**Recommendations**

- Implement a phased approach to infrastructure projects, to complete or operationalise key sections or stages before the entire project is finalised and thereby help to generate immediate benefits. This would reduce time to impact of the projects.
- Establish a clear governance framework for multi-agency coordination. Similarly, improve coordination between government bodies and private sector actors involved in ICT4D initiatives to streamline project execution and ensure smoother implementation across borders.
- Consider consolidating its efforts by focusing on a limited number of key projects at any given time. By narrowing the scope and prioritising high-impact initiatives, TMA can ensure that resources—financial, technical, and human—are effectively deployed to guarantee the timely completion of these projects.
- Adopt a strategy that prioritises projects based on their potential for impact and alignment with strategic goals, ensuring that each project receives the necessary attention, oversight, and resources. This approach will mitigate the risk of delays, cost overruns and inefficiencies, ultimately improving the efficiency and effectiveness of TMA's interventions.

# 3 Effectiveness

## 3.1 Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions?

Feedback from key stakeholders interviewed for this evaluation as well as secondary data on the transport and logistics sector show that the TMA programme has been effective in creating jobs across a variety of pathways, including increased export efficiency, growth of new economic corridors, enhanced import capabilities and expansion of the transport and logistics sectors. These initiatives have contributed to both direct and indirect job creation.

However, TMA has not undertaken job measurement across its portfolio, and therefore a comprehensive assessment of the number of jobs created through TMA is not possible. TMA programme created a limited number of direct jobs through construction and deployment of ICT4Trade systems. However the projects have been particularly important in strengthening the institutional capacity of the host agencies, including skills development in system deployment and maintenance.  The direct jobs are relatively easy to measure as contractors maintain gender disaggregated data on the number of people employed in each project. However, the scope of this type of jobs is limited and their creation is not the overall objective of TMA and FCDO's support to them.

In this section we therefore focus on the indirect jobs that the TMA programmes have created through the job creation pathways identified in the ToC.

### 3.1.1 Increased Export Efficiency

The TMA programme has significantly improved export efficiency, particularly through its investments in the Port of Mombasa, the roads leading into and out of the port, and the modernisation of customs processes. These efforts have enabled exporters, especially those in time-sensitive industries like tea and fresh produce, to optimise their operations, directly contributing to job creation.

- **Freight Forwarding and Seasonal Employment:** Efficiencies at the port have allowed freight forwarders to scale operations during peak seasons. For example, during the peak tea harvesting season, freight forwarders for tea exporters have been able to operate dual shifts. One company that typically employs 200 workers per shift has doubled its workforce to 400 during this period to accommodate the surge in exports. This increase in export activity directly correlates with temporary job creation and improved labour demand during peak seasons.
- **Export Processing Zone (EPZ) Manufacturers:** Interviews with EPZ manufacturers, such as Revital Healthcare, a medical device manufacturer, highlight how improved export efficiencies have allowed businesses to capitalise on global and regional demand, especially in apparel and healthcare. By optimising production to meet export timelines, these manufacturers have created additional jobs, particularly during periods of high international demand. This job creation is especially evident during the scaling up of production to meet demand for healthcare consumables, which has seen companies hiring additional staff.
- **Fresh Produce Exports:** At the Port of Mombasa, the increased number of cold reefers has allowed for higher volumes of fresh produce exports to be exported through the port. Cold storage capacity has expanded to support the growing export of fresh fruits, vegetables and flowers, which has resulted in a growth of jobs in agriculture, packaging, logistics and shipping. These improvements ensure that fresh produce reaches global markets faster, securing Kenya’s place as a leading exporter and creating employment across the value chain.

### 3.1.2 Growth of new economic corridors in Mombasa County

TMA's infrastructure investments, particularly through the Mombasa West Programme, have contributed to the development of new economic corridors, driving job creation in the western parts of Mombasa County. The construction of new roads and transport facilities has greatly improved access to previously underdeveloped areas, spurring new investments.

- **Increased accessibility:** The improved infrastructure has made the western part of Mombasa more accessible to both businesses and residents. As a result, several new investments have emerged, including shopping malls, commercial buildings, residential houses, container freight stations and bonded warehouses. These investments have created a range of jobs in construction, retail, logistics, real estate and the hospitality sector.
- **New investments:** The infrastructure development has incentivised both local and international businesses to invest in Mombasa West, creating employment in various sectors. Container freight stations and bonded warehouses, in particular, have created jobs in logistics, storage and administration, while new residential and commercial developments have increased the demand for construction workers and retail staff. This growth corridor is gradually transforming Mombasa’s economic landscape, providing sustainable jobs for local residents.

### 3.1.3 Enhanced import capabilities

TMA's interventions have also improved the efficiency of import processes, reducing costs and delays associated with importing goods. The modernisation of customs procedures, particularly through the Integrated Customs Management System, has enabled businesses to access a wider variety of imported goods, spurring growth in SMEs and driving job creation in import-driven sectors.

- **SME growth in import sectors:** By streamlining the import process, TMA has made it easier for small businesses to engage in import-related activities, particularly in sectors like consumer electronics and apparel. According to interviews with the Kenya Revenue Authority staff, the introduction of the iCMS has resulted in significant growth in consolidated cargo imports, a sector dominated by SMEs. These small businesses have generated a substantial number of jobs in retail, distribution and logistics as they import goods for resale. The lower barriers to entry and reduced delays have also encouraged more entrepreneurs to enter the import business.
- **Job creation in retail and distribution:** As SMEs import more goods at lower costs, they are able to expand their retail and distribution networks, creating jobs in sales, warehousing, and transportation. The growing accessibility to a broader range of imported goods has also boosted consumer markets, indirectly contributing to the overall growth of Kenya's retail sector.

### 3.1.4 Growth of transport, logistics and related services

TMA's efforts to improve trade facilitation, particularly at the Port of Mombasa, have significantly increased demand for transport, logistics, and related services, resulting in substantial job creation across the region.

- **Improved asset utilisation and job growth**: Feedback from transport sector stakeholders indicates that the efficiencies at the port and customs have enabled cargo trucks to increase the number of trips they can undertake in a month. Previously, trucks moving cargo from Mombasa to destinations like Kampala or Kigali could complete only 1 or 2 trips per month. Now, with streamlined processes, they are able to complete 4 to 6 trips per month. This increase in trips requires more drivers per vehicle, resulting in a direct increase in employment. For example, a truck that previously employed one driver now requires two drivers to maintain its monthly operations, effectively doubling employment in this segment.
- **Expansion of the transport sector:** The efficiencies at the Port of Mombasa have also encouraged investors to acquire additional transport assets, increasing the number of trucks and trailers on the road. Data shows a 66.5% growth in registered lorries and trucks between 2013 and 2022, while registered trailers have increased by 61.3% over the same period (see figure below). This expansion has resulted in the creation of numerous jobs, including drivers, maintenance personnel and logistics coordinators. Additionally, there has been a 25.2% growth in the number of licensed customs clearing agents, further contributing to employment in the sector[31].

[31] Kenya Revenue Authority

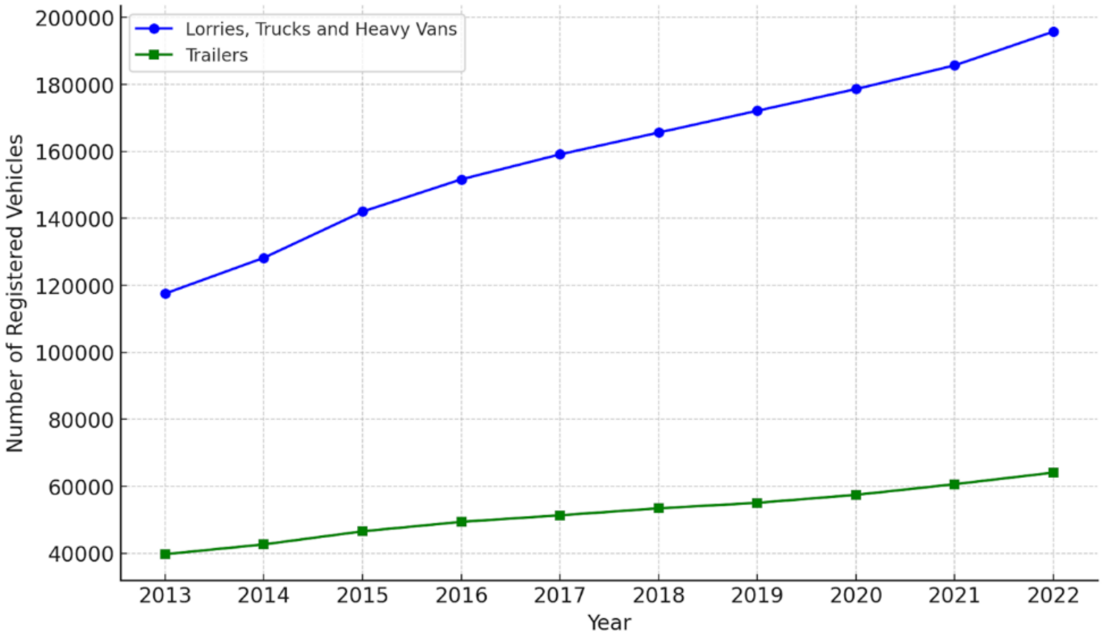


Figure 5: Number of Registered Vehicles in Kenya (Source: KNBS[32])

- **Growth in related services:** The increased demand for transport and logistics services has also spurred growth in related services such as warehousing and accommodation along major transport routes. New warehouses have been constructed to cater to the growing volumes of cargo, and the hospitality sector has benefited from the increased traffic of truck drivers, logistics personnel and customs agents. However, the gains for the hospitality sector have reduced in the recent past as a result some of the cargo at the port being evacuated through the railway to Nairobi, reducing the number of trucks coming to Mombasa.

## 3.2 To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?

The effectiveness of TMA programmes in aligning job creation with target groups—such as women, youth, and marginalised communities—varies across different interventions. Based on available reports, TMA has made efforts to promote inclusivity in its projects, but the extent of success in reaching these groups can be assessed by examining specific pathways and initiatives.

### 3.2.1 Women's participation in job creation

- **Trade facilitation and SME Support:** One of TMA's core objectives is to enhance trade participation by marginalised groups, including women. By improving the ease of cross-border trade through digital platforms like the iCMS, women traders — who often face additional barriers in accessing markets — have been able to engage in trade more efficiently. Interviews with transported sector stakeholders and studies suggest that more women have been able to access opportunities in cross-border trading due to simplified processes. However, barriers

[32] 2023 Statistical Abstract, Kenya National Bureau of Statistics

such as limited access to capital and technology may still prevent a significant proportion of women, particularly in rural areas, from fully benefiting. Continued capacity building and targeted outreach are needed to improve alignment with this target group.

- **Inclusion in logistics and transport services:** The expansion of logistics and transport services has also created opportunities for women in administrative roles, customs clearing, and support services. However, traditional gender roles and sector-specific challenges mean that the bulk of direct job creation in transport and logistics still favours men, especially in manual labour roles such as driving or cargo handling.

### 3.2.2 Youth Employment

- **Infrastructure and logistics expansion:** Youth employment has been better aligned with job creation in sectors like infrastructure development, transportation and logistics. The growth of new economic corridors through the Mombasa West Programme has particularly contributed to youth employment in construction, logistics and warehouse management. Many young people have benefited from job opportunities, especially in entry-level positions that do not require extensive experience. The creation of skilled labour jobs in sectors like IT (through ICT4Trade initiatives such as iCMS and RECTS) has also attracted younger workers. However, there is still room for improvement in providing more specialised training and opportunities for higher-skilled roles.

### 3.2.3 Small-Scale Traders and Informal Sector Workers

- **Support for small businesses and traders:** TMA has worked to reduce non-tariff barriers and improve the ease of doing business for small-scale traders, many of whom operate in the informal economy. These efforts have particularly benefited women and youth, who make up a significant portion of informal cross-border traders. Evidence from the independent evaluation of the TMA ICT4T systems show that simplified customs and clearance processes, combined with improved infrastructure, have enabled more small-scale traders to engage in cross-border trade, benefiting marginalised and underrepresented groups. However, these benefits are often concentrated in regions with better access to border facilities, and further expansion into rural and underserved areas is needed.

# 4 Coherence

## 4.1 To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase?

The evaluation has found evidence of complementarity within the FCDO funded investments as well as those funded by other donors. TMA's infrastructure investments at the Port of Mombasa and roads that serve the Port of Mombasa physically facilitate smoother and faster movement of goods. These improvements are directly complemented by iCMS, which streamlines customs processes through digitisation and integration, significantly reducing the time and complexity of trade procedures. Simultaneously, RECTS enhances the security and monitoring of cargo across borders, ensuring that the goods moved through improved infrastructures are tracked and managed efficiently, minimising losses and delays due to theft or diversion of goods meant for transit. Together, these initiatives create a synergistic effect—infrastructure improvements increase the capacity for handling trade, iCMS ensures the speed and efficiency of processing, and RECTS secures the cargo—collectively optimising the trade corridor operations and fostering a robust environment for regional and international trade. This integrated approach not only boosts trade but also drives broader economic development by creating jobs, reducing costs, and improving the overall business climate in the region.

The evaluation case study also found evidence of coherence in identified job creation pathways as each component of trade facilitation not only supports job creation independently but also creates an environment where the benefits of one enhancement are amplified by the others. For instance, SMEs benefit not just from streamlined procedures and enhanced export efficiencies that ease their participation in global markets and open up new markets, but also from improved import capabilities that lower their production costs. Similarly, the development of trade-related services is fuelled by increased activity in both imports and exports, which in turn benefits from efficient, streamlined processes that reduce delays and costs.

This integrated approach ensures that improvements in one area of trade can lead to benefits in others, thereby creating a multiplier effect on job creation. Each pathway feeds into a larger ecosystem of trade facilitation, where enhanced efficiency and reduced costs drive competitiveness and economic growth, leading to sustained job creation across the economy. Interviews with freight forwarders and EPZ manufacturers indicate that TMA investment in improving the customs clearing process through the Integrated Customs Management System has reduced the time required to export goods. This efficiency allows manufacturers and commodity exporters to increase production volumes and speed to market, leading to more jobs in manufacturing and packaging sectors.

Through the Port Charter, a multi-stakeholder engagement platform for the stakeholders at the Port of Mombasa and the Northern Corridor in general, TMA is able to engage with the institutions in the transport and logistics to identify areas of inefficiencies to inform areas of new investment. As a result, the coherence in the investments implemented by TMA was achieved by design rather than by default. Using the data generated by the Northern Corridor Observatory, the stakeholders were able to identify key bottlenecks for the corridor efficiency and prioritise the key areas for investment and this informed a significant part of the investments made by TMA. Key government agencies in the transport and logistics sector were also involved in monitoring of the implementation of the port charter and this ensured that investments were aligned with government policies and priorities.

## 4.2 To what extent were both labour supply and labour demand issues addressed across the portfolio?

TMA investments are mostly targeted at creating demand for labour through job creation. Although part of TMA investments include training of staff in partner organisations, this is mainly aimed at improving efficiency in operations rather than enhancing the supply of new skills altogether. Efforts to streamline cross-border trade and improve the business environment have impacted labour demand significantly. Reducing barriers and simplifying customs processes have made it easier for businesses to operate, encouraging them to expand and hire more employees. As businesses grow, there has been a corresponding increase in demand for labour. This is evident in increased employment opportunities in export-oriented industries and businesses that benefit from growth of trade as discussed under the effectiveness section.

# 5 Jobs Measurement in Line with Best Practice and the Jobs Measurement Framework

TMA has not measured jobs created. Feedback from the TMA MEL team indicates that an initial job impact assessment model had been developed; however, the team encountered significant challenges in its application due to its complexity. The methodology proved impractical in terms of data collection and availability and was, as such, not implemented. This is being addressed for Strategy Three, with an ongoing process to develop a new jobs measurement framework.

In developing a jobs measurement approach for Strategy Three, TMA could apply the JMF to guide their approach. TMA interventions primarily focus on reducing the time and cost of businesses to trade and growing the value of exports both regionally and internationally. While there may be some minimal direct job creation impacts (e.g., during construction, from operation of systems) the main impacts are indirect enabling impacts defined in the JMF as: "job impacts deriving as a result of improved ability to conduct business." The JMF recommends that these impacts are most appropriately measured through ex ante macroeconomic models, either using (Input-Output) I-O tables / Social Accounting Matrix model (SAM) or Computable General Equilibrium model (CGE). The new jobs measurement approach currently being developed could also be retrospectively applied to the Strategy Two interventions (including those funded by FCDO), assuming the necessary data was collected for the reduction of cost and time of doing trade.

# 6 Learning

TMA has been instrumental in fostering job creation through various trade facilitation, infrastructure development, and ICT4Trade initiatives. From the different projects and interventions, several key lessons can be drawn regarding job creation.

- **Infrastructure development can be major driver of job creation:** Large-scale infrastructure investments, such as the Mombasa West Programme, create direct employment in the construction phase and long-term jobs in logistics, transport, warehousing, and trade facilitation. Infrastructure improvements lead to increased business activities in previously underdeveloped regions, stimulating job creation across multiple sectors. The development of new roads and transport corridors in Mombasa West has opened up new economic zones, leading to investments in commercial buildings, shopping malls, residential areas and container freight stations, all of which have created numerous jobs for local residents.
- **Digital solutions lead to increased efficiency and job creation:** Digitisation of trade processes, such as through iCMS and RECTS, not only reduces trade barriers but also leads to indirect job creation by improving the efficiency of trade operations. This results in higher trade volumes and increased demand for workers in logistics, customs clearance and supply chain management. The faster clearance times for cargo facilitated by iCMS have enabled freight companies to optimise their operations, leading to more frequent shipments and increased labour demand, especially in transport and logistics.
- **Indirect job creation can outpace direct job creation in trade facilitation interventions:** The indirect job creation from TMA interventions often surpasses direct job creation. While infrastructure projects create a significant number of jobs during the implementation phase, the long-term economic ripple effects generate even more employment opportunities.

