Narrative Summary of DFID's Portfolio of Manufacturing (SME) Programmes

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DFID'S MANUFACTURING PORTFOLIO REVIEW

NARRATIVE SUMMARY OF DFID'S PORTFOLIO OF MANUFACTURING PROGRAMMES (Activity A)

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PREAMBLE

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Key findings

Number of manufacturing and manufacturing-related programmes

Over the past 10 years, the Department for International Development (DFID) has been implementing 83 manufacturing and manufacturing-related programmes. Many of these programmes (72) are still under implementation ('live'). Among the live programmes, 13 programmes (18%) have a primary focus on manufacturing (i.e. >50% of spend is on manufacturing), 20 programmes (28%) a partial focus and 39 programmes (54%) a limited focus on manufacturing. The 39 programmes with a limited focus mostly concern agriculture and agri-processing activities. The average duration of all programmes is six and a half years.

Twenty-three out of 33 DFID country offices as well as five central departments are currently implementing manufacturing and manufacturing-related programmes. Only six country offices implement programmes with a primary focus on manufacturing including Bangladesh, Ethiopia, Ghana, India, Rwanda and Uganda.

The total amount explicitly spent on manufacturing in the 72 live programmes is £835 million.

Support approaches

The dominant programme types with a primary or partial manufacturing focus include:

Strengthening internal capabilities of enterprises
- To provide tailored technical assistance to promote technology to and innovation in enterprises

Advising on higher-level policy and institutional regulatory frameworks
- To strengthen the functioning of government institutions and regulatory frameworks
- To support government in establishing higher-level industrial/sector policies and trade policies

Capital accumulation
- To establish or support a fund/facility providing grants and loans to private enterprises

Linkages
- To strengthen Public-Private Policy Dialogue (PPPD)
- To support local (value chain/cluster) linkages for improved market access
- To support global (value chain/UK business/foreign direct investment) linkages for improved market access

Infrastructure
- To support infrastructure including Special Economic Zones (SEZs) and energy provision programmes

Societal issues

With regard to the inclusiveness of programmes with a primary or partial focus on manufacturing, 67% of the programmes have explicit gender considerations, 30% address environmental/climate change issues and 24% involve the improvement of labour conditions.

1. Introduction

In the framework of the DFID programme 'Invest Africa' (Aries code: 205226), IMC Worldwide is undertaking a review of DFID's global manufacturing support portfolio. Supporting the growth of the manufacturing sector in developing countries is a key ambition of DFID's future approach to encouraging structural transformation and inclusive economic growth. The review consists of three main activities:

A. Mapping DFID's current and past manufacturing support programmes;
B. Analysing the main approaches of other selected donors in supporting the manufacturing sector;
C. Providing recommendations to DFID and a set of principles for future programming and possible types of (novel) programme interventions, while ensuring coherence with other donors' programmes.

Activity A of the review concerns an investigation of DFID's portfolio of manufacturing-related programmes in tier 1, 2 and 3 focus countries. The output of A is an Excel spreadsheet and the accompanying narrative summary, presented below. Annex 1 provides the definition of manufacturing and manufacturing-related programmes as applied in this review.

2. Basic programme data and spending

The review identified 83 DFID programmes as 'manufacturing' or 'manufacturing-related' support programmes, implemented over the past 10 years. Of these 83 programmes, 11 are closed today. The remaining 72 programmes are 'live' and are currently being implemented.

Twenty-three out of 33 DFID country offices as well as five central departments are currently implementing the programmes. Annex 3 presents the distribution of programmes among the country offices in tier 1, tier 2 and tier 3 countries and the central DFID departments. The programmes have an average duration of six and a half years. The programmes run by a country office typically focus on in-country programmes while central DFID departments typically run multi-country programmes. There is a relatively equal geographical spread of programmes across countries. Table 1 presents the budget ranges of the country office programmes.

Table 1: Manufacturing spend range in live programmes run by country offices

Manufacturing spend in all live programmes	Country office
£20 - £100 million	Bangladesh, Ethiopia, India, Kenya, Nigeria, Pakistan and Uganda
£10 - £20 million	Ghana, Rwanda
£2 - £10 million	Afghanistan, DR Congo, Lebanon, Malawi, Mozambique, Myanmar, Nepal, Palestine OPTs, Tanzania, Syria, Tajikistan and Zimbabwe
£0.1 - £1.9 million	Caribbean, Somalia, Zambia
No programmes	Indonesia, Iraq, Jordan, Kyrgyz Republic, Liberia, Sierra Leone, South Sudan, Sudan and Yemen

Most manufacturing programmes are implemented in low-income and lower middle-income countries with a low degree of political instability; there are few current or past programmes in fragile states such as Afghanistan and Yemen. More often than not, there is other donor involvement and co-financing with multilateral organisations such as the World Bank, IFC, UNIDO or ILO. DFID's delivery partners include government/bilateral partners, multilateral agencies, local/international NGOs, consultancies, private partners and university/research institutes.

Most programmes have a mix of sub-projects covering different components, of which manufacturing is only one component. The programmes are categorised according to whether they have either a primary, a partial or a limited focus on manufacturing, which reflects the significance of the manufacturing component in all selected programmes. For each programme the amount spent on manufacturing is provided, or estimated in yellow, within the spreadsheet. Table 1 presents the distribution of programmes according to a primary, partial or limited focus on manufacturing.

Table 2: Significance of manufacturing in the live DFID programmes

Programme focus on manufacturing support (n=72)	**Number of programmes**	**Share of selected programmes**
Primary focus (50 – 100 % budget spend)	13	18%
Partial focus (20 – 49 % budget spend)	20	28%
Limited focus (0 – 19 % budget spend)	39	54%
Total	**72**	**100%**

The 39 live programmes with a limited focus mostly concern agriculture and agri-processing programmes. Only 13 live programmes have a primary focus on manufacturing. There are 33 (46%) programmes that have a primary or partial focus on manufacturing, providing a much richer source of data. Therefore, the analysis below mostly draws upon these 39 live programmes with a partial or primary focus on manufacturing.

The total amount explicitly spent on manufacturing in all 72 live programmes is £835 million[1]. Table 3 presents the programmes with the highest spend on manufacturing.

Table 3: Top spending DFID programmes by value of spend on manufacturing.

Name programme	**Overall programme budget**	**Budget share (%) for manufacturing**	**Manufacturing programme budget (£)**
1. Second phase of DFID's Support to the Private Infrastructure Development Group (PIDG)	£415,425,638	25%	£103,856,419
2. Invest Africa - Foreign Direct Investment	£100,000,000	100%	£100,000,000
3. CDC Group	£757,300,000	7%	£53,011,000
4. Private Enterprise Programme Ethiopia (PEPE)	£69,903,419	50%	£34,951,710
5. Northern Uganda: Transforming the Economy through Climate Smart Agribusiness (NU-TEC)	£43,271,994	75%	£32,453,996

[1] The spreadsheet does not identify trends on how this has changed over time due to lack of data.

Sectors

Many programmes have an overarching private sector and business development agenda targeting enterprises in different economic sectors (agriculture, manufacturing or services). The spreadsheet includes a column to identify whether programmes have an explicit focus – as stated in the design/business case - on specific sectors or subsectors. Twenty-five programmes (35%) of all 72 live programmes mention an explicit subsector focus on manufacturing. The following subsectors are most dominant (in order of importance): agri-processing, textiles (cotton processing, clothing and apparel), mechanisation and agricultural transformation, wood and furniture, leather (tanning and footwear), plastics, chemicals, oil and gas, pharmaceuticals, metal products, building materials, packaging, solid waste management and recycling and marble and stone.

Table 4 presents the share of (i) manufacturing spend managed out of country offices versus HQ and of (ii) manufacturing programmes with a primary and partial manufacturing.

Table 4: DFID management/ownership of manufacturing programmes

Organisation level implementing primary and partial focus on manufacturing (N=33)	**Share (%) of total spent on in primary and partial manufacturing**	**Share (%) programmes with a primary and partial focus on manufacturing**
Country offices	47% (£305,397,624)	47%
HQ central departments	53% (£345,956,598)	43%

Table 5 details the size of targeted enterprises in the live programmes with a primary or partial focus on manufacturing. In 14 programmes (42%), the targeted enterprise size was unspecified. Most programmes target either micro/SMEs or SMEs/large enterprises.

Table 5: Enterprise size targeted in the live DFID programmes with a primary and partial focus on manufacturing

Targeted enterprise size	**Number of programmes**	**Share (%) of programmes**
Not specified	14	42%
micro/informal/smallholders	1	3%
micro/informal and SMEs	6	18%
SMEs	4	12%
SMEs and large enterprises	8	24%
large enterprises	0	0%
Total	**33**	**100%**

3. Types of manufacturing support

The review shows that DFID is implementing a wide range of business support programmes with a variety of objectives. This section reviews the programmes that specifically focus on manufacturing or that have specific elements to support manufacturing and identifies distinct manufacturing support activities within the programmes.

Table 6: Dominant programme activity categories with a primary or partial focus on manufacturing (n=33)

Programme activity category	Number (#) of programmes	Share (%) of programmes[2]
Capital accumulation: Support to a fund/facility providing grants and loans to (manufacturing) enterprises	17	52%
Internal capabilities of enterprises: provision of tailored TA to promote technology and innovation (quality standards and compliance) to enterprises	22	67%
Support to government in establishing higher-level industrial/sector policies and trade policies	10	30%
Strengthening of the functioning of government institutions and regulatory frameworks	19	58%
Support to local (value chain/clusters) linkages for improved market access	13	39%
Support global (value chain/UK business/FDI) linkages for improved market access	12	36%
Strengthening Public-Private Policy Dialogues (PPPD)	15	45%
Support infrastructure development including SEZs and energy provision programmes	13	33%

Please note – programmes contain multiple components hence the % exceed 100%

The following paragraphs describe the types of manufacturing-targeted support for each programme activity and provide programme examples.