- **Leveraging partnerships increases job creation impact :** TMA's ability to leverage partnerships with governments, the private sector, and regional organisations has amplified the impact of its job creation initiatives. Collaborative efforts ensure that the resources are optimised, and large-scale projects can be sustained over time, leading to more job opportunities.
- **Sustained economic growth requires long-term investments in trade facilitation :** While short-term job creation is important, the long-term sustainability of job growth requires ongoing investment in trade facilitation and infrastructure. Continuous improvements in logistics, digital platforms and market access are essential to maintaining competitiveness and creating a steady stream of employment opportunities. The long-term impact of TMA's interventions in trade facilitation, especially in key transport corridors, continues to generate jobs long after the initial investments, particularly in transport, warehousing and allied services.

# Annex 5. Context for Job Creation Programming

Globally, the creation of more and better jobs remains a top development priority, as employment drives income generation, productivity, and meets the needs and aspirations of diverse populations. However, in 2023, the macroeconomic environment deteriorated significantly due to geopolitical tensions and rising inflationary pressures. Central banks responded by tightening monetary policies, which slowed the post-pandemic economic recovery[33] . Despite these challenges, global growth slightly exceeded expectations, with labour markets showing resilience. The global unemployment rate rose to 5.1% in 2023, down from the previous year, while the global jobs gap, though reduced, remained substantial at 435 million[34]. The International Labour Organisation (ILO) forecasts a worsening of global unemployment in 2024, with an estimated increase of 2 million job seekers, raising the rate to 5.2%. Decent work deficits persist globally, with many workers experiencing declining wages, high levels of informal employment, and poor working conditions[35]. In sub-Saharan Africa, the unemployment rate was 5.8% in 2023, with youth unemployment at 8.9%, and the rate for women 6.6%[36] reflecting significant challenges for young people in securing decent work.[37].

Kenya, as East Africa's largest and most advanced economy, is driven by an emerging middle class and growing demand for high-value goods and services. However, the formal 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[38].

The informal sector plays a critical role in Kenya's economy, employing approximately 15.96 million people in 2022, representing over 83% 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 just 78,400 in the formal sector. 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[39]. Most of these new jobs are low-quality and in the informal sector, exacerbated by skills mismatches, rapid population growth, and structural economic challenges.

The COVID-19 pandemic severely impacted Kenya's labour market, leading to widespread job losses, particularly in urban and service sectors. The service sector's share of employment fell by 7%, reversing almost all gains made since 2005. In response, agriculture absorbed 1.6 million additional workers, raising its employment share from 47% to 54% , year-on-year[40]. The pandemic also hindered progress towards achieving Sustainable Development Goals (SDGs) related to decent work, underscoring the urgent need for high-quality job creation.

Kenya has implemented various initiatives to address employment challenges, particularly among youth and women. These include public works programmes such as *Kazi kwa Vijana*, the Youth Employment Scheme Abroad (YESA), the Youth Enterprise Development Fund (YEDF), Women Enterprise Fund and the Kenya Youth Employment Opportunities Programme (KYEOP). Key policy

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

[34] World Bank (2021): Kenya Economic Update: From Recovery to Better Jobs

[35] ILO (2021): The Informal Economy in Kenya

[36] The World Economic Forum (2023): Global Gender Gap Report

[37] The Federation of Kenyan Employers (FKE), 2022 "The Informal Economy in Kenya"

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

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

[40] Ministry of Labor and Social Protection (2024): National skills and development policy

frameworks, including Kenya Vision 2030, the Big Four Agenda, and the Bottom-Up Economic Transformation Plan 2022-2027, prioritise job creation. Moreover, the Public Procurement and Asset Disposal Act of 2015 reserves 30% of government tenders for youth, women, and persons with disabilities. The National Skills Development Policy also aims to enhance access to education and vocational training for youth and women[41]. Despite these efforts, high unemployment and underemployment persist, especially among youth, indicating a need for more effective strategies.

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

# Annex 6. Evaluation Terms of Reference

**Thematic evaluation of Kenya's Job Creation programmes: Terms of Reference**

## Introduction

The UK and Kenya enjoy a long and deep relationship which has contributed significantly to Kenya's rapid growth and development in recent years. In 2020, President Kenyatta and Prime Minister Johnson signed a strategic partnership, outlining ambitions against five key areas of mutual interest. The UK Government is building on these successes and, in line with the International Development Strategy, has prioritised engagement across a range of areas.

The UK is a longstanding partner for Kenya, providing quality, sustainable investment and collaboration across a range of strategic interests. Mutual prosperity is a key pillar of this strategic partnership, under which the UK partners with Kenya in promoting economic growth and job creation through different instruments including providing specialist expertise, commercial partnerships and a portfolio of development aid programmes that tackle the barriers to growth and investment in key sectors.

## Background

Kenya is the largest and the most advanced economy in East Africa with a reputation for pioneering innovative business ideas across its sectors. The country has strong growth prospects supported by an emerging, urban middle class and an increasing appetite for high-value goods and services.[42]

However, the formal labour market is currently not creating enough jobs to absorb the majority of those entering the job market. Over the decade from 2020 to 2029 the working age population will increase by an average of 1 million per year, and at present, only a small proportion of new labour market entrants find formal jobs.[43] Jobs are a principal route out of poverty, and high unemployment rates have led to inequality, with the poorest and most marginalised remaining in extreme poverty.

We currently invest a significant amount in economic development programmes, with the goal of creating low carbon jobs for economic growth. Approaches include directly supporting firm level transactions for growth and job creation, as well as supporting high-level systemic changes to the business environment – see details of programmes under table 1. However, we lack robust evidence on which methods of job creation are most effective and best value for money, and currently there is no simple way to compare the value of jobs across programmes. Measurement of jobs is often fragmented and inconsistent and many of the main types of job impacts, including aspects of job quality and retention, are not captured, and are overlooked in terms of measurement and reporting. A jobs framework was developed for the FCDO in 2019, but has not been implemented or taken up by programmes. Many rigorous studies and syntheses on jobs are focussed on SMEs and job

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[42] Detailed and current analysis of Kenya's economy can be found in the World Bank Economic Updates: https://www.bing.com/search?q=kenya+economic+updates&cvid=776ba12e9bc9415e9dc14d51d590c62d&aqs=edge..69i57j46j0l5j46j0j69i11004.3266j0j9&FORM=ANAB01&PC=LCTS

[43] World Bank, Kenya Economic Update, June 2023, Edition No. 23 https://documents1.worldbank.org/curated/en/782411624966067020/pdf/Kenya-Economic-Update-Rising-Above-the-Waves.pdf

creation, providing micro-credits to entrepreneurs, and training / TVET. There is limited evidence on comparing job creation mechanisms and value.

*Table 1: Economic development programmes to be studied in this review*

| Programme | Summary |
|---|---|
| **Kenya Catalytic Jobs Fund** (300557)<br>2018-2024<br>£5 million<br>Documents and more info here | The goal of this programme is to test and support the scale up of innovations that have the potential to stimulate job creation, particularly for those that are most vulnerable. The programme takes the form of a challenge fund, with calls for proposals to select and support the best innovations, through a mix of grants and tailored technical assistance. |
| **Sustainable Urban Economic Development Programme (SUED)** (204338)<br>2016-2024<br>£70 million<br>Documents and more info here | SUED aims to support the national Government of Kenya and selected counties to be better prepared for well managed urbanisation. The programme provides expertise to design climate-resilient urban economic plans for 12 of Kenya's secondary cities; develops a pipeline of investible anchor projects from these plans through market testing, feasibility studies, and investor engagement; and provides small amounts of concessional finance to de-risk projects and mobilise private investment into climate-resilient infrastructure and value chains that create jobs and improve resilience. At national level, SUED provides expertise to support the design, structuring and financing of the ambitious Nairobi Railway City project - a flagship presidential priority that will transform Nairobi's central business district and urban transport system. |
| **Manufacturing Africa (MA) Kenya**<br>2021-2027<br>£100 million<br>Documents and more info here | Supports developing countries to industrialise, produce higher value-added goods, thereby transforming their economies, creating high quality job opportunities for the poor. The key elements of the MA approach are:<br>• **Transaction Facilitation:** promoting awareness of manufacturing investment opportunities and supporting investors to take them to conclusion, for example, by introducing them to local suppliers and helping them navigate government regulations; or matching with global manufacturing suppliers and retailers.<br>• **Investment Climate and Market Improvement:** flexible support to remove barriers to attracting and retaining new or expanded manufacturing FDI and increase the development impact of that FDI, for example, through encouraging investors' use of domestically produced inputs or the hiring of workers with disabilities.<br>• **Policy advice and support:** supporting the rest of FCDO, wider HMG and International Financial Institutions (International Finance Cooperation, Multilateral Development Banks) to strengthen their approach to supporting industrialisation and FDI policy and programming. |
| **TradeMark East Africa/REDIT** (300137)<br>2017-2023<br>£84 million<br>Documents and more info here | Invests in improving the efficiency and capacity of transport, logistics and trade infrastructure along the Northern trade corridor; systems to improve trading standards, reduce non-tariff barriers, and enhance transparency in trade processes; improving the regulatory and policy environment for trade; supporting private sector advocacy for trade competitiveness; and |

| | |
|---|---|
| | mainstreaming climate resilience by supporting Kenya to implement its Green Port Policy. |
| **Msingi East Africa** (204658) 2015-2020 £10.2m [Documents and more info here] | Msingi East Africa Limited (Msingi) is a regional industry development organisation set up by Gatsby Africa (Gatsby) and DFID in 2016. Msingi's mission was "to generate a step-change in competitiveness and innovation, driving significant structural transformation and growth that benefits low income sections of society". The programme primarily sought to contribute to poverty alleviation through supporting the creation of 186,000 additional jobs (over 2,500 directly created) equal to almost $43 million (£26 million) in additional income in East Africa by 2030. |

This evaluation will assess a portfolio of development aid programmes which focus on jobs creation in Kenya. The intervention areas are diverse, applying different approaches and collaborations in tackling the barriers to growth in Kenya. Key sectors of focus in the current portfolio include urbanisation, finance, manufacturing, trade, investment and business innovation, with a cross-cutting theme on resilience and climate change to shape clean, green growth. The evaluation will directly inform activities under current programmes, shape the design of future programmes, and provide evidence for FCDO and the wider sector. It links to both country and global HMG strategy, aligning to the Sustainable Development Goals (goal 8), the UK Strategy on International Development, the Africa Strategy and the Kenya Country Business Plan.

### Objective

The purpose of this evaluation is to improve understanding of the relative costs and benefits of different programmatic approaches to job creation, to inform future interventions and support implemented by BHC Nairobi and the wider FCDO.

The overarching question for this evaluation is: w*hat has been the relative effectiveness and value for money of different modalities of direct and indirect job creation in FCDO programmes in Kenya?*

The evaluation will assess the BHC programming in job creation in terms of the following DAC criteria: *relevance*, *efficiency and effectiveness*. It will not be possible to assess *impact* due to the range of interventions under review and the lack of rigorous impact evidence, and *coherence* and *sustainability* are not deemed as relevant for this review. The following sub-questions might be considered under these criteria: these are indicative only, and should be refined during the inception phase / following the evaluability assessment:

- **Relevance**: To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya? To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?
- **Efficiency:** What were the relative costs compared to jobs created of each of the approaches? Which approach appeared to deliver the best value for money, and why?

- **Effectiveness:** How many direct and indirect jobs were created by programmes, and to what extent were they 'quality' jobs[44]? What evidence is there that income improved for employees? Is there any evidence of wider effects, on families or communities? Are the jobs sustained and are they additional or displacing other jobs?

Findings should consider the effects of the interventions on gender equality, poverty and inclusion, particularly considering the *equity* angle of value for money. We expect recommendations to be structured around the kind of approaches BHC Nairobi (and the wider FCDO) should be using to maximise the quality, quantity and inclusiveness of jobs created per pound invested.

### Scope

The BHC Nairobi team has selected five programmes to be the focus of this study, as presented in Table 1. Detailed documents, including business cases and annual reviews (which include discussion on the theory of change), are available through the devtracker links. All of the interventions have outcomes related to jobs creation.

The selected service provider will review key programme documents, for example business cases, theories of change, delivery plans, results frameworks, progress reports, annual reviews, past evaluation reports, learning documents, financial reports and forecasts among others, with the view to understanding and summarising the unique approaches applied to generating jobs, the quantity and quality of those jobs and the cost of delivering the programmes overall and on a 'per job' basis. The supplier will apply the FCDO Jobs Measurement Framework definitions and approaches, as far as is feasible.

External documents and information about programmes (FCDO and other donors) may be referred to as background, but are not within the scope of the evaluation.

### The Requirements

The supplier is required to conduct a *thematic evaluation* using a theory-based approach with a strong value for money component. A thematic evaluation can be defined as "an evaluation focusing on a specific theme recurring in diplomatic and policy work, and programming across countries, regions, and sectors."[45] Such evaluations synthesise a wide range of information, taking in diverse interventions in a selected area, and provide an overview of strengths and weaknesses across the activities evaluated to support learning. A mixed method approach will be required, using evidence synthesis techniques to analyse existing data such as official statistics, programme monitoring and evaluation, cost data, internal and external documentation, and primary data gathered from key informants and stakeholders.

We envisage the following steps and requirements for design, implementation and sharing of the evaluation, though welcome ideas through supplier proposals.

1.1 <u>Inception phase</u>

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[44] Job quality can include improved earnings and wealth, health and well-being, job skills, rights, respect and cooperation, and job security and stability. See https://navigatingimpact.thegiin.org/quality-jobs/

[45] FCDO Guidance Note on Thematic and Portfolio Evaluation, internal, June 2022.

During the inception phase, the supplier is required to develop a draft theory of change (TOC) for jobs creation to provide a basis for the evaluation, building on the programme TOCs. This will be based on an initial review of key documents and discussions with the core evaluation group. It should outline different types of the modalities used in job creation, and the expected intermediate and long-term results, and start to articulate assumptions.

The TOC will inform a draft enquiry framework, which will develop the evaluation questions and DAC criteria into clear sub-questions/ indicators to enable the assessment. This will give the supplier a clearer picture of the scope of the evaluation and the levels of data required for feasibility. A plan on use and influence of the evaluation should also be developed during the inception.

Finally, the supplier will use the inception phase to design and conduct an evaluability assessment. This will include assessing the evaluability of the question to determine if the evaluation question is feasible to evaluate robustly, if there is sufficient data that can be reasonably obtained, and if the evaluation is likely to be useful and provide usable recommendations. The supplier will provide a short report on the findings of the evaluability assessment, including recommendations on what changes are required to the design to ensure rigour and usefulness.

The supplier will provide an inception report, including the theory of change and the proposed detailed methodology, including details of the final enquiry framework, tools, respondents and provisional document list, with the evaluability assessment annexed. We expect the document to assess strengthens and limitations of the evaluation and propose changes to approach or methodology required for the evaluation to go ahead and ensure rigour and usefulness.

There will be a break point in the contract following the inception period. This will give both the supplier and FCDO the opportunity to reflect on the findings / recommendations of the evaluability assessment, before making an agreement on whether to go forward.

1.2 Implementation of the evaluation

We envisage that the evaluation will include a review of the following documents:

- External documents on the evidence around job creation
- The FCDO Jobs Measurement Framework and related documents
- Programme documents, monitoring data, case studies, and value for money analysis for the programmes outlined in Table 1 above.

Qualitative interviews should be held with the following stakeholders, at a minimum:

- BHC Nairobi staff
- Implementing partners
- Key Private sector companies involved in programmes

FCDO will facilitate contact for interviews, once an initial list has been agreed with the supplier. We would expect a ‘snowballing’ approach to be used, that is, interviews and documents leading to additional data, document and contacts.

1.3 Analysis and reporting

The supplier will develop an approach to analysis which aligns with the evaluation questions and enquiry framework. We would expect analysis to include a revisit of the Theory of Change in light of the evidence.

Emerging findings should be tested with the reference group, to validate the findings and feed into actionable, relevant recommendations for BHC Nairobi and wider FCDO. This should be conducted remotely, to minimise costs and maximise participation from colleagues based in different locations.

A final report will be drafted based on the findings from the evaluation. It should include:

- Executive summary (less than 5 pages)
- Purpose
- Background and context
- Findings
- Conclusions
- Recommendations for a) BHC Nairobi, b) other posts / FCDO more broadly

The core evaluation group and reference group will be given the opportunity to provide two rounds of feedback on the report.

In addition, following completion of the report, the supplier is required to produce a 2-page summary ("evaluation digest") of the finalised evaluation report. This evaluation digest will focus on the key messages, for a general or policy audience.

1.4 Dissemination

On completion of the report, the supplier will be required to present at 2-4 remote seminars of about 1 hour each. This will be to share and discuss findings and recommendations. Dissemination seminars will be targeted at:

- BHC Nairobi staff working in private sector development
- The Private Sector Development cadre
- Key GoK stakeholders together with private sector development partners working group, and potentially a wider group of DFIs/investment partners.

### Constraints and risks

The implementation of the evaluation is dependent on the findings of the evaluability assessment. The breakpoint in the contract means that all parties have to agree to continue with the evaluation after the inception period.

In addition, most of the programmes did not have robust independent evaluations attached to them. There is a risk that good quality data is not consistent across the programmes, making analysis (particularly on cost and value of jobs) challenging. We will apply a flexible approach to this, and work closely with the supplier to find a workable solution.