3.1 Capital accumulation: Establishment of fund/facility providing grants and loans

Capital accumulation is critical to the manufacturing sector, which is typically more capital-intensive than the agriculture and service sectors. A number of DFID programmes established special funds for private sector development (e.g. a challenge fund, accelerator funds, trust fund, impact fund, competitiveness facility, etc.). The funds are typically managed by a local institution and aim to develop the manufacturing sector through the provision of grants, matching grants, risk sharing grants, loans and long-term equity. Often, the programmes build strategic partnerships with the World Bank and other multilateral organisations to establish multi-donor

[2] This column refers to the % of all 33 programmes implementing the programme activity. Typically programmes apply several approaches, therefore the table total exceeds 100%.

funds. A few funds explicitly aim to promote innovation in high potential manufacturing opportunities and innovative approaches to expanding trade in goods and services along with targeted technical assistance. Technical assistance is also given directly to private sector firms for attracting and securing investment. Programme example: 'Sustainable Urban Economic Development Kenya (SUED)'

3.2 Tailored TA to firms to promote technology and innovation

Technology transfer and innovation

Direct assistance to firms for technology and knowledge transfer and innovation is intended to initiate and promote manufacturing in domestic firms. Some DFID programmes focus on technical training on manufacturing technologies. A number of these programmes promote manufacturing via innovation and stronger market linkages to large off-takers in strategic industries. Other forms of assistance include assistance for project design to attract and convince potential international investors and supporting adherence to international standards as well as improving market information for firms paving the way for private sector investments. Programme example: 'UK-Ghana Partnership for Jobs and Economic Transformation (JET)'

Labour standards and ethical codes

In manufacturing firms, observing labour standards and ethical codes has become an increasingly important issue, more so than in agriculture and service sectors. This is because international buyer impose strict standards on manufactured products. Several DFID programmes aim to improve both compliance with labour standards and competitiveness in manufacturing industries within global supply chains, including building awareness of labour rights among workers. Programme strategies include strengthening occupational health and safety awareness, capacity and systems, and building the capacity of workers, supervisors and managers in the manufacturing sector to improve the safety of their workplaces, including the prevention of violence. Programme example: 'Supporting the National Action Plan for Ready-made Garment Sector in Bangladesh'

International product quality standards

For manufacturing enterprises, it is critical to meet international product quality standards. DFID programmes support the development and operations of quality assurance systems in manufacturing in this respect. Training programmes focus on quality standards, assisting firms to meet environmental, social and governance standards for exports to the US and the European Union (EU). Technical assistance is provided to companies to innovate to meet international quality standards using new manufacturing technologies. Other programmes provide assistance with certification for exporting companies and supported firms have adopted new technological or quality control processes. Programme example: 'Skills and Employment Programme in Bangladesh (Sudokkho)'

3.3 Higher-level policy and regulatory framework

As mentioned above, capital accumulation is essential to develop the manufacturing sector. Several DFID programmes provides (technical) assistance to the governments to improve the investment climate[3] for FDI by strengthening policies, institutions and capacities to attract and retain increased FDI in manufacturing.

[3] A full definition of investment climate encompasses national and international issues that affect business (including macroeconomic and political stability, access to financial and infrastructure services, availability of skills, depth of supply chains, etc.). DFID programmes typically focus on a narrower definition of laws, regulations and institutions most closely affecting businesses.

Industrial policy development and institutional capacity building

Only a few programmes actually focus on industrial/manufacturing policies or on establishing priority sectors for manufacturing, acknowledging that long-term industrial strategies at the highest policy level is critical for manufacturing promotion. Some programmes invest in target sectors that have the potential to achieve industrial transformation at scale. Technical assistance includes support to national institutions to implement trade and investment frameworks and to refine national industrialisation plans. This includes harmonization and coordination of the government's overall entrepreneurship and SME support policies and programmes. Programme example: 'UK-Ghana Partnership for Jobs and Economic Transformation (JET)'

Administrative and regulatory reforms

DFID programmes carry out diagnostics and bring expertise to governments on business regulatory reform, business taxation, trade logistics, investment promotion and public-private dialogue. DFID programmes support regulatory processes for business administration at the operational level, with a view to reduce the time and costs involved in doing business and tackling corruption. In most programmes, however, this is not specifically related manufacturing. DFID programmes aim to reduce 'red tape' and simplify processes for investment. Government institutions are supported in their capacity to streamline administrative procedures for more transparent and accountable administration. E-Business permits and E-Construction permit systems respectively helped to speed processes, significantly increase revenue collection and reduce corruption.

In order to create a regulatory environment that is in line with international standards and best practices, DFID programmes provide training and technical assistance to strengthen government efforts to increase the use of international standards. Programme examples: 'Private Enterprise Programme Ethiopia (PEPE)'; 'Improving Market Systems for Agriculture in Rwanda (IMSAR)'

Government manufacturing safety inspections and labour conditions

Several DFID programmes support governments to improve the capacity of its inspection systems, including the recruitment of new labour inspectors in manufacturing industries. This involves inspection of manufacturing enterprises in accordance with standards for factory safety, labour conditions, environmental conditions and building codes. Programme example: 'Better Jobs in Bangladesh'

Public investment for FDI promotion

Improving the effectiveness of allocating public investment aimed at supporting FDI, primarily into industrial parks for manufacturing enterprises, includes feasibility studies, support for infrastructure (notably housing for workers) and reform of public enterprises that provide services for exporters e.g. in energy, logistics, railways. Programme example: 'Ethiopia Investment Advisory Facility (EIAF)'.

3.4 Linkages

Strengthen Public-Private Policy Dialogues (PPPD)

One stream of work focused on promoting public and private sector dialogue (PPPD) by setting up a system through which businesses could regularly talk to the government and ask for support and solutions to problems they face. Several manufacturing programmes include policy dialogues about realising investments and enhancing political commitment to economic transformation through FDI. Programmes have established relationships with a diverse range of government stakeholders and have identified entry points for business environment reforms in a number of areas. Programme examples: ‘Business Enabling Environment Programme (BEEP) **-** Private Sector Led Growth’; ‘Cities and Infrastructure for Growth (CIG)’

Support local (value chain, clusters) linkages for improved market access

With regard to local value chain and cluster linkages, many programmes are limited to the agricultural sector and support agricultural processing activities involving smallholders and their integration into local value chains or the integration of unit producers into local value chain development (cotton to garment, livestock to leather). Programmes support the creation of linkages and clusters among MSEs operating in specific sectors to improve their manufacturing practices, processes and productivity by learning from one another and sharing resources. This includes linking local businesses, in particular light manufacturing SMEs, as suppliers to large local businesses. The clustering of light manufacturing enterprises presents opportunities to deliver economies of scale and business linkage programmes to support small firms to become internationally competitive. Programme example: ‘Dar es Salaam Urban Jobs Programme’

Support global (value chain) linkages for improved market access

A couple of programmes have a specific focus on investment and trade linkages with UK companies, connecting to so-called ‘economic growth corridors’. For example, firms to export food and marble and stone products to UK businesses and other countries under the Palestinian Market Development Programme (PMDP). The ‘Trade and Global Value Chains initiative’ generates learnings on working with the UK private sector for value chain development are used in the supported industrial parks. Several programmes promote private investments in the manufacturing sector by establishing linkages between companies and investors and matching investors, buyers and countries. One programme (‘Invest Africa’) generates foreign direct investment ("deal signing") and supports multinational firms to expand their investment in focus countries. Other programmes provide advice for building the pipeline of investable opportunities and seek to demonstrate successful commercial investments. These programmes developed a model for catalysing innovative investment in agribusiness, which links smallholder producers to market opportunities. Programme example: ‘Invest Africa – Foreign Direct Investment’

3.5 Support infrastructure including SEZs and energy provision programmes

Investment promotion also involves public sector investment, particularly governments’ investments in industrial parks, energy, logistics and railways, which eventually attracts and facilitates FDI. Programmes also strengthen the institutional capacity for developing and running SEZs and industrial parks. These programmes related to strengthening the government in more effective public investment management, as public investments are an important base for the manufacturing sector. Since SEZ infrastructure is expensive, some DFID programmes have linked up with World Bank loans. Many DFID programmes provided financial input in the improvement of industrial infrastructure to support manufacturing, including industrial land preparation, securing access to energy and transport logistics. Programme example: ‘Regulatory and Investment Systems for Enterprise Growth in Bangladesh (RISE)’

4. Societal elements in the programme

Of the societal elements examined in the review of DFID manufacturing programmes, over two-thirds of manufacturing-related projects mentioned gender-focused implementation and/or the collection of gender-disaggregated data, while many fewer projects explicitly addressed the other dimensions listed in Table 7.

Table 7: Societal elements to safeguard inclusiveness in live programmes with a primary and partial focus on manufacturing

Societal elements (n=33)	Number of projects	Share of live programmes[4]
Gender	22	67%
Environment/climate change	10	30%
Labour conditions	8	24%
Youth	7	21%
Disability	4	12%
Development of products for poor (BOP) consumers	6	18%

Eleven live programmes (33%) with a primary or partial focus on manufacturing number promote 'responsible manufacturing' (focusing specifically on improving the work place conditions for employees and/or reducing environmental impact).