The supplier will be required to elaborate on risks and mitigation strategies as part of the inception phase.

### Timelines, deliverables and budget

The timing outlined in the table below is provisional, and subject to discussion and agreements during the inception phase. However, we are keen to complete this work at the beginning of FY24-25 to ensure findings are able to feed into adaptations of current programmes and design of new ones.

| Task | Deliverable? | Estimated deadline |
|---|---|---|
| Inception report (draft TOC, enquiry framework, evaluability design) | Yes | February 2024 |
| Evaluability assessment | Yes | February 2024 |
| *Break point* | | |
| Data collection | No | April 2024 |
| Analysis | No | May 2024 |
| Verification workshop | No | May 2024 |
| Report first draft | Yes | May 2024 |
| Report second draft & 2 page summary | Yes | June 2024 |
| Finalised report & 2 page summary | Yes | June 2024 |
| Dissemination workshop | Yes | July 2024 |

In line with the FCDO Evaluation Policy, all written deliverables (evaluability report, methodology document and final report) must be quality assured by EQUALS 2. The final report will be published alongside an FCDO management response.

**The maximum budget for this evaluation is £120,000.**

### Use and Influence

BHC Nairobi's country plan includes a goal on mutual prosperity, and trade and investment is one of the top three priorities outlined in the mission statement. This evaluation will inform current and future economic development programmes. 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 2024: this evaluation will directly inform the terms of reference for the new implementing partner and shape the delivery. The Manufacturing Africa programme in Kenya has four years left: as a flexible and responsive programme it will incorporate findings and recommendations in future programme adaptations. BHC Nairobi is also undergoing scoping and Business Case design in the mutual prosperity space, which will build on the evidence from this evaluation.

At the central level, this work will contribute to the evidence base for the Job Policy Lead role, including consideration of how to roll-out the Jobs Measurement Framework (which was initiated in 2021 and then paused). The evaluation will engage the Head of Profession for Private Sector Development, to ensure relevance to the wider cadre as well as dissemination and use across FCDO posts.

Outside of the mission, we will share findings with the Donor Committee on Enterprise Development, as well as the Government of Kenya's Ministry for Trade, Investment and Industry, and with British International Investment.

Deliverables have been timed to maximise the use of findings.

### FCDO Coordination

This work will be led by Private Sector Development Adviser, Tertia Bailey, with technical support from Sophie Tanner, MEL Adviser Kenya. They will oversee the management of the evaluation, provide access to documents and interviewees, and ensure it is designed to meet the information need. EQUALS will be used for quality assurance of TORs and other products.

We also plan to set up a reference group. This will be comprised of, at a minimum: Dan Wilcox, Head of Prosperity and Climate Change Team in BHC, Tom Sanderson, Head of Profession for Private Sector Development, Juliet Eames, Jobs Policy Lead. The reference group will input into the TOR and evaluation questions, refer the evaluation team to key documents and contacts, engage in verification work and review final reports. They will also support dissemination and uptake of the study.

### Other requirements

The evaluation is required to comply with the Ethical Guidance for Research, Evaluation and Monitoring Activities. A formal external ethics approval is not required, however suppliers are expected to demonstrate how data collection and analysis will consider ethical principles and standards, including managing data integrity and responsible data practices including privacy, confidentiality and consent. The supplier is expected to uphold the principle of "do no harm" throughout all activities.

The bulk of the work will be done through secondary data. Primary data collection will be conducted remotely with key informants, and will not include vulnerable people. The safeguarding risks are therefore rated as low, but the supplier is expected to provide assurance that safeguarding policies are in place and principles upheld.

FCDO will have unlimited access to the material produced by the supplier in accordance with our policy on open access to data as expressed in our general conditions of contract. The supplier must comply with GDPR requirements.

### Instructions

Bids should be a maximum of 10 pages and contain the following information:

| Bid section & weight | Max. no of pages | Criteria |
|---|---|---|
| Proposed team (CVs in annex)<br><br>40% | 3 (plus CVs in annex) | Expertise and experience in:<br>• evaluation methodology, including thematic evaluations and VfM evaluations<br>• private sector development<br>• knowledge of jobs definitions and measurements<br>• qualitative and quantitative data analysis<br>• lower middle income countries, including Kenya |
| Methodology and approach, including levels of effort and timeframes | 5 pages | • Clear, concise and proportionate approach<br>• Outline of approach to evaluability assessment<br>• Proposed methodology aligned to the evaluation purpose and questions |

| | | |
|---|---|---|
| 40% | | • Robust approach to value for money, including managing limitations in the data<br>• Strong approach to internal quality assurance processes<br>• Ability to develop clear, concise reports and recommendations in plain English |
| Risks<br><br>20% | 2 pages | Clear risk matrix, which outlines potential risks and mitigations to evaluability, data collection, analysis and use of findings. |

Evaluation team members should be free from any conflict of interest arising from their having been involved in the design or implementation of what being evaluated.

Annex (attached): Jobs Measurement Framework

# Annex 7. Evaluation Methodology

## 6.1 Evaluability assessment

A detailed Evaluability Assessment[46] was conducted at portfolio level and at individual programme level as part of the TOR requirements at the inception phase, to inform the evaluation methodology and resulted in the changes to the ToR outlined in Section **Error! Reference source not found.** of the evaluation report. The assessment was based 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 team. The assessment criteria included programme design, programme monitoring and evaluation, feasibility and methodology comparability across programmes. The assessment involved review of available documentation, interviews / discussions with each of the (then) five programmes and discussions with FCDO to understand in more detail their aims and how the evaluation findings would be used.

The overall conclusion was that it was feasible to address the overarching research question, and that an evaluation would provide useful insights and value add, with the following caveats:

## 6.2 Approach

The evaluation framework is structured by the over-arching value for money evaluation question then the OECD-DAC criteria of relevance, efficiency, effectiveness and coherence before a final learning question.  It sets out questions deemed answerable following the evaluability assessment, related judgement criteria and the anticipated data sources and can be found at Annex 7.

The evaluation methodology used a set of inter-related data collection and analysis methods in order to generate the evidence needed for the range of evaluation questions and judgement criteria. The approach, including value for money analysis, was mostly qualitative. It generated primary data and made good use of secondary data sources.

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.

[46] The conclusions are presented in the inception report methodology design and the full evaluability report is at Annex 1 of the inception report

The ToC acted as the basis for assessing the extent to which the programmes had been successful in achieving their objectives related to job creation.

On **effectiveness**, the portfolio ToC consolidated the specific job creation objectives of each programme into a unified framework. This allowed for a comprehensive assessment of the extent to which each programme's activities and outputs had been effective in contributing to overall job creation goals. By examining the causal pathways in the ToC, evaluators assessed whether the expected short-term and intermediate outcomes were being achieved and how these contribute to the long-term goal of job creation. The integrated approach provided a basis for comparing the effectiveness of different pathways and their contributions to job creation, by examining them across different programmes to highlight best practices and successful pathways that could be replicated or scaled within the portfolio.

On **relevance**, the portfolio ToC was used to map programme objectives against the identified needs of target populations and market demands. This helped assess whether the programmes and portfolio had focused on areas that aligned with the most pressing job creation challenges and opportunities.

On **coherence**, the portfolio ToC helped assess how the different pathways complemented each other, creating a cohesive strategy for job creation. It helped to highlight interdependencies and potential synergies, such as how infrastructure improvements under one programme can support business growth in another while maximizing on the job creation potential. The integrated framework also helped reveal gaps in the portfolio where additional interventions may be needed, as well as areas where programmes may overlap unnecessarily. This analysis can guide strategic adjustments to optimise the overall coherence and effectiveness of the portfolio in future. The evaluation tried to establish if the programmes worked with and collaborated with other FCDO and non-FCDO projects where they were implemented and how that contributed to the jobs creation outcomes but did not interview stakeholders for these other projects.

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 (FTE) 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 for the assessment is included alongside the findings in Section **Error! Reference source not found.** of the report as it is integral to understanding the analysis which is presented.

The evaluation had a **strong focus on learning and evidence** and **forward-looking recommendations** to ensure utility to the principal audience.

## 6.3 Evaluation Methodology

## 6.4 Data collection[47]

### 6.4.1 Document review

A mapping exercise at inception phase identified which programme documents were of greatest relevance and value to each evaluation question (our document sampling criteria), enabling us to focus the desk review during the evaluation phase. Documentary data was captured and organised against the evaluation questions. The documents reviewed included 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 9.

### 6.4.2 Stakeholder mapping and selection process

Programme stakeholders were mapped during both inception and in implementation through document review, discussion with FCDO and programme managers and 'snow-balling'. Interviewees were purposively sampled from this list applying the considerations set out below and through further discussion, aiming for at least three organisations per programme and targeting beneficiaries receiving seed/grant and or other facilitation in order to generate good quality learning. (As per the ToR, it was not envisaged that interviews would include vulnerable people.)

Selection was based on: Depth of knowledge about and engagement with the different programmes and multiple pathways to jobs creation; Specific knowledge about the Kenya jobs programme (responsibilities within the programme); Geographical distribution and setting (e.g., region / size of town); Sector; Gender of informant, where possible to ensure a mixture of men and women; Status of investment with a preference for completed projects

### 6.4.3 Key informant interviews

Interviews were held with a total of 52 key informants (33 male and 19 female) from 11 private sector organisations involved in programmes, 7 public sector partners/ecosystem actors and key staff of the four programmes including management, operations, technical and MEL. Interviews used guides shown in Annex 11 which are aligned with the EQ questions in the Evaluation Framework shared in the inception report. They include relevance, Efficiency, effectiveness, jobs measurement and lessons learnt at programme level; and interventions received, value add/ additionality, impact on the businesses and wider supply chain, on jobs creation and livelihoods for the supported businesses.

In practice, to a large extent the evaluation team relied on implementing partners for proposing and making introductions to suitable companies for interviews. 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 9 along with a clear explanation of how interviews were arrived at. The limitations arising are noted in Section 2.5.

[47] We did not use any digital tools for the evaluation

### 6.4.4 Focus Group Discussions

Six focus group discussions (FGDs)[48] were conducted using the guide in Annex 11, with a total of 28 individuals (13 males, 15 female) who were directly employed by the supported companies and farmers 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.

### 6.4.5 Case Studies

The evaluation reviewed the programme level strategies, business plans and Theory of Change (ToC), and developed the portfolio-level ToC (discussed in section 3.1) providing a holistic view of the five possible pathways (discussed in section 3.1) also demonstrating the thematic approaches to economic growth and job creation. This enabled an assessment of the effectiveness of each of the thematic approaches towards jobs creation. The ToC was validated by the BHC team in inception

Through its documents review, the evaluation established that the programmes lacked comparable quantitative data along the five pathways to jobs creation and proposed to take a deep dive into the programmes through case studies approach to better demonstrate how efficient and effective each of the pathways was in creating jobs. The inception report envisaged undertaking a case study per pathway but for practical reasons it was subsequently decided to undertake a case study per programme. This still enabled a deep dive into all the topics identified in the inception report case study approach, and particularly addressed the questions related to efficiency and effectiveness.

The four case studies (provided as Annex 1-4) focused on the five job creation pathways providing in-depth insights and a granularity of evidence that has not been captured by existing programme data – including, and especially, evidence of indirect job creation, which forms the majority of reported jobs, but is rarely measured and / or validated with ex-post evidence. This further provided unique and valuable evidence to inform both future programme design, FCDO resource allocation and refine jobs measurement methodologies. Moreover, the deep dives provided the basis for a wider corpus of evidence that could be built upon by FCDO, and others, over time through replicating similar approaches, potentially integrated into future MEL programming or via external evaluations.

### 6.4.6 Analysis

**Data analysis / synthesis tools** Data collected from different sources - document review, key informant interviews and focus group discussions – were consolidated into an analytical framework structured by EQs and sub-EQs. This supported evidence synthesised and triangulation within different sources to generate findings applying judgement criteria and picking key insights from case studies per evaluation question.

**Analysis Methods:** 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. Methods included established techniques from qualitative analysis including hypothesis building and testing, contextual analysis, identifying and interpreting themes, developing explanations, testing emerging themes and

[48] For purposes of representation we are reporting 4 FGDs to represent 4 groups interviewed (3 groups of employees and the 3KIIs that were in leu of an FGD with farmer suppliers.

triangulating findings across the evidence sources and against the judgement criteria to answer the EQs.

**Testing and validation:** Data analysis was brought together in an internal team workshop for validation and cross-analysis. This helped build in a layer of assurance and ensure rigour. [*yet to take place: Validation of analysis and findings also took place in the presentation of emerging findings to FCDO (private sector team) and through the refinements to the draft evaluation report following review by FCDO principal parties and EQUALS. Implementing partners have also been given the opportunity to comment on their programme case study.]*

**Validate ToCs / impact pathways** (incl. workshop with FCDO). The process of validating ToCs/impact pathways examined and tested the key assumptions and hypotheses in the programme ToC to address whether programme design was appropriate, and whether there was an indication that the five key impact pathways and their assumptions hold true. In turn, the monitoring data and stakeholder interviews provided information on how the theoretical design has manifested in concrete results related to job creation outcomes.

### 6.4.7 Strength of evidence:

The findings and conclusions in the FCDO jobs evaluation are derived from a combination of qualitative data, secondary data from M&E 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 generalized 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. Despite some limitations, the evaluation presents a diverse and representative assessment of job creation outcomes across the portfolio.

**Type and source of data:** The evaluation primarily utilized qualitative data, collected through key informant interviews (KIIs) with implementing partners, government representatives, and private sector stakeholders. This qualitative data was supplemented by secondary data gathered from the programmes' monitoring and evaluation (M&E) systems, as well as case studies generated by the programmes. While some programmes provided comprehensive secondary data through their M&E systems, the quality of this data varied significantly across the portfolio. In certain cases, data was completely lacking, limiting the extent to which quantitative assessments could be made. The evaluation did not have access to resources for collecting new quantitative data (e.g., job numbers or income), and as such, the assessment relied heavily on programme-reported data for evaluating job creation outcomes. The evaluation also leveraged official statistics to assess the efficiency of trade systems, sectoral growth, and job creation. These external sources provided additional context, especially in the evaluation of infrastructure and trade facilitation programmes.

**Quality and reliability of data:** There were shortcomings in the quality and reliability of data available across the portfolio including incomplete job figures, untracked indirect jobs, and insufficient data on job quality. These gaps made it impossible to draw generalized conclusions from the data. For example, some programmes provided detailed information on direct job creation, but indirect jobs were often unreported or based on projections rather than actual figures. The variability in definitions and data collection methods across the programmes further complicated the analysis. For example, in some programmes, indirect jobs were based on measurable outreach figures from companies, while in others, they were estimated through sector modelling. This inconsistency in data quality made it difficult to conduct rigorous comparative analysis, particularly when addressing the primary evaluation question on the value for money of the different job creation pathways within the FCDO portfolio. The qualitative data collected through KIIs was gathered using a consistent methodology and forms the primary basis for addressing the evaluation questions. This qualitative data was supplemented by secondary data from the programmes where appropriate, providing a more comprehensive view of the interventions.

**Attribution and causality:** The evaluation relied on qualitative evidence to assess the plausibility of the pathways identified in the FCDO portfolio and the extent to which FCDO interventions contributed to job creation. Due to shortcomings in the quantitative data and the variability in the rigour of attribution approaches used by the programmes, the evaluation did not rely on quantitative data for attribution or causality assessments. The scope and resources available for this evaluation did not allow for a counterfactual analysis, as no counterfactual was readily available. Given the diversity of programmes and job creation pathways in the portfolio, establishing a counterfactual for each programme or pathway would have been beyond the evaluation's capacity. Instead, the evaluation focused on assessing the additionality of FCDO contributions and testing the strength of the causal linkages in each pathway. The robustness of MEL systems varied across the programmes, which in turn affected the quality of the job creation figures reported. Some programmes had strong, well-structured M&E systems that provided reliable data on direct job creation, while others struggled to produce consistent or verifiable figures, particularly for indirect job creation.

**Representativeness of findings:** The evaluation team ensured that the sample selected for the assessment was diverse and adequately represented the entire FCDO jobs portfolio. The sample included a variety of stakeholders, ranging SMEs in rural and urban settings and larger businesses. This diversity allowed for a qualitative assessment that addressed all the evaluation questions and produced meaningful conclusions about the overall effectiveness, efficiency, relevance, and coherence of the interventions. The evaluation findings are representative of both urban and rural job creation efforts. For example, urban programmes like SUED addressed job creation in growing municipalities, while rural-focused initiatives like KCJF supported agricultural and informal sectors. The evidence collected was broad enough to provide insights into different geographical contexts and ensure that the findings reflect the impact of FCDO's interventions across both urban and rural areas.

## 6.5 Use and influence plan

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 soon after submission of the draft report provided FCDO with a first opportunity to engage with evaluation findings, both to validate them and to explore their implications.

Once the evaluation report is finalised there will be two webinars to share thematic and programme-related findings and discuss implications and recommendations. The webinars will be led and facilitated by the evaluation team. Subject to discussion with BHC Nairobi, but as set out in the inception report:

## 6.6 Limitations

The **limitations** identified in the evaluability assessment at the inception phase (noted in section 3.2 of the main report) 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.

**Complexity in attributing outcomes:**

**Establishing baselines:**

**Variation and weaknesses in jobs measurement methodology:**

**Sustainability of jobs created by the portfolio:**

**Difficulty securing interviews:**

**Difficulty arranging focus group discussions:**

**strength of evidence**

## 6.7 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. 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.

## 6.8 Ethics and safeguarding

### Data collection protocols

Ethical data management is a fundamental duty in monitoring and evaluating development interventions. Our approach was to be 'open as possible, closed as necessary'. General Data Protection Regulation (GDPR) is integrated into all use of data.