4.1 Gender

Most programmes in the portfolio with a gender element take a gender mainstreaming approach to ensuring that women and men are both included in and benefiting from activities and that logframes include some gender-focused indicators and/or gender disaggregated targets, enabling projects to be compliant with the Gender Equality Act (2014). Several manufacturing programmes work to link women-owned businesses as suppliers to Multi-national enterprises (MNEs) and large businesses, setting up partnerships with corporations to improve economic opportunities and outcomes for women in supply chains. Support for the manufacturing sector tends to be inherently pro-female since manufacturing sectors such as electronics assembly, textiles and garments typically employ high percentages of women. Programme example: 'Poorest States Inclusive Growth Programme'.

4.2 Environment/climate change

A range of DFID projects involve environmental/climate risk assessments and work collaboratively with enterprises to reduce the negative environmental impacts of manufacturing processes and comply with environmental standards in various sectors, such as garment production in Bangladesh. Some projects support the application of technology-based solutions such as cleaner production methods and systems that will reduce the environmental impact of manufacturing in developing countries. Programmes also help SMEs to implement

[4] This column refers to the % of all 33 programmes that is implementing the programme activity. Typically programmes have multiple societal elements included, therefore the table total exceeds 100%.

better production methods and to comply with environmental regulations and standards while also improving productivity. Programme example: ‘Sustainable Manufacturing and Environmental Pollution (SMEP)’.

4.3 Labour conditions

Projects seeking to improve labour conditions are mainly concentrated in Bangladesh and in Ethiopia, with one additional project each in Tanzania and Mozambique and three multi-country initiatives focusing primarily on Sub-Saharan Africa. Most projects address concerns about labour conditions through working with firms to improve compliance with international codes and standards. As well as working at an operational level, several projects provided training to workers and to management on labour conditions and workers’ rights. The programmes also raise occupational health and safety awareness of workers, supervisors and managers in the (textile) sector to improve the safety of their workplaces. Programme example: ‘Better Jobs in Bangladesh’ seeks to improve the working conditions of employees, mainly women, in the ready-made garment sector.

4.4 Youth

Manufacturing projects involving youth seek to address both supply and demand side barriers to youth employment. Whereas in some projects, youth are included as a special consideration (along with women and people with disabilities) for training and employment programmes, a number of projects do have an explicit focus on youth as a key beneficiary group. Initiatives to promote youth engagement in the manufacturing sector include vocational training and improving youth access to financial products and services. The designs of several job creation programmes also stipulate that youth need to be targeted for new and better paying jobs. Programme example: ‘Skills for Employment Programme Nepal’ provides young Nepalis with the opportunities to improve their employability, productivity and decision-making.

4.5 Disability

A small number of projects in sub-Saharan Africa and South Asia have incorporated targets or provisions for the inclusion of persons with disabilities within the manufacturing labour force. Such provisions also address both supply and demand side factors through providing training/skills upgrading for persons with disabilities or through the establishment of employment/job creation targets for disabled workers. One project in India includes people with disabilities within its target group (alongside women and youth) for receiving small loans. The recently approved (April 2018) multi-country Sustainable Manufacturing Environmental Pollution (SMEP) project is unique in proactively seeking to reduce long-term health problems among workers in manufacturing sectors by addressing exposure to pollutants in the workplace. Programme example: ‘Trade and Global Value Chains’ initiative included a project (Count Me Too) that targeted workers with disabilities for employment opportunities and raised awareness of disability employment policy.

4.6 Development of products for poor (BOP) consumers

Programmes within the portfolio that offer products for poor consumers focus primarily on financial products and to a lesser extent, on agricultural products. Business and financial products and services for poor, Bottom of Pyramid (BOP) consumers include loans and microcredit. Other initiatives explicitly promote inclusive business practices such as supporting start-ups that will have a significant impact on BOP consumers. Agricultural products for poor consumers tend to promote enhanced food production for domestic/local consumption (e.g. fish, dairy). Programme example: ‘India: Ventures and Technologies for Development (INVENT)’

Annex 1: Definition of manufacturing and manufacturing-related programmes

Manufacturing is the physical or chemical transformation of materials of components into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home, and whether the products are sold at wholesale or retail. Included are assembly of component parts of manufactured products and recycling of waste materials[5]. Key in manufacturing is its value addition to goods. Manufacturing includes agri-processing but not agribusiness.

For the DFID portfolio review, a broad understanding manufacturing is assumed including manufacturing-related programmes, which indirectly targets manufacturing (for example, improving worker conditions) or is very significantly related to manufacturing (for example supporting a special economic zone). At its broadest, manufacturing-related could be about any type of infrastructure that is relevant to manufacturing or generalised investment climate work with an explicit aim of attracting manufacturing. The following list falls under manufacturing-related support activities:

- Financial support: to promote private investments, including FDI, in the manufacturing sector
- Enterprise level support: to develop local for-profit manufacturing business development services (non-financial)
- Regulatory framework and policymaking: to support government in establishing industrial/manufacturing/sector policy/regulatory frameworks.
- Linkages: to establish and support local linkages and clusters among manufacturing businesses or with global firms.
- Miscellaneous: to build energy/infrastructure (economic zones and parks); to improve market access; to provide labour support, e.g. raising manufacturing skills or linking demand and supply.

[5] https://stats.oecd.org/glossary/detail.asp?ID=1586

Annex 2: Structure of the portfolio spreadsheet and data sources

IMC developed a structure for the spreadsheet format based on raw data provided by DFID and in consultation with DFID and the delivery partner for the assignment, Economic Growth and Transformation (EGAT). Further improvements and refinements were made after talks with the ILO, IFC and UNIDO (under Activity B).

The spreadsheet is structured around four main headings:

- basic programme data;
- manufacturing focus of the programme, subsectors and enterprise size;
- types of manufacturing support inputs (components) and interventions included in the programme;
- the extent to which programmes explicitly include societal elements to safeguard inclusiveness.

The basic programme data section details the country or countries where each programme is implemented and the responsible DFID Department/Country office (including Senior Responsible Officer (SRO) and contact details). The section includes the programme budget, website information, programme start and end dates, other donors' involvement and implementing organisations.

The manufacturing focus section describes whether the programme has a primary, partial or limited focus on manufacturing and provides the budget share that is specifically targeted toward manufacturing. The section further explores whether programmes take an explicit focus on particular manufacturing subsectors and if this includes the agricultural or service sectors. Lastly, it provides information on whether the targeted enterprise size was explicitly defined in the programme design, ranging from smallholder informal enterprises to SMEs and large enterprises.

Regarding the types of manufacturing support inputs (components) and interventions, the spreadsheet is organized according to the framework below (Box 1) under the subheadings 'Capital accumulation', 'Internal capabilities of enterprises', 'Intermediary business support organisations', 'Higher-level policy and regulatory institutional framework', 'Linkages' and 'Infrastructure and energy'.

The spreadsheet is designed in such way that it allows a broad understanding of manufacturing-related programmes that either indirectly target manufacturing (for example, improving worker conditions) or that are directly related to manufacturing (for example, supporting a Special Economic Zone). At its broadest, manufacturing-related interventions could support any type of infrastructure development that is relevant to manufacturing or that improves the generalised investment climate with an aim of attracting manufacturing.

The last section of the spreadsheet explores societal elements to safeguard inclusiveness in manufacturing. The section specifically addresses considerations of gender, labour conditions, youth, disability, environment/climate change and whether there is development of products for poor consumers.

The data for the types of manufacturing support section and societal impact section involved a simple 'Yes' or 'No' answer, which allows for quantitative analysis on the number and share of elements in all programmes. Where an answer is Yes, a short description of the activity or societal element is provided. This qualitative insight is useful to understand what is happening in the programme in further detail and allows for a more inductive (bottom-up) approach towards identifying manufacturing support approaches.

Data collection process

IMC collected the data for the portfolio spreadsheet in a two-stage process. Firstly, DFID provided data from their internal systems as well as open data from the DevTracker website (https://devtracker.dfid.gov.uk/). The spreadsheet was pre-populated and several DFID staff entered additional data to test the spreadsheet's usability. Secondly, DFID in collaboration with IMC sent the pre-populated spreadsheet to all SROs in the DFID country offices and concerned central departments for verification and suggestions for additional manufacturing (-related) programmes.

Limitations of the review

It is important to note several limitations of the review. The first concerns the data collection available at Devtracker. Often the annual reviews did not provide systematic information about the manufacturing aspects of the programmes. In the DFID data systems, there are overlapping categories between manufacturing and agriculture, as a result agri-processing falls in both for instance. Moreover, the manufacturing "codes" are not always used accurately which makes it time consuming to repeat this exercise thereby impeding time series assessment of the manufacturing portfolio. Not all SROs responded to the survey to clarify the level of manufacturing spend in their programmes.. Among those that did, some found it difficult to estimate the level of manufacturing spend in their programmes. Consequently, data on the precise allocation of manufacturing spend within programmes, and hence the overall portfolio, are approximate.