Data collection was guided by current best practice in the sector and FCDO's Evaluation Policy[49]. All efforts were made to ensure any primary data collected was disaggregated by gender and other intersecting characteristics, as relevant. Key components of our data collection protocols included:

- **Data minimisation:**
- **Informed and voluntary consent:**
- **Privacy and confidentiality:**

### Data processing, quality and ownership

- **Data quality:**
- **Secure data storage:**
- **Data processing and ownership; report sharing:**

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[49] https://www.gov.uk/government/publications/fcdo-evaluation-policy

[50] https://www.microsoft.com/en-gb/security/business/security-101/what-is-two-factor-authentication-2fa

- **Cyber security:**

### Ethics approach and protection from harm

Evaluation activities adhered to the ethical provisions in the FCDO’s Ethical Guidance for Research, Evaluation and Monitoring activities Ethical Guidance for Research, Evaluation and Monitoring Activities Our core principles for ethical research are that:

We ensured that ethics issues were considered across the lifecycle of the assignment, including processes for reporting ethical concerns, and adjusting research to minimise risks to participants.

# Annex 8. Evaluation Framework

| | | | | Evidence source | | | | |
|---|---|---|---|---|---|---|---|---|
| **Criteria** | **TOR** | **Proposed Revision** | **Judgement Criteria** | **Doc reviews** | **ToC review / validation** | **KIIs with programmes** | **KIIs /FGDs with programme Beneficiaries** | **Deep-dive case studies** |
| **Overarching Question** | | | | | | | | |
| **Value for money** | What has been the relative effectiveness and value for money of different modalities of direct and indirect job creation in FCDO programmes in Kenya? | None | Focus on qualitative judgements with focus on future programming and portfolio balance – comparing the relative effectiveness of modalities / programmes within the context of their ToC pathway.<br><br>Ex-post evidence found to support / validate programmes' job creation reporting.<br><br>Quantity, quality and timing of job creation. Pathways that require longer and / or more investment would be expected to produce greater quantity and / or quality jobs. | X | X | X | X | X |
| **OECD-DAC Criteria** | | | | | | | | |
| **Relevance** | To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya?<br><br>To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups? | To what extent were programmes designed to respond to the needs of particular contexts and geographies, and beneficiary employees, particularly women, girls and those from marginalised groups, addressed by programme? | Evidence that context (economy, infrastructure, population distribution, skill shortages, characteristics of target population etc) was taken into account in programme design.<br><br>Needs of different target beneficiaries / employees and evidence that programmes addressed these needs. | X | X | X | X | |

| | | | | Evidence source | | | | |
|---|---|---|---|---|---|---|---|---|
| **Criteria** | **TOR** | **Proposed Revision** | **Judgement Criteria** | **Doc reviews** | **ToC review / validation** | **KIIs with programmes** | **KIIs /FGDs with programme Beneficiaries** | **Deep-dive case studies** |
| **Efficiency** | What were the relative costs compared to jobs created of each of the approaches?<br>Which approach appeared to deliver the best value for money, and why? | What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness.<br><br>What are the risks (ToC assumptions) and how manageable are these (e.g. external political economy issues related to appetite for reforms etc.)?<br>Can efficiency gains – "short-cuts" – be identified within each pathway? | Resources are allocated in a manner that maximises job creation outcomes with minimal wastage.<br><br>The approach/pathway to job creation demonstrates a high return on investment in terms of jobs created relative to total expenditure.<br><br>Significant co-financing or contributions are secured, enhancing the programme's resource base.<br><br>The programme effectively leverages external partnerships to supplement its resources and expand impact. | | X | X | X | |
| **Effectiveness** | How many direct and indirect jobs were created by programmes, and to what extent were they 'quality' jobs? | Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions?<br><br>To what extent were they quality jobs – including income, formality etc.?<br>To what extent were the beneficiaries of the jobs aligned with the target groups | MEL systems which accurately and consistently capture jobs created MEL systems which accurately capture job quality MEL systems which demonstrably / robustly relates job created to intervention pathways.<br><br>Clearly defined target beneficiaries; evidence and MEL systems which capture the associated attributes of job entrants.<br><br>Evidence for change pathways in ToC leading to job creation. | X | x | | X | X |

| | | | | Evidence source | | | | |
|---|---|---|---|---|---|---|---|---|
| **Criteria** | **TOR** | **Proposed Revision** | **Judgement Criteria** | **Doc reviews** | **ToC review / validation** | **KIIs with programmes** | **KIIs /FGDs with programme Beneficiaries** | **Deep-dive case studies** |
| | | (women, youth, marginalised communities etc.)? | Evidence from the deep-dive case-studies that validates / supports the results reported by the programmes. | | | | | |
| **Coherence** | N/A | To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase?<br><br>To what extent were both labour supply and labour demand issues addressed across the portfolio? | Evidence that programme's objectives and activities are well-coordinated with other job creation efforts within the portfolio, avoiding duplication.<br>Evidence that programme's goals and activities are closely aligned with relevant government policies and strategies.<br><br>Evidence that the programme supports and advances national or county job creation objectives effectively.<br><br>Evidence of collaborations with other stakeholders to enhance coherence and avoid conflicting efforts. | | X | X | X | X |
| **Learning** | N/A | What best practices and lessons learned can be identified to improve the design, implementation, and impact of future job creation initiatives? | | | | X | X | X |

# Annex 9. Documents reviewed

| Programme | | Document Name | Document Type |
|---|---|---|---|
| KCJF | 1 | Summary business case | Business Case |
| | 2 | Addendum to business case | Business Case |
| | 3 | Accountable Grant Agreement | Accountable grant |
| | 4 | Broadening of jobs definition | Job measurement |
| | 5 | Breaking barriers for Women's entry into the Construction Industry through re-skilling, re-tooling and job placement | Case Study |
| | 6 | Logframe | Logframe |
| | 7 | Aggregating the cost of creating new jobs through innovative enterprise development and value chain disruption in Kenya. | Job measurement |
| | 8 | Annual Review Report | Annual Review |
| | 9 | Increasing market access for smallholder farmers through vertical integration with out-grower systems and farmer field schools | Case Study |
| | 10 | Hello Tractor: Expanding access to tractors for smallholder mechanized farming in Kenya through innovative technology | Case Study |
| | 11 | Jijenge/Data Bloom Quarterly Progress Reporting Form | Quarterly Report |
| | 12 | Conversation on camels in the context of KCJF. | Case Study |
| | 13 | KCJF TOC | TOC |
| | 14 | Annual Review Report – October 2023 | Annual report |
| | 15 | Miyonga Quarterly Report - Feb 21 | Quarterly Report |
| | 16 | Savanna Circuit Technologies | Case Study |
| | 17 | Somo Africa | Case Study |
| | 18 | Takataka Solutions | Case Study |
| | 19 | Ten Senses Africa | Case Study |
| | | ZUMI | Case Study |
| | 20 | Value Village | Case Study |
| | 21 | Kenya Catalytic Youth Fund | Business Case |
| | 22 | KCJF Projects Selection Criteria | Business Case |
| | 23 | Sinapis-Counterfactual Study Findings Report | Feasibility Studies |
| SUED | 24 | Business Case | Business Case |
| | 25 | Value for Money Matrix | VFM Matrix |
| | 26 | Updated Logframe | Logframe |
| | 27 | Annual Review | Annual Review |
| | 28 | FCDO Jobs Measurement Framework | Job measurement framework |
| | 29 | Jobs measurement Framework Guidance note I: Concepts and Definitions | Job measurement framework |
| | 30 | Jobs measurement Framework Guidance note II: Methodological Approaches | Accountable grant |
| | 31 | Methodological Guidance for 5 Private Sector Development Indicators | Job measurement |
| | 32 | SUED Quarterly Report (1-4) | Quarterly Report |
| | 33 | SUED TOC | TOC |
| | 34 | The SUED investment portfolio<br>CoG County investment Bankable Handbook Projects | Job measurement Report |

| | | | |
|---|---|---|---|
| MA-Kenya | 35 | Manufacturing Africa TOC | TOC |
| | 36 | Annual Review | Annual Review |
| | 37 | LogFrame | Logframe |
| | 38 | Business Case | Business Case |
| | 39 | Lessons learnt Jobs measurement | Job measurement |
| | 40 | DI and M&E handbook | Job measurement framework |
| | 41 | TF Deals database | Job measurement |
| | 42 | MA Deals Closed_Kenya | FDI |
| | 43 | MA Inception report | Inception report |
| | 44 | Annual reports_Y1_Y4 | Annual Report |
| | 45 | GESI Handbook | Guidelines |
| | 46 | MA Closed deals | Jobs measurement |
| | 47 | Waste Management Co. Achievements | Deals documents |
| | 48 | MA Website: Case studies of Impact Videos for Kenya– Regal Pharmaceuticals, Kentegra and Mr. Green | Partner case studies |
| | 49 | Transforming manufacturing in Kenya: unlocking potential and Barriers | Agro-processing Sector reports |
| | 50 | Pasta manufacturing in Kenya | Sector overview |
| | 51 | Attracting investment in Plastics | Recycling sector report |
| | 52 | Opportunity and investment potential for EV in Kenya | EV sector report |
| | 53 | Pharmaceutical manufacturing in Kenya | Pharma sector reports |
| | 54 | MA Website: Lessons Learnt jobs measurement | Jobs measurement |
| TMA-REDIT | 47 | TradeMark Africa – Strategy 2 (Regional) | Annual Review |
| | 48 | Support to TradeMark East Africa – Strategy 2 (STS2 | Business Case |
| | 49 | The TMEA Kenya Country Programme (KCP) | Business Case |
| | 50 | REDIT Business Case | Business Case |
| | 51 | KCP Logframe_2022_23 | Logframe |
| | 52 | Monitoring, Evaluation and Learning Strategy Overview_2020 | Job measurement |
| | 53 | Annual Progress Report_2021_22 | Annual report |
| | 54 | Output briefs | Annual Review |
| | 55 | TMEA Annual Review_2022_23 | Annual Review |
| | 56 | EDI Global Final Evaluation Report April 24 | Annual Review |
| | 57 | Monitoring and evaluation report_2023 | Annual Review |
| | 58 | Endline survey report for Mombasa west roads improvement programme_2023 | Endline survey |
| | 59 | Jobs targets per regional programme | Job measurement |
| | 60 | Jobs definition and measurement | Job measurement |
| | 61 | TMEA strategy 2 - Kenya results framework. | Logframe |
| | 62 | TOC | TOC |
| | 63 | Establishment of Export Supply Hubs for Avocados, Mangoes, and Vegetables | Report |
| | | Enhancing Kenya's Export Sector through Export Supply Hubs (ESH) | Abstract |
| | 64 | KENTRADE Maritime Single Window & Bi Platform | Case Study |
| | 65 | Integrated Export and Customs Certification System | Evaluation Report |
| | 66 | Integrated Customs Management Systems (iCMS) | Evaluation Report |
| | 67 | Regional Electronic Cargo Tracking System (RECTS) | Evaluation Report |
| | 68 | ICT4T Evaluation | Case Study |

# Annex 10. Stakeholders interviewed

## Tables of interviewees per programme with considerations and supplementary information

### KCJF

| Partner companies | | | |
|---|---|---|---|
| Considerations when selecting | Overall, the sample was selected to provide a well-rounded view of KCJF's contributions, ensuring diversity in sectors, geographical locations, job quality, and alignment with target groups and designed to ensure it was representative. Consideration was made to diversity across multiple sectors (agriculture, manufacturing, construction and waste management), to capture the breadth of KCJF's interventions; geography (both rural and urban); stage of growth (from start-ups to scaling enterprises—allowing for an analysis of KCJF's impact at various points in the business lifecycle); a key focus was placed on businesses that aligned with KCJF's objectives of inclusivity. | | |
| **Organisation** | **Location** | **Sector** | **Why selected** |
| Hello Tractor | Nairobi | Agriculture | Rural areas focus |
| FarmWorks | Nairobi/Ruiru | Agriculture | Agriculture focus |
| Value Villages | Turkana | Food processing | Marginalised areas |
| TakaTaka Solutions | Nairobi | Waste Management | Urban Focus |
| Zumi | Nairobi | Retail | Focus on women |
| Buildher | Nairobi | Construction | Unique Sector |

### MA

| Partner companies | | | |
|---|---|---|---|
| Considerations when selecting | Our intention was to have a mix of the supported companies from the various sectors: Agri-processing, recycling, EV, including those who have high jobs creation numbers of vs low jobs creation numbers. We targeted to talk to companies who could best demonstrate the MA jobs creation pathways. Through MA staff, we reached out to 5 companies but were only able to speak to two. The rest showed interest but due to other competing priorities, were not able to give us an interview. | | |
| **Organisation** | **Location** | **Sector** | **Why selected** |
| Kentegra | Naivasha/Nairobi | Agri-processing | Responsive partner out of the 5+ contacted |
| Sunculture | Nairobi and other agricultural towns | Agri-Technology | Responsive partner out of the 5+ contacted |

## SUED

| Partner companies | | | |
|---|---|---|---|
| Considerations when selecting | Responsiveness; level/stage of project implementation/multisectoral (infrastructure/Energy/Agriculture); expected impact on the target population and wider impact. | | |
| **Organisation** | **Location** | **Sector** | **Why selected** |
| Avo Fresh | Thika/Kisii | Agriculture | Recommended by the implementing partner as a key value chain project under implementation and expected wider impact on the target population. |
| Hydrobox Kenya Ltd | Muranga | Energy | Recommended by the implementing partner as a key infrastructure project under implementation and expected wider impact on the target population. |
| Kerugoya Municipality | Kirinyaga | Energy-Infrastructure/ Agriculture | Implementing the Hydrobox, and tomato processing plants. |
| Kisii Municipality | Kisii | WASH/Agriculture | Implementing the Avo Fresh and Kisii waste management projects. |

## TMA

| Stakeholders | | | |
|---|---|---|---|
| Considerations when selecting | Experience using the systems and roads supported by TMA to be able to explain the impact on trade facilitation and job creation; a diverse range of companies across key sectors such as export processing zones, transport and logistics. Representation of companies that could demonstrate measurable job creation, both direct and indirect, particularly in sectors like transport and trade. Additionally, the sample focused on inclusivity by selecting companies that have created opportunities for women and youth. | | |
| **Organisation** | **Location** | **Sector** | **Why selected** |
| Ufanisi Freighters Kenya (Ltd) | Mombasa/Nairobi | Transport& Logistics | Experience using ICMS and RECTs |
| Kenya Transporters Association | Nairobi | Transport& Logistics | Experience with Mombasa Roads and RECTs |
| Shippers Council | Nairobi | Transport& Logistics | Experience with ICMS, RECTs |
| Kenya Maritime Association | Mombasa | Transport& Logistics | Key implementing partner for TMA projects (Incl. KMA Charter) |
| Kenya Revenue Authority | Mombasa | Transport& Logistics | Key implementing partner for TMA-supported projects (Incl. RECTS, iCMS) |
| Kenya Ports Authority | Mombasa | Transport& Logistics | Key implementing partner for TMA- supported projects (Incl. Green port logistics; Port infrastructure) |
| County Government of Mombasa | Mombasa | All | Public sector partner collaborating with TMA for implementation of key identified projects. |