Box 1: Types of manufacturing support inputs (components) and interventions

Capital accumulation

- To establish or support a fund/facility providing grants and loans to private enterprises
- To provide finance and finance-related management skills to enterprises
- To strengthen capacity of financial institutions, improving access to finance for enterprises

Internal capabilities of enterprises

- To carry out entrepreneurship and management development training
- To provide tailored Technical Assistance (TA) to promote technology and innovation (quality standards and compliance)
- To provide labour support, e.g. raising manufacturing skills or linking demand and supply

Intermediary business support organisations

- To strengthen branch associations and trade/labour unions
- To strengthen non-commercial local business development services and NGOs
- To strengthen commercial local business development services and consultancies

Higher-level policy and regulatory institutional framework

- To support government in establishing higher-level policies to improve the business climate
- To strengthen the functioning of government institutions and regulatory frameworks
- To promote research and evidence-informed policy making

Linkages

- To support local (value chain/clusters) linkages for improved market access
- To support global (value chain/UK business/FDI) linkages for improved market access
- To strengthen Public-Private Policy Dialogues (PPPD)

Infrastructure and energy

- To support infrastructure including Special Economic Zones (SEZs) and energy provision programmes

Annex 3: Numbers of selected live manufacturing and manufacturing-related programmes

(only live programmes included: n=72)

DFID offices	Population size, 2017 (million)[6]	GDP per capita, PPP (2017, current international $)[7]	World Bank 'Ease of Doing Business' ranking[8]	DFID's total spend 2018/2019	DFID's total economic development spend 2018/2019	Total number of manufacturing (-related) programmes	Manufacturing spend in programmes	Number of programmes with a primary focus on manufacturing	Number of programmes with a partial or limited focus on manufacturing	Number of programmes with a limited or partial focus on manufacturing, exceeding £30 million.
Tier 1 countries										
Africa										
DR Congo	81.3	887	182	£182,000,000	£16,380,000	1	£2,000,000	0	1	0
Ethiopia	105.0	1,899	161	£302,000,000	£51,340,000	3	£78,215,456	2	1	1
Ghana	28.8	4,641	120	£41,500,000	£19,920,000	3	£17,791,500	1	2	0
Liberia	4,731	826	172			0	£0	0	0	0
Kenya	49.7	3,285	80	£111,000,000	£39,960,000	2	£29,409,611	0	2	1
Malawi	18.6	1,202	110	£64,800,000	£9,072,000	1	£5,374,140	0	1	0
Mozambique	29.7	1,247	138	£47,000,000	£8,460,000	2	£5,539,500	0	2	0
Myanmar	53.4	6,138	171	£87,500,000	£35,000,000	2	£3,988,397	0	2	0
Nepal	29.3	2,681	105	£82,000,000	£22,140,000	2	£4,700,000	0	2	1
Nigeria	190.8	5,860	145	£235,000,000	£44,650,000	3	£27,899,000	0	3	0
Rwanda	12.2	2,035	41	£57,000,000	£22,800,000	3	£18,741,299	1	2	0
Sierra Leone	7.6	1,526	160	£88,400,000	£20,332,000	0	£0	0	0	0
South Sudan	12.6	-	187	£150,000,000	£7,500,000	0	£0	0	0	0
Sudan	40.5	4,903	170	£65,000,000	£7,150,000	0	£0	0	0	0
Somalia	14.7	-	190	£158,000,000	£22,120,000	1	£750,000	0	1	0
Tanzania	57.3	2,945	137	£153,000,000	£41,310,000	3	£5,085,785	0	3	0
Uganda	42.8	1,863	122	£100,000,000	£29,000,000	4	£42,785,662	2	2	0
Zambia	17.1	4,050	85	£42,000,000	£10,920,000	1	£807,500	0	1	0
Zimbabwe	16.5	2,085	159	£86,000,000	£20,640,000	2	£2,712,500	0	2	0

6 https://data.worldbank.org/indicator/SP.POP.TOTL?year_high_desc=false
7 https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD
8 https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?name_desc=false

DFID offices	Population size, 2017 (million)[9]	GDP per capita, PPP (2017, current international $)[10]	World Bank 'Ease of Doing Business' ranking[11]	DFID's total spend 2018/2019	DFID's total economic development spend 2018/2019	Total number of manufacturing (-related) programmes	Manufacturing spend in programmes	Number of programmes with a primary focus on manufacturing	Number of programmes with a partial or limited focus on manufacturing	Number of programmes with a limited or partial focus on manufacturing, exceeding £30 million.
Tier 1 countries										
Asia										
Afghanistan	35.5	1,980	183	£155,000,000	£63,550,000	1	£4,500,000	0	1	0
Bangladesh	164.7	3,868	177	£170,000,000	£42,500,000	3	£36,100,000	3	0	0
Pakistan	197.0	5,527	147	£325,000,000	£94,250,000	2	£30,900,140	0	2	0
Yemen	28.3	-	186	£120,000,000	-	0	£0	0	0	0
Tier 2 countries										
Tajikistan	8.9	3,180	123	£8,000,000	£3,760,000	1	£3,800,000	0	1	0
Kyrgyz Republic	6.2	3,725	77			0	0	0	0	0
Palestine OPTs				£59,000,000	£10,030,000	1	£6,900,000	0	1	0
India	1,339.2	7,055	100	£52,000,000	£44,200,000	5	£61,899,986	2	3	1
Tier 3 countries										
Indonesia	263.9	12,283	72	£13,000,000	£4,290,000	0	0	0	0	0
Iraq	38.2	17,196	168	£30,000,000	-	0	0	0	0	0
Jordan	9.7	9,153	103	£110,000,000	£17,600,000	0	0	0	0	0
Lebanon	6.1	14,675	133	£85,000,000	£13,600,000	1	£1,600,000	0	1	0
St Helena/Caribbean				£104,000,000	£75,920,000	1	£180,000	0	1	0
Syria	18.1	-	174	£130,000,000	£3,900,000	1	£2,790,000	0	1	0
Total programmes in country offices						**49**	**£399,470,461**	**11**	**38**	**4**