## Table a: Evaluation Interviewees

| | Name | Role | Organisation | Date |
|---|---|---|---|---|
| 1 | Sylvie Bracquiné | Managing Director of Operations - KCJF | Sinapis | 30/07/2024 |
| 2 | Charles Waria | MEL Lead | International Aid Transparency Initiatives- | 01/08/2024 |
| 3 | Mathew Maiyo | Programme Manager - TMA | Trademark East Africa | 02/08/2024 |
| 4 | David Kimani | Results and Impact Lead - TMA | Trademark East Africa | 02/08/2024 |
| 6 | Dr Christoph Zipfel | Team lead - MA | McKinsey | 01/08/2024 |
| 7 | Gillian Pais | Partner | McKinsey | 30/10/2024 |
| 8~~7~~ | Joel Moktar | Adviser - MA | Wellspring Development | 02/08/2024 |
| 9~~8~~ | Kevin Maina | MEL Lead - MA | Binder Dijker Otte (BDO) | 01/08/2024 |
| 10~~9~~ | Faheemus Chowdhury | Kenya Programme Lead - MA | Binder Dijker Otte (BDO) | 12/08/2024 |
| 11~~0~~ | John Kashangaki | Team Lead -SUED | Tetra Tech International | 30/07/2024 |
| 12~~1~~ | Eric Kiugu | Investments Lead | Tetra Tech International | 30/07/2024 |
| 13~~2~~ | Nelson Iain | Programme Iain | Tetra Tech International | 30/07/2024 |
| 14~~3~~ | Joseph Kung'u | Stakeholder Engagement Lead | Tetra Tech International | 30/07/2024 |
| 15~~4~~ | NandegeSsennyonga Louisa | Communications, Knowledge Management and Learning Manager | Tetra Tech International | 30/07/2024 |
| 16~~5~~ | Lillian Nderitu | MEL Lead - SUED | Tetra Tech International | 30/07/2024 |
| 17~~6~~ | David Gitonga | General Manager | Avo fresh Ltd | 11/09/2024 |
| 18~~7~~ | John Magiro | Technical Director | Hydrobox Kenya Limited | 20/08/2022 |
| 19~~8~~ | Jehiel Oliver | CEO | Hello Tractor | 05/09/2024 |
| 20~~19~~ | Yi Li | CEO & Co founder | FarmWorks Kenya | 23/08/2024 |
| ~~20~~21 | James Ambani | CEO | Value Villages | 03/09/2024 |
| 22~~1~~ | Bruce Mackenzie | CEO | Kentegra | 11/09/2024 |
| 23~~2~~ | David Payne | Director and Co-founder | Kentegra | 11/09/2024 |
| 24~~3~~ | Linda Capwell | Head of Marketing | Kentegra | 11/09/2024 |
| 25~~4~~ | Carolyne Mabwa | Employee-Quality Assurance Manager | Kentegra | 11/09/2024 |
| 26~~5~~ | Dick Daraja | Employee-Factory Manager | Kentegra | 11/09/2024 |
| 27~~6~~ | Michael Wataka | Employee-Technical Director | Kentegra | 11/09/2024 |
| 28~~7~~ | John Mathenge | Farmer-supplier | Kentegra | 11/09/2024 |
| 29~~8~~ | Margaret Wairimu | Farmer-supplier | Kentegra | 11/09/2024 |
| 30~~29~~ | Wilson Mwakurombo | Farmer-supplier | Kentegra | 11/09/2024 |
| 31~~0~~ | Micah Thuo | Field Director | Kentegra | 11/09/2024 |
| 32~~1~~ | Hack Stiernblad | Chief Growth Officer | SunCulture | 18/10/2024 |

| | Name | Role | Organisation | Date |
|---|---|---|---|---|
| 33~~2~~ | Jackline Kimaru | Fleet and Operations Manager | SunCulture | 23/10/2024 |
| 34~~3~~ | Shadrack Kenyagah | Head of Operations | Sunculture | 23/10/2024 |
| 35~~4~~ | Otara Kennedy Omare | Team Leader- Clearing & Forwarding Division | Ufanisi Freighters Kenya (Ltd) | 10/09/2024 |
| 36~~5~~ | Eunice Kagwiria Pascal | Deputy TL-Clearing & Forwarding Division | Ufanisi Freighters Kenya (Ltd) | 10/09/2024 |
| 37~~6~~ | Mercy Ireri | CEO-Kenya Transporters Association | Kenya Transporters Association | 09/09/2024 |
| 38~~7~~ | Ogayo Ogambi | CEO-Shippers Council | Shippers Council | 06/09/2024 |
| 39~~8~~ | Caroline Nduati | Programme Officer-Sustainable Infrastructure | Shippers Council | 06/09/2024 |
| 40~~39~~ | Boniface Mwangi | Integrated Customs Management System (ICMS )Lead | KRA | 02/09/2024 |
| 41~~0~~ | Martin Gichure | Integrated Customs Management System (ICMS )Lead | KRA | 02/09/2024 |
| 42~~1~~ | Ella Kiyangu | Ass. Director-KMA Licensing | KMA port Charter | 10/09/2024 |
| 43~~2~~ | Daniel Githinji | Health, safety and ennvironment - Lead | KPA | 10/09/2024 |
| 44~~3~~ | Eng. Kennedy Nyaga | Special Projects -Lead | KPA | 12/09/2024 |
| 45~~4~~ | Maryanne Ndungu | QA & Risk Management Lead | KPA | 13/09/2024 |
| 46~~5~~ | Eng. Kevin Nyabuto | Project Manager, Magongo Road | KenHa | 12/09/2024 |
| 47~~6~~ | Eng.Albert Keno | Former Co- State Department for Public Works | County Government of Mombasa | 09/09/2024 |
| 48~~7~~ | Eng. James Okero | State Department of Public Works | County Government of Mombasa | 09/09/2024 |
| 49~~8~~ | Dr. John Gachara | CEC-Agriculture and Livestock | Kirinyaga-Muranga | 20/08/2024 |
| 50~~49~~ | Sylvester Njau | Economist | Kirinyaga-Muranga | 20/08/2024 |
| 51~~0~~ | Mercy - | Agricultural Economist | Kirinyaga-Muranga | 20/08/2024 |
| 52~~1~~ | Grace Nyarango | CEC-Lands, Physical Planning, Housing and Urban Development | Kisii Municipality | 22/08/2024 |
| 53~~2~~ | Jamil Shamji | Kisii Municipality -Chair | Kisii Municipality | 22/08/2024 |
| 54~~3~~ | FGD: 8 female; 6 male | Employees | Avo fresh Ltd | 22/08/2024 |
| 55~~4~~ | FGD: 1 female 1 male | Farmers | Avo fresh Ltd | 22/08/2024 |
| 56~~5~~ | FGD: 4 female, 1 male | Employees | Hydrobox Kenya Ltd | 20/08/2024 |
| 57~~6~~ | FGD 1 female, 3 male | Employees | Kentegra | 11/09/2024 |
| 58~~7~~ | 3 KIIs with 1 female, 2 male in Lieu of FGD | Employees | Kentegra | 11/09/2024 |
| 59~~8~~ | FGD 1 female, 1 male | Employees | SunCulture | 23/10/2024 |

### Table b: Planned and actual interviews and focus groups

### NB Several KIIs had more than one participant, so the total number of people interviewed was larger

| Stakeholder category | Approx planned number of interviews (inception report) | Actual number of interviews completed |
|---|---|---|
| BHC Nairobi staff | 2 | 4[51] major ones and several others during inception and implementation |
| Kenya Jobs implementing partners | 5 | 5 (Incl. Msingi) |
| Private sector companies involved in programmes | 15<br>(3 for each of the 5 programmes) | 12~~1~~<br>(4 programmes. Msingi and its partners were excluded) |
| Public sector Partners/ecosystem actors | 5 | 7 |
| Beneficiaries from private sector companies | 15 FGDs<br>(3 for each of the 5 programme) | 3 FGDs; 3 KIIs in lieu of FGD |
| Total (four programmes) | 27 KIIs; 15 FGDs | 32~~1~~ KIIs; 3 FGDs |

### Table c: Number of FGDs, KIIs and Case Studies conducted by Programme (all stakeholder groups)

| Programme | Focus group discussions (FGD) | Key Informant Interviews with (supported private / public institutions) | Case Studies |
|---|---|---|---|
| KCJF | 0 | 4 (Private companies) | 1 |
| MA | 1 (SunCulture)<br>2 (Kentegra - including the 3 KIIs in lieu of FGD) | 2 (Private companies) | 1 |
| SUED | 2 (Avofresh)<br>1 (Hydrobox) | 2 (Counties/municipalities)<br>2 (Private companies) | 1 |
| TMA | 0 | 5 (Public institutions)<br>3 (Private sector associations) | 1 |
| **TOTAL** | **6** | **18 (11 private, 7 public institutions)** | **4** |

[51] The 4 major sessions with FCDO include; the 1st inception meeting, ToC validation workshop, EQUALS review discussion, Evaluation validation workshop.

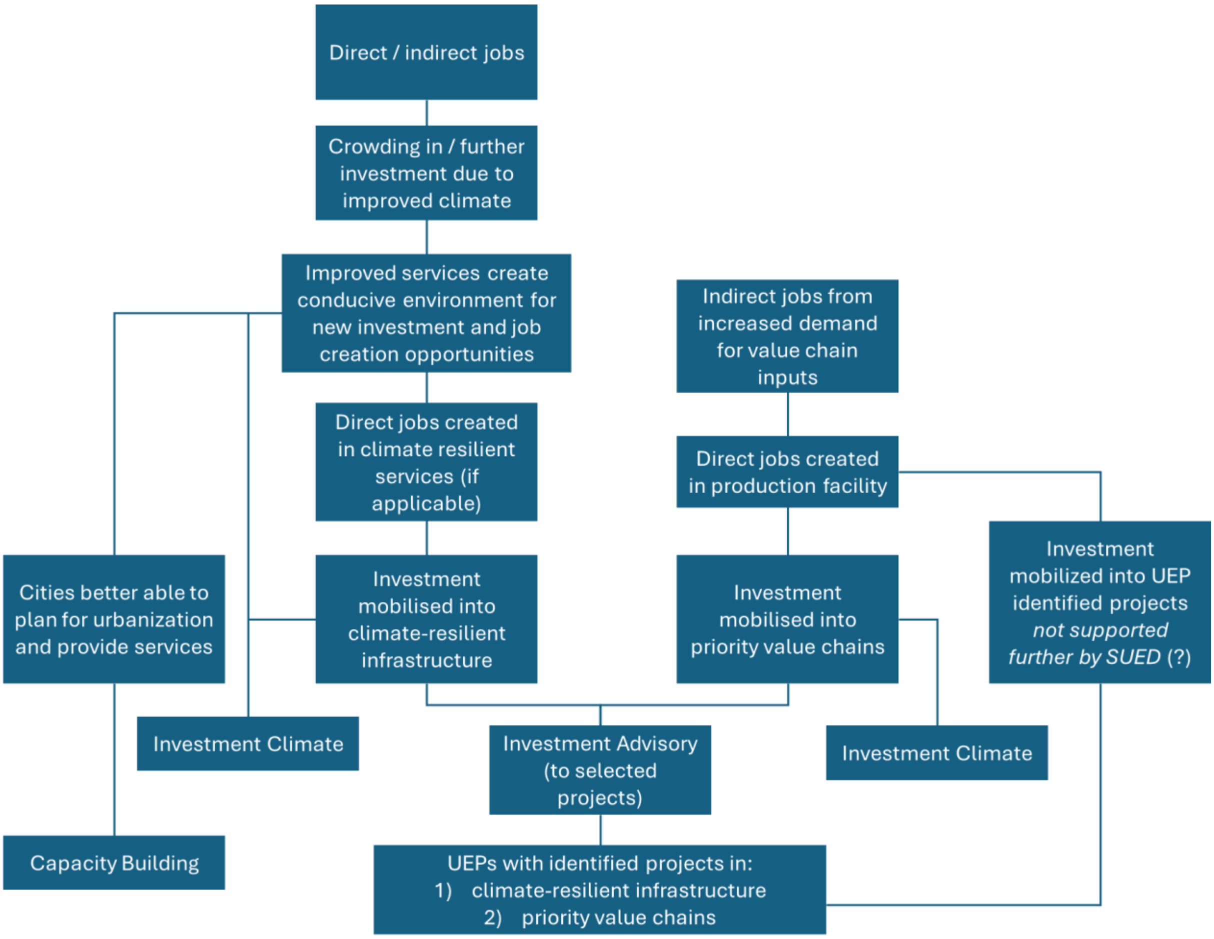
# Annex 11. Data collection tools

# Sample: SUED case study research framework

## Intervention pathway

The SUED programme primarily focuses on the investment attraction pathway to job creation, whereby TA is provided to beneficiaries, in this case county / municipal governments, to identify, prepare and market projects to potential investors in order to mobilize investment into critical bankable: 1) climate-resilient infrastructure; and 2) value chain projects. Seed funding in the form of grants is provided to crowd-in private sector investment. The programme has also provided support to capacity building in the municipalities in urban planning and maintaining investments, as well as supporting policy and legislative changes necessary to unlock private sector growth.

The job creation pathway for SUED is as follows:




Validate pathway with implementing partner:

- (Display pathway on the screen) – does this accurately capture the job creation pathway for SUED?
- Was investment attraction the primary pathway / approach to job creation / focus of the programme? / To what extent did the programme focus on other pathways such as investment climate reform and capacity building / business environment reform for municipalities as well?
- Also clarify, was supported provided to county or municipal governments / or both?

## Relevance & Coherence

These evaluation criteria will be addressed through review of programme documentation and KIIs with the implementing partners and 3 municipal government beneficiaries.

### Evaluation Framework questions

- To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya?
- To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?
- To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase?
- To what extent were both labour supply and labour demand issues addressed across the portfolio?

### KII questions

Questions for implementing partner:

- How does SUED align with the objectives and strategies of the government of Kenya? To what extent were these considered in programme design?
- How / to what extent was complementarity with other FCDO and / or other donor programmes considered in programme design – i.e. to leverage or strengthen ongoing initiatives? Has SUED coordinated / collaborated with other programmes / in what way?
- How were municipalities selected / what was the process / criteria in selection? What role did geography / spatial equity play in selection?
- How / to what extent was support tailored to municipalities by their geographic / development / socio / political economy context? – municipalities presumably have different contexts in terms of their development, budget, technical capacities etc. as well as culture, demography etc. – i.e. Mandera and Bungoma – provide specific examples
- How / to what extent were GESI considerations incorporated into programme design? – were particular marginalised groups targeted by the support / how? Did the programme track disaggregated data on beneficiaries / jobs created?

Questions for beneficiary (municipal / county government):

- How did your municipality take part in the selection process? What criteria were applied in selection? What are your perceptions of the selection process / do you consider the selection process to have been appropriate for the political economy context of Kenya / were municipalities adequately supported to participate?
- What do you consider to be the key particular socio-economic development contexts of your municipality? How do these compare with Kenya / other counties? How / was the support provided by SUED tailored to these specific contexts – can you provide specific examples?
- How / to what extent did the support consider women and girls and marginalised groups – can you provide specific examples?

## Efficiency & Effectiveness

These evaluation criteria will be addressed through review of programme documentation, KIIs with the implementing partners, municipal government beneficiaries, as well as investors, their employees, and suppliers.

### Evaluation Framework questions

- What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness.?

- What are the risks (ToC assumptions) and how manageable are these (e.g. external political economy issues related to appetite for reforms etc.)?
- Can efficiency gains – "short-cuts" – be identified within each pathway?
- Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions?
- To what extent were they quality jobs – including income, formality etc.?
- To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?

### KII questions

Questions for implementing partner:

On the support provided / investments facilitated:

- UEPs were developed for 12 municipalities – what was the total cost / cost per UEP? How / did this evolve over the course of the programme?
- Have UEPs been formally adopted by municipalities / what is the process for this / any challenges? To what extent have the interventions, actions and projects been implemented? Do municipalities have adequate capacity to implement the UEPs – if not, how / is SUED addressing this?
- How long does the UEP process last from city selection to plan finalization and adoption?
- How were projects selected from the UEPs for follow-on investment advisory / attraction support? On average, how many projects have been selected from each UEP / municipality?
- Please describe the investment advisory support provided / what was the process / how was this tailored for each project etc.? What was the total budget for the investment advisory / average cost of investment advisory (from preparation to marketing / transaction etc.) for each investment?
- How has seed funding been used to leverage private sector investment / what is the process for determining the use of seed funding? What is the average % ratio of seed funding per investment?
- Around £60m has been mobilized to date across 4 public and 9 private investments – mean of £4m per investment, but skewed by some large investments – investments are usually between £1-2m – is this the scale of investment that was anticipated at the programme design?
- How long is the investment advisory process from project identification and each step, i.e. from project identification to preparation to investment mobilized to completion (i.e. with the asset operational)?
- Are there any instances of projects being implemented from the UEPs *without* the investment advisory support of SUED – could this be the case in the future as a result of the demonstration effect / capacity building of SUED?
- To what extent do you consider the SUED programme to have been an efficient and effective pathway to job creation? – with hindsight, what could have been done to improve efficiency / effectiveness with regard to job creation / or what improvements were made during programme implementation?

On jobs created:

- SUED has created 8,393 direct and indirect jobs have now been created, with another 33,561 in the pipeline to be created through deals already signed – what is the final forecast total expected to be created by the programme?
- What was the approach applied to estimate jobs? – were you aware of / did you apply the FCDO Jobs Measurement Framework guide when designing your measurement methodology? Direct jobs are self-reported by businesses / as part of the business case? What about indirect jobs? Are these figures validated / verified by SUED?
- Jobs are disaggregated by gender and disability – are any other characteristics captured, i.e. marginalised groups targeted in programme design (if applicable)? – are jobs created in this disaggregated groups in-line with programme targets?

- Are additional indicators on job quality captured, e.g. income, formality, benefits, working conditions etc.?
- How / are jobs estimated for non-value chain investments, i.e. in municipal services / public investments? / how is impact measured for these investments?
- If projects from UEPs have been implemented without further investment advisory support from SUED, have these potential impacts been captured?

Next steps for the deep-dive:

As part of the evaluation, we have proposed to conduct a “deep-dive” into the SUED job creation pathway, which will take the form of a case study of one of the municipalities and investments supported. We plan to visit this municipality to understand more about the impact of the SUED support, as well as visit a completed investment to collect ex-post qualitative and quantitative data on jobs created. This will include, ideally, FGDs with the ultimate beneficiaries of the programme, the employees of the supported business to understand and explore issues related to job quality and impact on poverty reduction etc. We also propose to visit firms / beneficiaries in the supply chain to validate and understand indirect jobs impacts – thus presenting a complete picture of the job creation impacts of the programme.

We request support from the implementing partner to assist with identifying a suitable municipality (i.e. possibly from G1 or where the full cycle of support has been provided and the investments realized) and facilitating contact with them to conduct interviews and site visits etc.

Questions for beneficiary (municipal government):

- Describe the support provided by the SUED programme to your municipality – i.e. developing the UEP, and any follow on support in investment advisory and capacity building? What were the timelines / duration for these support activities?
- What is the status of the UEP – has it been formally adopted by the municipality? To what extent have the recommendations and projects in the plan been implemented?
- How / has the support from SUED helped to unlock investment in the municipality? How / has the support improved the capacity of the municipality to manage urbanization and create a more conducive business environment? Can you provide examples of the impact that SUED supported interventions have had on your municipality?
- If any, what recommendations would you make to improve the effectiveness of the support provided by the SUED programme?

Questions for SUED supported investment / business:

- Describe your business – i.e. core operations, investments, scale, geographies etc.?
- Describe the process for identifying and making this investment in (municipality)? What role did the SUED programme play? What role did the municipality play?
- Is this typical for how your company makes these type of investments? / what was different?
- What was the value added of the SUED programme? How likely is it that your company would have made this investment in the absence of the support provided (including to the municipality to identify and prepare the investment)?
- What impact has the investment had on your business?
- How many people are employed as a result of this investment? In what roles? What are the average salaries?
- How has this investment impacted on the supply chain (i.e. increased prices / market opportunities for farmers from value chain investments etc.)?

Questions for FGD(s) with employees:

- What is your role in the company?
- What was your previous employment?
- How does your income now compare to previous employment?
- What are the other benefits of working at (company) and how do these compare to previous employment?
- Have you been provided / will you be provided with any training for this role?
- How did you find out about the job? What was the application process?

Questions for suppliers/farmers:

- How long have you been producing (commodity)? What were you producing / doing previously?
- How much of your produce is purchased by (company)?
- How has supplying (company) impacted on the price you receive for your crop / on your income?
- Do you produce more as a result of supplying (company)?  How would you compare with your previous suppliers/products?
- How has your partnership with the  company impacted your farming practices
- Have you received any additional support from the company (e.g. seedlings, training, or technical assistance?)
- How satisfied are you with the pricing and payment terms offered by the processing company?
  What improvements would you suggest for the processing company to better support your farming/supply operations?

# Key informant interview guide with implementing partners

Instructions: This KII (Key Informant Interviews) is applicable to all implementing partners of FCDO Kenya Jobs Programmes. These include KCJF (Sinapis Group), SUED (Tetra Tech – Kenya, MA (McKinsey, BDO, Wellspring Development) TradeMark Africa.

INTRODUCTION: (5 minutes)
*Aim – Introduce yourself and Triple Line*

Good morning/afternoon. My name is ______________ I work for Triple Line Consulting. Triple Line has been contracted by the British High Commission (BHC)/ FCDO in Kenya to undertake an evaluation of the Kenya's Job Creation Programmes implemented by different partners in Kenya. The evaluation's primary objective is to assess the contributions of these programmes to job creation in Kenya, as well as to identify the most effective strategies and approaches in creating jobs. Findings from the evaluation will provide a basis for learning for what has worked and what did not and inform future interventions and support implemented by BHC Nairobi and the wider FCDO.

Responses will be treated confidentially, and individual responses will be combined with information from other interviews to generate overall findings and recommendations. While personally identifiable data will be removed before reporting, we may use quotes from our discussions to provide succinct examples of our findings, to which we may want to attribute to you in an anonymized manner.
The discussion will take approximately one hour and will be recorded to allow us to listen back to the discussions and include them in our notes. With the above in mind please confirm that you agree to participate in the KII and for us to record the session.

Consent to use of personal data provided and recording (underline as appropriate): Yes / No / Yes with restrictions which are ________________________.

Information to record (FILL AHEAD OF INTERVIEW)
Date of Interview: ____ / ____ / _______Stakeholder represented/KII Name: _________________

Programme and implementing partner (MA/SUED/KCJF/TMA) ________________________

Role of Interviewee: _________________________ Interviewer name: _________________________

START TIME: _______________________________END TIME: ________________

MAIN DISCUSSION: (50 minutes) START RECORDING

| SECTION A: Introduction of the Programme (Reference the programme recorded in the information section) |
| --- |
| A1: Please introduce yourself, your role in the organisation and how long you have worked on the programme. |

A2: Describe what the organisation does and how it was involved in the programme. How long did the programme run? What was/is the geographical distribution of programme activities and target of private and public sector players supported?

A3: What key interventions did your organisation implement under the KCJF, SUED, MA-Kenya, TMA (interviewer to refer to the relevant programme) and what approaches were used to deliver them.

**SECTION B: Programme Relevance**

***Overarching Evaluation Question - To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya? To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?***

B1: How were the specific needs of local contexts/businesses and geographies within Kenya identified and integrated into the **design**, **planning** and **implementation** of the programme? How did the programme respond to the specific needs?

B2: What are the general employment trends in your sector and did the programme respond to the employment needs in the sector that you operate ?

B3: What strategies did the programme use to ensure different groups (young men and women, people with disabilities participated and benefited from the jobs created as a result of the interventions?)

B4: How about those from rural or urban areas, especially informal settlements? Refugees? and young women)?

B5: Having worked in the programme since (***refer to A1***)**,** have there been any changes made to its initial design, scope and implementation? What are the changes and how did these changes help the programme achieve its objectives of creating jobs?
B6: What informed these changes? Specifically, what changes in context (e.g., government policy, or decisions by the donor influenced the implementation approaches/modality used?)

B7: For components of the programme that have remained the same over the period, how relevant were/are they to addressing barriers to creating jobs for targeted beneficiaries, particularly women and girls and those from marginalised groups?

**SECTION C: Programme Efficiency**

***Overarching Evaluation Questions: i. What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness. ii. What are the risks (ToC assumptions) and how manageable are these (e.g. external political economy issues related to appetite for reforms etc.)? Can efficiency gains – "short-cuts" – be identified within each pathway?***

C1: Thinking through the different interventions you implemented under this programme (**refer to A3),** can you describe how each of these ones contributed to creating new direct and indirect jobs in your organisation?

C2: From your experience, how long did it take for each of interventions to yield tangible employment outcomes? Can you compare the timelines of different interventions/pathways you've observed, and what factors influenced these timelines?

C3: How resource-intensive have you found different interventions/pathways to be in creating jobs in terms of financial investment, time, and manpower and the resultant economic value created by the programme (e.g., increased wages, business revenues from new jobs).?

C4: Can you provide specific examples of some of the support you provided to enterprises where the resource intensity was either notably high or low, within budget or outside budget? At what stages of implementation were these differences notably observed?

C5: What risks and challenges have you encountered in generating employment opportunities through the different interventions, particularly in relation to external political and economic factors?

C6: How does the cost of implementing the jobs creation interventions compare to similar interventions the organization has implemented?

**SECTION D: Programme Effectiveness**

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|---|
| ***Overarching Evaluation Questions: i.Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions? ii. To what extent were they quality jobs – including income, formality etc.? To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?*** |
| D1: How many direct and indirect jobs has programme created? As at now (more updated figures from those in the secondary data?)<br><br>D2: Which of the interventions were the most successful in unlocking job opportunities and why do you think they were more successful? (Some potential parameters for comparison; estimate of jobs created by each of the interventions? average wages and benefits provided by the jobs created, the duration and stability of the jobs created, the total cost of the intervention divided by the number of potential jobs created to created(on maturity), the extent to which the intervention benefits disadvantaged or underrepresented groups.<br><br>D3: Can you describe the job measurement approaches you use to track the job creation programmes you implement with supported partners? What specific indicators and metrics do you track?<br><br>D4: How do you differentiate between direct and indirect jobs created through the interventions? What methodologies do you use to measure indirect job creation? How do you ensure the accuracy and reliability of this data?<br><br>D5: How frequently do you collect job creation data, and how is this data reported? Who is responsible for data collection and reporting within your organisation?<br><br>D6: How does your programme target specific groups such as women, youth, and marginalised communities for job creation? What strategies are used to ensure these groups are prioritised? How do you measure and report the alignment of job beneficiaries with the target groups? Based on the latest progress reports on implementation, what proportion of the jobs created have been filled by individuals from these target groups? Can you provide specific data or examples?<br><br>D7: Are you familiar with FCDO's joint measurement framework for job creation? Have you applied it or aspects of it in your job measurement? If yes, what aspects have you used? If no, why have you now applied it?<br><br>D8: What aspects of FCDO's framework do you find most useful or challenging to implement in your programmes?<br><br>D9: How does your approach address the measurement of job quality (e.g., income, job security, formality)? How does this compare to FCDO's criteria for job quality? |
| **SECTION E: Programme Coherence** |
| ***Overarching Evaluation Questions: i.To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase? ii. To what extent were both labour supply and labour demand issues addressed across the portfolio?*** |
| E1: How were complementarities and synergies between different job creation pathways considered during the design and planning phase of the programme?<br><br>E2: To what extent were the design elements aligned with the broader strategic goals of BHC/FCDO jobs creation efforts?<br><br>E3: To what extent was the programme aligned to the priorities, policy/legislative framework at the county and national level?<br><br>E4: How were stakeholders involved in the design phase to ensure coherence and alignment? Can you provide examples of the types of stakeholders and their input influenced the design?<br><br>E5: During the implementation phase, how were complementarities and synergies between different programme components further refined and operationalised? How were potential overlaps or conflicts between different programme components identified and addressed?<br><br>E6: What mechanisms were put in place to ensure coordination and collaboration among different teams or partners involved in the programme? How effective were these mechanisms in practice? |

| |
|---|
| E6: How would you compare the effectiveness and overall impact of multiple integrated pathways to job creation (e.g., combining technical assistance, policy reform, grants, and transaction advisory) with isolated interventions focusing on a single pathway? Can you provide specific examples where integrated pathways have led to better outcomes compared to isolated interventions? |
| E7: How well do you think your programme balanced efforts to address both labour supply (skills, education, training) and labour demand (job opportunities, organizational needs)? Can you provide examples of successful initiatives in both areas? |
| **SECTION F: Forward-looking Lessons and Opportunities** |
| *Key lessons from the programme* |
| F1: What are some of the key lessons and recommendations related to jobs creation that you have learnt since you started implementing this programme in terms of the different interventions you have been implementing and the process of implementing them? (***Probe for key lessons from the programme-design and implementation)*** |
| F2: What are some of the key lessons you have learnt and recommendations from the partnerships with programme implementing partners and the main donor BHC, while implementing the jobs creation programme? |
| F3: Can you describe any challenges or successes you as the implementing partner or the supported public and private sector partners have encountered in addressing the diverse needs and impacts on beneficiaries across different regions and demographic groups within Kenya? |
| F4: What are the main challenges or shortcomings you or your partners face in measuring job creation, including challenges for specific target groups and sectors? How have you tried to address these challenges? |

# Key Informant Interview Guide with Supported Private Sector Players

Instructions: This KII (Key Informant Interviews) is applicable to private sectors partners that participated in the Kenya jobs programme through grant funding, TA or transaction advisory from the MA, SUED, KCJF and TMA programmes.

INTRODUCTION: (5 minutes)
*Aim – Introduce yourself and Triple Line*

Good morning/afternoon. My name is ______________ I work for Triple Line Consulting. Triple Line has been contracted by the British High Commission (BHC)/ FCDO in Kenya to undertake an evaluation of the Kenya's Job Creation Programme implemented by different partners in Kenya. The evaluation's primary objective is to assess the contributions of these programmes to economic growth and job creation in Kenya, as well as to identify the most effective strategies and approaches in creating jobs. Findings from the evaluation will provide a basis for learning on what has worked and what did not and inform future interventions and support implemented by BHC Nairobi and the wider FCDO.

Responses will be treated confidentially, and individual responses will be combined with information from other interviews to generate overall findings and recommendations. While personally identifiable data will be removed before reporting, we may use quotes from our discussions to provide succinct examples of our findings, to which we may want to attribute to you in an anonymized manner.
The discussion will take approximately one hour and will be recorded to allow us to listen back to the discussions and include them in our notes. With the above in mind please confirm that you agree to participate in the KII and for us to record the session.

Consent to use of personal data provided and recording (underline as appropriate): Yes / No / Yes with restrictions which are ________________________.

Information to record (FILL AHEAD OF INTERVIEW)
Date of Interview: ____ / ____ / _______Stakeholder represented/KII Name: _________________

Programme (MA/SUED/KCJF/TMA) ________________________

Role of Interviewee: _________________________ Interviewer name: _________________________

START TIME: _______________________________END TIME: ________________

**MAIN DISCUSSION: (50 minutes) START RECORDING**

| SECTION A: Introduction of the Programme (Reference the programme recorded in the information section) |
|---|
| A1: Please introduce yourself, your role in the organisation and how long you have worked on the programme.<br>A2: Describe what the organisation does and how it was involved in the programme (ask the implementing partner they worked with). How long did the programme run? What was/is the geographical distribution of programme activities and target of programme participants?<br>A3: What key investments did your organisation implement through the programme support and what approaches were used to deliver them. |
| **SECTION B: Programme Relevance** |
| ***Overarching Evaluation Question - To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya? To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?*** |
| B1: How were the specific needs of your businesses/organisation identified and integrated into the **design**, **planning** and **implementation** of the programme? In what ways has the programmes addressed specific skills gaps or workforce needs within your company?<br>B2: Having worked/engaged with programme since (***refer to A1***), were/are any changes made to the initial design, scope and implementation of your engagement? What are the changes and how did these changes help the programme achieve its objectives of creating jobs?<br>B3: What informed these changes? Specifically, what changes in context (e.g., government policy, or decisions by the donor influenced the implementation approaches/modality used?)<br>B4: For components of the programme that have remained the same over the period, how relevant were/are they to addressing barriers to creating jobs for your business?<br>Do you think your programme is having (or has the potential to) a larger impact than on just your target group?<br>How does programme implementation compare to how the programme was designed? Have *there been any changes to the model – and why? Have you made as much progress as you thought you would?* |
| **SECTION C: Programme Efficiency** |
| ***Overarching Evaluation Questions: i. What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness. ii. What are the risks (ToC assumptions) and how manageable are these (e.g. external political economy issues related to appetite for reforms etc.)? Can efficiency gains – "short-cuts" – be identified within each pathway?*** |

C1: Considering the different type of support received from the programme **(refer to A3),** can you describe how each has contributed to business growth and/or creating new direct and indirect jobs in your organisation?

Did you experience any delays or challenges in accessing the programme's resources or support? If so, how were these addressed?

C2: From your experience, how long did it take for the interventions you've been involved in to yield tangible employment opportunities? Can you compare the timelines of different interventions/pathways you've observed, and what factors influenced these timelines?

C3: How resource-intensive have you found different interventions/pathways to be in creating jobs in terms of financial investment, time, and manpower? Can you provide specific examples where the resource intensity was either notably high or low, within budget or outside?

C4: What risks and challenges have you encountered in generating employment opportunities through the different interventions, particularly in relation to external political and economic factors?

C5: How does the cost of implementing the jobs creation interventions compare to similar interventions the organisation has implemented?

C6: Please explain if you did get well trained staff for the jobs you had, or if you had to provide them additional training to make them ready for the job? How long did the training and induction take before they started producing the intended outputs?

## SECTION D: Programme Effectiveness

***Overarching Evaluation Questions: i.Have new jobs been created by the programme? – to what extent can the jobs figures presented by the programme be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions? ii. To what extent were they quality jobs – including income, formality etc.? To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?***

What tangible outcomes or improvements have you observed as a result of participating in the job creation programmes?

To what extent has the intervention contributed to increasing employment or improving job quality within your company?

D1: Can you share with me the number of new jobs (both direct and indirect) your business has created that can be attributed to the support provided by the programme? How does this compare to the total jobs created by your enterprise over the same period? (Formal and informal? Short term and permanent).

D2: How effective has your business/organisation been in incorporating underrepresented groups such as women, youth, and marginalised communities? What proportion of the jobs created were filled by individuals from these groups? Can you share any success stories or data that highlight the impact on the target groups?

D3: Beyond the actual numbers employed, have you observed any additional benefits to those who benefitted from the new jobs created or other members of the community not directly or indirectly employed by the company? **(Interviewer to probe for the following:** *Access to social security benefits such as health insurance, pension schemes, maternity leave, and* availability of training and development programmes, also explore the wider economic benefits in the areas where the businesses operate).

D4; Do you make consideration for the following in your employment practices? **(Probe for:** diversity in the workplace, including gender, ethnicity, and disability inclusivity; Adherence to national and international labour laws and standards.). Can you provide examples of how you have mainstreamed these in your employment practices?

D6: What tools do you use to track and report job creation figures? Have the reported job figures been independently verified or audited?

D7: How do you differentiate between jobs created directly by the business (as a result of the programme intervention) and indirect jobs (emerging from the business activities but not directly linked to the business) ?

| |
|---|
| D8: What challenges have you encountered in measuring direct and indirect jobs generated through your business as a result of the programme interventions? |
| **SECTION E: Programme Coherence** |
| ***Overarching Evaluation Questions: i.To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase? ii. To what extent were both labour supply and labour demand issues addressed across the portfolio?*** |
| E1: How does your programme's job creation efforts integrate with other similar initiatives within your business, or the sector (government initiatives, other donor projects etc)<br><br>Were there any overlaps or gaps in the support provided by the programme compared to other similar programmes or initiatives?<br>How effectively did the programme or your businesse coordinate/collaborate with other stakeholders, such as industry groups, government agencies, or educational institutions?<br>E2: How have different job creation pathways (technical assistance, policy reform, grants, and transaction advisory) worked together in your experience? Can you provide specific examples where these pathways complemented each other effectively?<br><br>E4: In your opinion, which combination of pathways has been most effective in supporting your growth and creation of jobs and what factors contributed to this effectiveness?<br><br>E5: How well do you think your programme balanced efforts to address both labour supply (skills, education, training) and labour demand (job opportunities, organizational needs)? Can you provide examples of successful initiatives in both areas? |
| **SECTION E: Forward-looking Lessons and Opportunities** |
| *Key lessons from the programme*<br><br>What aspects of the job creation programme did you find most beneficial, and why?<br>Were there any aspects of the programme that you felt could be improved? If so, what changes would you suggest?<br><br>How has the support from the job creation programme influenced your company's long-term employment strategy?<br><br>Can you describe any challenges or successes your organisation has encountered during implementation of the programme? |

# Key informant Interview Guide with Supported Public Sector Players

Instructions: This KII (Key Informant Interviews) is applicable to public sectors partners that participated in the Kenya jobs program through grant funding, TA or transaction advisory from the MA, SUED, KCJF and TMA programs.

INTRODUCTION: (5 minutes)
*Aim – Introduce yourself and Triple Line*

Good morning/afternoon. My name is ______________ I work for Triple Line Consulting. Triple Line has been contracted by the British High Commission (BHC)/ FCDO in Kenya to undertake an evaluation of the Kenya's Job Creation Programmes implemented by different partners in Kenya. The interventions funded under the programs include TA / capacity building support to businesses, Grants and seed funding, transaction advisory and investor attraction; and direct investment / implementation of enabling infrastructure (hard and soft). The evaluation's primary objective is to assess the contributions of these programmes to job creation in Kenya, as well as to identify the most effective strategies and approaches in creating jobs. It will aim to test the relevance, effectiveness, efficiency of the different projects that were funded through this program. Findings from the evaluation will provide a basis for learning for what has worked and what did not and inform future interventions and support implemented by BHC Nairobi and the wider FCDO.

Responses will be treated confidentially, and individual responses will be combined with information from other interviews to generate overall findings and recommendations. While personally identifiable data will be removed before reporting, we may use quotes from our discussions to provide succinct examples of our findings, to which we may want to attribute to you in an anonymized manner.
The discussion will take approximately one hour and will be recorded to allow us to listen back to the discussions and include them in our notes. With the above in mind please confirm that you agree to participate in the KII and for us to record the session.

Consent to use of personal data provided and recording (underline as appropriate): Yes / No / Yes with restrictions which are ________________________.

Information to record (FILL AHEAD OF INTERVIEW)
Date of Interview: ____ / ____ / _______Stakeholder represented/KII Name: _________________

Program (MA/SUED/KCJF/TMA)________________________

Role of Interviewee: _________________________ Interviewer name: _________________________

START TIME: _______________________________END TIME: ________________

MAIN DISCUSSION: (50 minutes) START RECORDING

| **SECTION A: Introduction of the Program (Reference the program recorded in the information section)** |
|---|
| A1: Please introduce yourself, your role in the organization and how long you have worked on the program.<br><br>A2: Describe what the organization does and how it was involved in the program (ask the implementing partner they worked with). How long did the program run? What was/is the geographical distribution of program activities and target of program participants?<br><br>A3: What key interventions did your organization implement through the partnership with the implementing partner and what approaches were used to deliver them. |
| **SECTION B: Programme Relevance** |
| ***Overarching Evaluation Question*** ***- To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya? To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?*** |
| B1: Can you describe the goals and objectives of the partnership that you had with the implementing partner? {**Probe** whether job creation was one of the goals and how this envisioned to be achieved in the short term and long term?<br><br>B2: How well did the partnership and support programs align with the specific challenges, needs and priorities of the country/county/town/region at the design and planning phase? How did the programme respond to the challenges, needs and priorities of specific groups (particularly youth, women and marginalised groups?)<br><br>B3: In what ways did/is the partnership and support programmes addressing the current employment, economic challenges and opportunities of the country, County or Region? Can you provide examples of how specific groups like youth, women and marginalised groups have benefitted from the partnership? |

| SECTION C: Programme  Efficiency |
|---|
| ***Overarching Evaluation Questions:** i. What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness.  ii. What are the risks (ToC assumptions) and how manageable are these (e.g. external political economy issues related to appetite for reforms etc.)? Can efficiency gains – "short-cuts" – be identified within each pathway?* |
| C1: Thinking through the partnership and support, how efficiently have resources (both financial and manpower) been allocated and utilized for the different initiatives that you have been involved in to realise the overall and job creation objectives of the programme?<br>C2: How timely has the implementation of the different initiatives (probe as appropriate: policy reforms, trading standards improvements, inclusive economic growth and poverty reduction plans, and other job creation initiatives) been? How fast have these been in unlocking job opportunities?<br>C3: What factors have contributed to or hindered the timely execution of these programmes or initiatives? What factors have promoted or hindered creation of job opportunities as a result of these initiatives? |
| **SECTION D: Programme Effectiveness** |
| ***Overarching Evaluation Questions:** i.Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions?   ii. To what extent were they quality jobs – including income, formality etc.?   To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?* |
| D1: How effective has the partnership or support been in achieving their intended outcomes, particularly in terms of job creation? Do you have any data on the number and type of jobs that have been created through the partnership? If not, can you share some specific examples of the jobs that have been created by the interventions implemented through partnership?  (policy reforms, trading standards improvements, inclusive economic growth and poverty reduction plans, and other job creation initiatives)? |
| **SECTION E: Programme Coherence** |
| ***Overarching Evaluation Questions:** i.To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase? ii. To what extent were both labour supply and labour demand issues addressed across the portfolio?* |
| E1: How have you integrated the interventions implemented under this partnership with other national and county-level initiatives aimed at ( Probe for: economic transformation, trade enhancement?)<br>E2:  How effectively did you coordinate/collaborate with other government agencies, other BHC funded programmes and ecosystem players in the design and implementation of the programmes under this partnership?<br>E3: What challenges and successes have you witnessed in interagency coordination between this program and other relevant private and public sector actors? |
| **SECTION F: Forward-looking Lessons and Opportunities** |
| *Key lessons from the programme*<br>F1: What aspects of the job creation programme did you find most beneficial, and why?<br>F2: Were there any aspects of the programme that you felt could be improved? If so, what changes would you suggest?<br>F3:How has the support from the job creation programme influenced your company's long-term employment strategy?<br>F4: Can you describe any challenges or successes your organisation has encountered during implementation of the programme? |

# Guide for Focus Group Discussion with Programme Beneficiaries

## KENYA JOBS EVALUATION

## Focus Group Discussion with Programme Beneficiaries (Individuals who are directly employed by the supported companies)

Instructions: This FGD guide is applicable to programme beneficiaries from implementing partners of the Kenya jobs programme. These include beneficiaries from programme implemented by Sinapis Group, Tetra Tech, Kenya Climate Innovation Centre (KCIC), KPMG, McKinsey, Trademark Africa and Msingi.

**INTRODUCTION: (5 minutes)**

*Aim – Introduce yourself and Triple Line*

Good morning/afternoon. My name is ______________ I work for Triple Line Consulting. Triple Line is undertaking research of the Kenya's Job Creation Programmes implemented by different partners in Kenya, including {mention the company they work for} which has benefitted from the program. The evaluation's primary objective is to assess your experience working for this company, the benefits you receive and any recommendations on what can be improved to make your job better. Your responses will provide a basis for learning on what has worked and what did not and inform future interventions and support provided by the {mention the company}

Today we are about to do a Focus Group Discussion (FGD) on your participation in the programme implemented {Interviewer to speak out the name of the implementing partner/private sector partner} The aim of the discussion is to gain a better understanding of your involvement in the programme, or as a result of the programme, the successes, challenges, and opportunities.
We will be using an audio recorder to help with capturing the details of our discussions. Once we type up the notes the recording will be deleted. We are collecting data from other stakeholders and will present findings in an aggregate manner. Nothing you say will be attributed to you personally in our report. However, we would like to include your name in the list of FGDs attached to our final report and on the interview notes which will be anonymised after we complete the assignment. You can, of course, also choose for your name not to be included.
Since this is a voluntary FGD, you are free to decline to speak about any question or to withdraw from the discussion at any time.
Please confirm that you agree for this FGD to be recorded and the use of your personal data in the way we just outlined.

Consent to use of personal data provided (underline as appropriate): Yes / No / Yes with restrictions which are ________________________.

Can we just confirm that you are available up until [time]? We will finish by then.

Warm-up and Formality note-taking: (5 minutes)

Information to record:
Location: __________________________________________ Date: ____ / ____ / _______
Facilitator: _____________________________________
Group name/description: ____________________________________
# of male participants: ______ # of female participants: ______
Were vulnerable groups present (PWD, IDPs, etc.)? __________
Was everyone able to participate in the discussion equally? Y/N

Start recording: Allow the participants to introduce themselves and briefly talk about how they were involved in the programme.

MAIN DISCUSSION: (50 minutes) **START RECORDING**

| SECTION A: Introduction of the Programme (Reference the programme recorded in the information section) |
|---|
| A1: Can you briefly introduce yourselves and describe your involvement with the programme/ supported partner.? How long have you been involved, and what type of jobs have you taken up or accessed through the programme? |
| A2: How did you know about the job opportunity that you are currently working on? |
| A3: What are your current employment terms (ask for permanent, casual, other) with the company? |
| **SECTION B: Programme Relevance** |
| ***Overarching Evaluation Question - To what extent were programmes designed to respond to the needs of particular contexts and geographies within Kenya? To what extent did they consider the potential effects on beneficiaries, particularly women and girls and those from marginalised groups?*** |
| B1: How relevant is your current job considering you previous training? If not aligned, why did you apply/take up the current job? |
| B2: Have you received any training from your employer? How relevant do you find the training or support provided by the business to your current role or career goals? |
| B3: To what extent do you feel that the organization's objectives align with your personal and professional needs? |
| **SECTION C: Programme Efficiency** |
| ***Overarching Evaluation Questions: i. What was the efficiency of different job creation pathways in terms of a) length to yield jobs and b) resource intensiveness. ii. What are the risks (ToC assumptions) and how manageable are these (e.g. external political economy issues related to appetite for reforms etc.)? Can efficiency gains – "short-cuts" – be identified within each pathway?*** |
| C1: What sort of initiatives has the business undertaken to help you improve your productivity as an employee? (Probe: did you receive any training? What about access to and utilisation of resources to improve productivity?) |
| **SECTION D: Programme Effectiveness** |
| ***Overarching Evaluation Questions: i. Have new jobs been created by the programmes? – to what extent can the jobs figures presented by the programmes be validated, especially indirect jobs? – to what extent can the figures be attributed to the pathway interventions? ii. To what extent were they quality jobs – including income, formality etc.? To what extent were the beneficiaries of the jobs aligned with the target groups (women, youth, marginalised communities etc.)?*** |
| D1: How would you describe the quality of your job in terms of income, working conditions, and benefits? How does the income compare to other jobs in your area or sector? |
| D2: To what extent is your job formal (e.g., written contract, social security benefits, legal protections)? How important is job formality to you, and why? |
| D3: Overall, how satisfied are you with the job you obtained through the programme? What aspects of the job do you like the most, and what aspects do you find challenging? |
| D4: What specific improvements or changes have you noticed in your job or career as a result of participating in the programme? |

D5: How effective was the business been in providing you with jobs that meet or exceed or are equal to those in the same sector? How do these jobs compare to others you have had or are available in your area?

D6: Do you feel the business was effective in reaching and supporting its underserved groups? Why or why not? What could have been done better to ensure more inclusive and equitable (for young men and women, PWDs, refugees, marginalised) participation? Has the number of employees grown, what is the ratio of Men to women, young (35yrs and below) vs older?

To what extent do you believe the business has helped you develop new skills or advance in your career?

How effective has the business been in creating new jobs and workforce development from your perspective?

Do you feel that the training and growth opportunities are accessible to all employees or beneficiaries, regardless of their background or circumstances?

Were there any barriers or obstacles that prevented certain groups from fully participating in or benefiting from the employment opportunities in this business?

## SECTION E: Programme Coherence

***Overarching Evaluation Questions: i.To what extent did job creation pathways strengthen / complement each other? – were these complementarities identified in the design phase? ii. To what extent were both labour supply and labour demand issues addressed across the portfolio?***

E1: How well do you think the different components of the programme (e.g., training, support services, job placement) worked together to create quality jobs? Can you provide examples of how these components complemented each other?

E2: Were there any aspects of the programme that seemed disconnected to the work you are doing or less effective in creating the quality jobs (written contract, social security benefits, legal protections, etc) within the programme? How could these aspects be improved?

## SECTION E: Forward-looking Lessons and Opportunities

*Key lessons from the programme*

E1: Based on your experience, what recommendations would you make to improve the quality of jobs created by the business? How can the business better support women, youth, and marginalised communities?

E2: What additional support or resources would you suggest to enhance job satisfaction and overall job quality?

# Annex 12. FCDO Jobs Measurement Framework Analysis

The Jobs Measurement Framework and associated materials were developed under the Jobs Enhancing and Measuring Impact (JEMI) programme, commissioned under FCDO Expert Advisory Call Down Services (EACDS) Lot C over the course of 2020-2021, in consultation with relevant stakeholders.

The framework provides guidance to development practitioners and suppliers implementing jobs-focused programmes; the JMF is intended as a decision-making tool to help users identify the components to be measured and the data collection and analysis methods that can be considered. As outlined in Figure 6, the framework is based on three parts: i) what to measure; ii) how to measure; and iii) finalisation and consolidation. It is accompanied by supporting guidance notes which provide overviews and links to existing materials

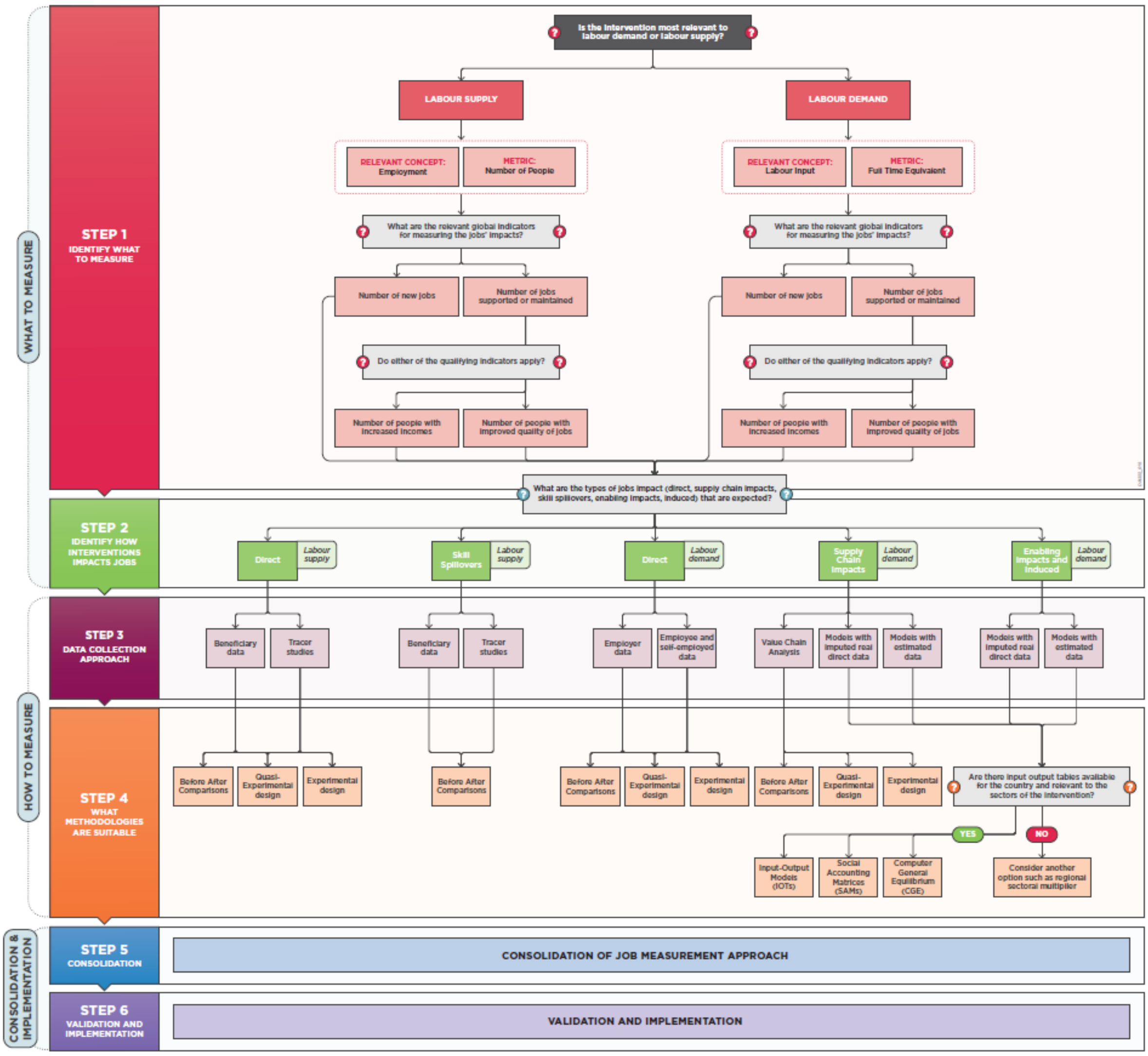


Figure 6: Jobs Measurement Framework process

A “job” is generally defined as: being engaged in any economic activity whether for pay or for profit, including formal, informal and self-employment. Jobs are generally converted into their full-time equivalent (FTE) for measurement of impact. The JMF provides key jobs definitions and key jobs indicators that have been considered during the evaluation.

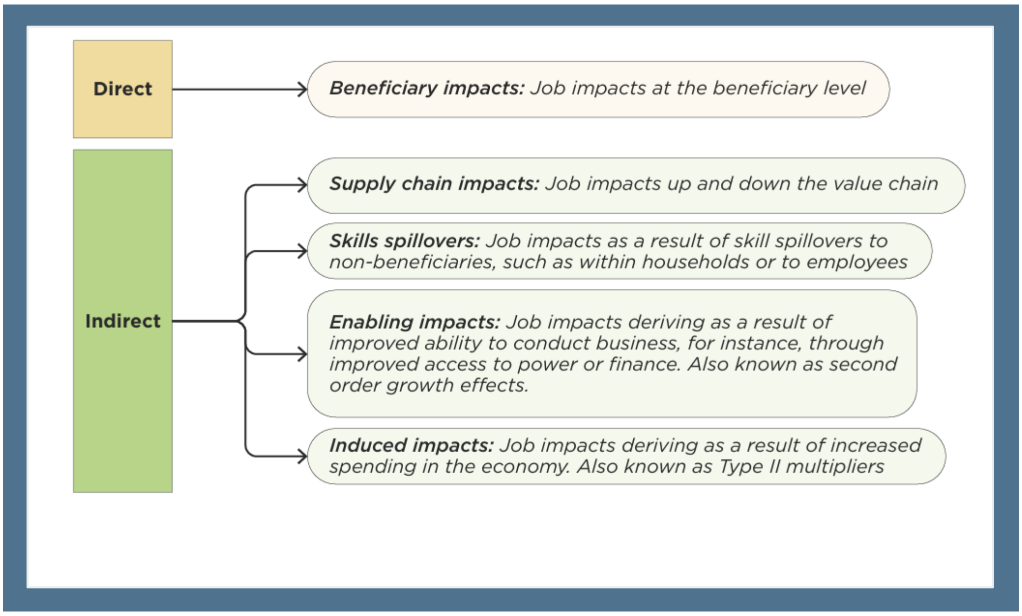


Figure 7: Definition of jobs based on the FCDO Jobs Measurement Framework

Indicators reviewed based on the JMF include number of new jobs disaggregated by i.e. sex, age, geography, disability, employees, self-employed, informal, formal.

**Table 2: Jobs Measurement Indicators**

| Indicators considered under direct jobs: | Indicators indirect jobs: |
|---|---|
| Headcount<br>• Number of jobs supported or maintained with improved incomes<br>• Number of jobs supported or maintained with improved job quality | Headcount<br>• Number of new jobs<br>• Number of jobs supported or maintained with improved incomes |
| FTE<br>• Number of new jobs<br>• Number of jobs supported or maintained with improved incomes<br>• Number of jobs supported or maintained with improved job quality | FTE<br>• Number of new jobs<br>• Number of jobs supported or maintained with improved incomes |

This component of the evaluation will focus on measurement of jobs impacts. The JMF will provide a framework of best practice to compare the methodologies applied by the programmes. The measurement methodologies applied across the five programmes is be evaluated as follows:

## Summary findings

Table 3 below summarises the approaches to job measurement applied by each of the programmes, compares each to the JMF and provides comments. Each of the programmes has intervened on the demand side of job creation. The pathways to job creation vary, however, with the approach to measurement varying accordingly (and TMA has not measured jobs at all). The review against the JMF has also indicated potential gaps and weaknesses in the approaches (captured 3 below). The varying approaches, their levels of robustness, as well as the lack of disaggregation of new jobs and jobs supported, has led to significant challenges in comparing reported jobs figures in this evaluation, as documented in the evaluability assessment undertaken in the inception phase.

An overview of each approach is presented below. Some overarching findings from the methodological review, which could inform lessons for future measurement, include:

- While it is appropriate to capture and measure jobs supported or maintained as well as new jobs, these should be disaggregated to allow for appropriate comparison
- Jobs quality indicators should be measured, particularly where jobs supported are being reported – i.e. how large is the income uplift for a beneficiary
- Similarly, jobs should be disaggregated by gender and other inclusion indicators
- Though methodologies may necessarily vary, more attention needs to be paid to attribution to ensure that jobs can clearly be attributed to a programme's interventions – there is clear discrepancy in this area

These improvements would enable appropriate VfM comparisons of jobs across programmes, either through comparison of like-with-like (i.e. new jobs with new jobs and jobs supported with jobs supported) and / or consideration of the "value" of the job in the standard jobs per £ reporting –(to illustrate, a new job with an income of USD 5,000 per annum should clearly be valued greater than an income uplift of USD 200 per annum).

It is also noted that programmes faced challenges in measuring enabling impacts – SUED did not measure these, measuring only supply chain impacts, and TMA did not measure jobs created at all due to difficulties in applying their methodology. Enabling impacts are also referred to in the JMF as second order growth effects. The phrase "second order" refers to the fact that these jobs are created as a result of businesses taking advantage of improved business environment to expand their operations (and thus potentially increase labour inputs) – the pathway for these impacts is longer than for direct and supply chain impacts, with associated complications for measurement.

Enabling impacts are generally measured ex ante through modelling approaches, which provides additional challenges related to tangibility – should a job that can be counted (i.e. in person) be valued the same as one that is modelled? Caution should be applied when making comparisons of jobs created by interventions that focus on enabling environment with those that focus on supply chain impacts – again, comparison of like-with-like is preferable.

Having noted this, it remains essential that robust attempts are made to measure the jobs created via enabling impacts, at least / especially where jobs are the primary impact to be measured in the logframe. KIIs with implementing partners have indicated that the preference for measurable results may have influenced programming. 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 and the actual impact of TMA in terms of job creation cannot be evaluated. **Improved measurement is therefore critical to ensure better informed decision-making.**

The above recommendations come with the caveat that improved measurement costs money. KIIs with programme implementing partners indicated that budget was the main constraint in designing more robust methodologies. The trade-off between spending on measurement and implementation is recognised in the JMF, and budget constraints should guide methodological decisions. Broadly, the scale of the programme, innovation and learning potential, and whether jobs are a primary impact should be considered.

Overall, the JMF is a useful tool for guiding decisions in designing a programme's jobs measurement methodology. The attempt to create an overarching framework for measuring jobs is welcome, particularly if FCDO intends to attempt similar VfM comparisons across programmes in future. This evaluation illustrates the work that needs to be done to achieve a reasonable level of consistency and robustness in measuring jobs – a minimum requirement for true comparative VfM evaluation. The JMF also serves to highlights differences in the measurement of job creation pathways and the appropriateness of comparing these.

Table 3: Retrospective application of JMF to the programme jobs measurement methodologies

| Step | KCJF | | SUED | | MA | | TMA | |
|---|---|---|---|---|---|---|---|---|
| | JMF | Actual | JMF | Actual | JMF | Actual | JMF | Actual |
| **Step 1: Identify what to measure** | Labour demand<br># new jobs and # jobs supported or maintained – both relevant | No disaggregation of # new jobs and # jobs supported or maintained | Labour demand<br># new jobs and # jobs supported or maintained – both relevant | No disaggregation of # new jobs and # jobs supported or maintained | Labour demand<br># new jobs and # jobs supported or maintained – both relevant | Method note indicates only new or maintained jobs captured, but in actuality modelling approach does not allow disaggregation | Labour demand | N/A – no jobs measurement methodology applied |
| **Step 2: Identify how intervention impacts jobs** | Direct and supply chain impacts are relevant | Direct and supply chain impacts are measured | Direct, supply chain, and enabling impacts – all relevant | Only direct and supply chain impacts measured | Direct and supply chain impacts are relevant | Direct and supply chain impacts are measured | Direct and enabling impacts | N/A – no jobs measurement methodology applied |
| **Step 3: Data collection approach** | Value chain studies recommended for supply chain impacts | Employer data | Value chain studies recommended for supply chain impacts | Employer data | Modelling less robust option than value chain analyses | Employer data for direct<br>Model ex ante indirect impacts | Modelling with estimated data | N/A – no jobs measurement methodology applied |
| **Step 4: Select suitable methodology** | Quasi-experimental considered more robust | Before / after comparison | Quasi-experimental considered more robust | Before / after comparison | SAM multiplier approach moderately robust, but less than CGE | SAM model with real direct data for supply chain | Macroeconomic modelling using CGE, SAM or I-O tables | N/A – no jobs measurement methodology applied |
| **Summary** | Simple approach to measurement, raising issues of attribution and robustness of reporting | | Enabling impacts relevant, but not measured | | Strong approach to attribution, but indirect jobs estimates rely on ex ante modelling rather than reporting from suppliers | | TMA have not measured jobs impacts | |

*Note: RAG rating for alignment with JMF – green = aligned; amber = partial alignment; red = significant misalignment / gap*

## Jobs measurement lessons per programme (included here for completeness – also replicated as sections in each case study)

### Kenya Catalytic Jobs Fund

The key challenge that KCJF encountered was in the nature of the intervention and its impacts. KCJF funded MSMEs with innovative solutions to address barriers to productivity in specific target value chains (agriculture, manufacturing, digital, informal / gig economy), thereby creating opportunities for increased employment and / or income generation. The nature of the value chains meant that downstream beneficiaries were likely to be self-employed / informal entrepreneurs (i.e. smallholder farmers, fishers, waste pickers etc.). KCJF therefore applied an intentionally broad definition of jobs, in-line with the 2013 ICLS Resolutions,[52] which captured both direct and indirect jobs under the three clusters of: *for pay; for profit; for family gain.*

This approach is broadly in-line with the JMF, which proposes the definitions set out below in Figure 6. The JMF, however, indicates that the number of new jobs and the number of jobs supported or maintained be captured separately. This could have been captured by the three clusters: for pay = new jobs; for profit and for family gain = jobs supported. However, in the final measurement disaggregation has not been applied and jobs are only disaggregated by direct and indirect (with the three proposed clusters not disaggregated). From reviewing the descriptions of the jobs created, validated by discussions with the programme team, it is clear that the vast majority of jobs would be categorized as *jobs supported or maintained*, rather than *new jobs*, when applying the JMF definitions.

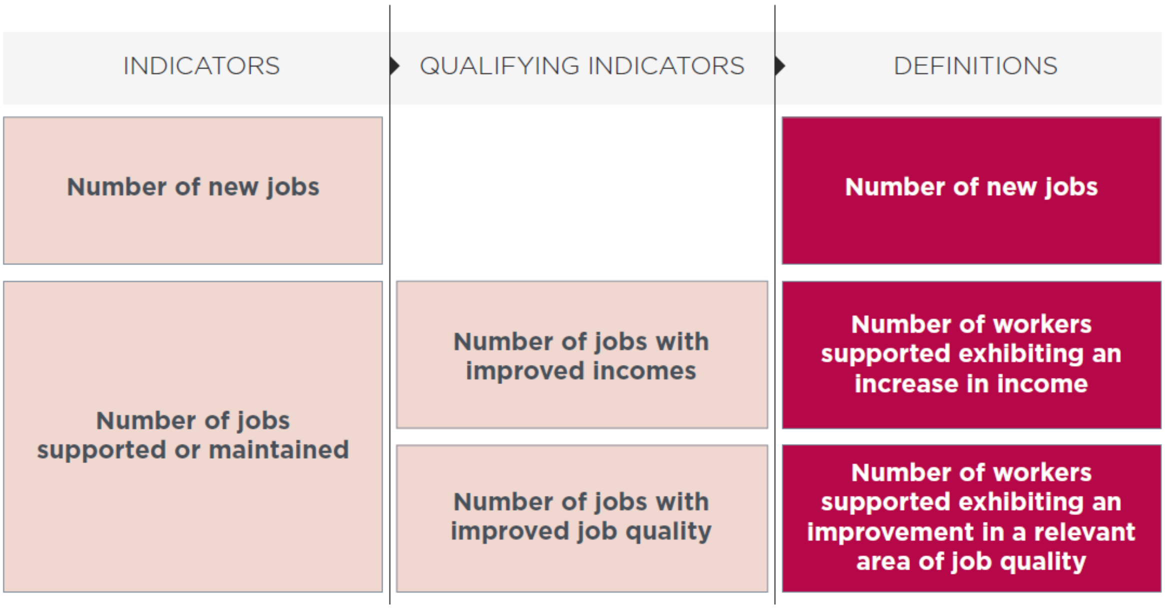


**Figure 8: Proposed indicators and associated definitions**

The jobs measurement methodology applied was self-reporting by grantees with some limited validation / triangulation by the implementing partner via follow-up phone calls and production of case studies for nine of the grantees, although these case studies focussed primarily on illustrating the narrative for each grantee. Self-reporting, with limited validation, is sub-optimal in terms of robust

[52] International Conference of Labour Statisticians (ICLS)

data collection methodology. This approach was used, however, due to limited budget available for primary data collection.

There are also questions around attribution due to the self-reporting and the nature of the intervention. Some of the grantees also received additional funding and support from other sources, and in some cases, it is difficult to attribute the impact of the KCJF support based on the reporting. It should be noted that this is not the case with all grantees, however. For example, TakaTaka Solutions' reporting was able to attribute the impact due to the KCJF funds being used to support a specific intervention (buy-back-centres).

Reported figures are not disaggregated by gender, age, disability, or otherwise. Other indicators of job quality are not reported. Given the informal nature of many of the indirect jobs supported by the KCJF interventions, reporting improvements in job quality would have been particularly relevant, as per the JMF definition.

Recommendations for future measurement of jobs in similar modalities include:

### Manufacturing Africa

MA has measured jobs created directly via support to manufacturing investments, as well as indirectly in the supply chain. Direct jobs are measured via firms data reported as part of the business case. Indirect jobs are measured using a modelling approach, rather than reporting / counting. MA utilises a manufacturing-focused version of the Joint Impact Model, a tool developed by Steward Redqueen, which has been applied to measure the impact of similar manufacturing, as well as infrastructure, investments by BII. The Joint Impact Model uses multipliers derived from Social Accounting Matrix (SAMs) [53]and inputs from actual data provided by investees.

MA applies a robust approach to attribution. Where support has been provided by other advisors, in addition to MA, a discounting approach is applied to any investment mobilised and subsequent jobs created. While this does not provide direct attribution and relies instead on subjective judgement of the extent to which MA has contributed to investment mobilisation, it is still a preferable approach to that applied in similar circumstances by KCJF. Jobs are reported provisionally when an investment is closed, but not towards the logframe until the investment is operational. There is a longer than anticipated lag between financial closure and operation, resulting in a lag in the logframe reporting versus targets. Many jobs are also likely to be created after programme close. It may make sense to consider reporting jobs to the logframe after financial closure and during implementation instead, with continued tracking to ensure jobs are created as anticipated.

Jobs have not been disaggregated into new jobs and jobs supported or maintained. According to the methodology note (and confirmed in KIIs), MA does not measure livelihoods improvements, which would be captured under jobs supported or maintained, only new jobs. However, based on the understanding of the SAM multiplier approach used for measurement, this does not seem to be the case. In this approach, increased demand (based on firm reported revenue and purchasing orders) is

[53] Social Accounting Matrix (SAM) is a comprehensive and economy-wide database recording data about all transactions between economic agents in a specific economy for a specific period of time. A SAM extends the classical Input-Output framework, including the complete circular flow of income in the economy.

modelled into increased output in supply chain sectors (using a static production function[54]), which is in turn converted into jobs using appropriate jobs density (i.e. jobs per USD output) values for each sector. In this case, the model reports one value for jobs created, implied to be new jobs, but in reality it could be increased incomes for suppliers (i.e. especially in the agriculture sector).

Reported figures are disaggregated by gender but no other parameters like age, disability, or otherwise. MA does proactively aim to promote inclusivity and jobs quality to some extent by prioritising FDI and investing in manufacturing sectors that have the potential to enhance employment and address gender inequality.

Recommendations for future measurement of jobs in similar modalities / using similar approaches include:

### Sustainable Urban Economic Development

SUED has created jobs directly via supported private sector interventions (i.e. agro-processing facilities) as well as stimulating demand in the target value chain (i.e. as an off-taker of agricultural produce). These indirect impacts have been measured via self-reporting from the supported investment, both for direct jobs and for indirect jobs in their supply-chain. Evidence of indirect jobs includes contracts with suppliers. SUED does validate via on-the-ground monitoring of supported investments to measure actual jobs created once the project is operational and track them against job creation commitments made at financial close Though this will end once the programme closes, with some investments still to reach full operational status.

Attribution of SUED supported investments is relatively clear-cut since SUED is generally supporting greenfield investments that can be clearly attributed to the project identification, preparation and market sounding conducted by the programme. The nature of the investments supported did raise some questions around the potential for displacement (see SUED case study for details). JMF indicates that the issue of displacement should be considered in programme design and not at measurement stage.

Jobs have not been disaggregated into new jobs and jobs supported or maintained. Similar to KCJF, many of the jobs impacts reported in the supply chain are more accurately captured as jobs supported rather than new jobs. Having noted this, KIIs with farmers supplying the Avo Fresh project in Kisii did indicate that they employed additional labour on their farms as a result of increased production, which would indicate new jobs impacts not currently being measured by the reporting of supplier contracts.

Reported figures are disaggregated by age, gender, and disability. In terms of job quality, SUED, as part of the investment due diligence, require all investments supported to comply with national employment regulations for minimum pay and conditions, but further indicators of job quality are not reported.

[54] Assuming that inputs are converted to outputs at the same ratio, with no improvements to productivity, and therefore no associated increases in labour incomes

SUED also potentially creates jobs via enabling impacts, defined in the JMF as: "job impacts deriving as a result of improved ability to conduct business." These enabling impacts have not been measured. Support to investment climate was originally envisaged to be a key component of SUED, and therefore enabling impacts would have been significant, but this component was later scaled back during implementation. However, additional investments supported in public infrastructure (e.g. waste management, electricity, water supply) would also have potential enabling impacts that could, and should, have been captured by the programme to provide a comprehensive assessment of its job creation impacts.

Recommendations for future measurement of jobs in similar modalities include:

### TradeMark Africa

TMA has not measured jobs created. The key challenge that was encountered was in applying the methodology that had been developed by external consultants for Strategy 2 (including the FCDO supported interventions in Kenya considered in this evaluation). The methodology proved impractical in terms of data collection and availability and was, as such, not implemented. This is being rectified for Strategy 3.

In developing a jobs measurement approach for Strategy 3, TMA could apply the JMF to guide their approach. TMA interventions primarily focus on reducing the time and cost of businesses to trade. While there may be some minimal direct job creation impacts (e.g. during construction, from operation of systems etc.) the main impacts are indirect enabling impacts defined in the JMF as: "job impacts deriving as a result of improved ability to conduct business." The JMF recommends that these impacts are most appropriately measured through ex ante macroeconomic models, either using I-O tables / SAMs or CGE. The new jobs measurement approach currently being developed could also be retrospectively applied to the Strategy 2 interventions (including those funded by FCDO), assuming the necessary data was collected for the reduction of cost and time of doing trade.