9 https://data.worldbank.org/indicator/SP.POP.TOTL?year_high_desc=false
10 https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD
11 https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?name_desc=false

Central DFID departments	Total number of manufacturing (-related) programmes	Manufacturing spend in programmes	Number of programmes with a primary focus on manufacturing	Number of programmes with a partial or limited focus on manufacturing	Number of programmes with a limited or partial focus on manufacturing, exceeding £30 million.
Africa Regional Department (ARD)	4	£13,641,282	0	4	0
Growth and Resilience Department (GRD)	6	£196,871,500	2	4	2
Trade for Development (TFD)	4	£26,499,998	2	2	0
Growth and Research Team	3	£2,778,173	0	3	0
Private Sector Department (PSD), incl CDC	5	£175,807,600	0	5	2
Research & Evidence Division - Climate Energy & Water team (RED-CEW)	1	£20,000,000	1	0	0
Total programmes in central DFID departments	**23**	**£435,598,553**	**5**	**18**	**8**

TOTAL country offices and departments	**72**	**£835,069,013**	**16**	**56**	**12**

Annex 4: Description of two key DFID manufacturing support programmes

India: Ventures and Technologies for Development (INVENT)

(https://devtracker.dfid.gov.uk/projects/GB-1-202927)

Ventures and Technologies for Development (INVENT), India aims to encourage private sector innovation by providing investment capital and business development services worth £27 million to innovative enterprises in low income states of India and £11m for enterprises in developing countries by 2019. The project invests in companies that manufacture new technologies both in India and in Africa (e.g. school bags that double as desks, machinery that makes sanitary napkins).

The programme has a primary focus on manufacturing (80%/£30 million). INVENT provides investment capital through £18m Development Capital Investment (DCI) funds for replication and scale-up of commercially proven innovative businesses in India's low-income states (LISs). The programme provides business development services. INVENT provides support to incubators which will nurture innovative inclusive business ideas, leading to 50 'investment ready' businesses. The demand-led instrument for sourcing innovations is the Innovation Knowledge Exchange Facility (IKEF). The programme supports knowledge-sharing on inclusive innovations between India and developing countries. The programme promotes inclusive innovations, which presumably include gender, and supports start-ups with significant positive impact on Bottom of Pyramid (BoP) consumers.

Sustainable Manufacturing and Environmental Pollution (SMEP)

(https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300124

The Sustainable Manufacturing and Environmental Pollution (SMEP) programme will tackle the problem of pollution generated by manufacturing and industrial activity in developing countries. Pollution linked to manufacturing and industry in developing countries is causing very high (and in some cases catastrophic) levels of environmental degradation, which are leading to long-term health problems among workers and the general population, as well as widespread contamination of vital resources, including drinking water, livestock, soil and food crops. The SMEP programme will contribute to the identification, development and application of technology-based solutions, cleaner production methods and systems that will reduce the environmental impact and pollution generated by manufacturing in developing countries, leading to long-term environmental sustainability, improved health standards and greater production efficiency.

SMEP has a primary focus on manufacturing (100%/£20,000,000), particularly on apparel, leather tanning, food processing, plastic profligates, electromechanics, light engineering, and chemicals used in SMEs and large enterprises.

The SMEP programme will contribute to the identification, development and application of technology-based solutions, cleaner production methods and systems that will reduce the environmental impact and pollution generated by manufacturing in developing countries.

Annex 5: Remaining programmes (future programming pipeline)

The following programmes are potentially interesting for future manufacturing review purposes. However, at the time of writing this report, no information was available yet to include in the spreadsheet.

1. India Fastrack Start-up Fund (FSF) (300421), DFID India, £38,000,000. The programme will encourage investments in tech-driven / IP manufacturing sectors that employ emerging technologies (e.g. AI, machine learning, analytics).

2. UK-INDIA Partnership on National Investment and Infrastructure Fund (NIIF) (300418), DFID India, £130,000,000. The programme will invest in emerging technology in green sectors like electric vehicles (likely to be manufactured by the investee companies)

3. Child Labour programme, Asia Regional Department, Afghanistan, Burma, Bangladesh, Nepal, India and Pakistan, Andrew Clayton (A-Clayton@dfid.gov.uk). The programme will look at hazardous children's work in manufacturing.

4. Work in Freedom Two (Fair Recruitment and Decent Work for Women Migrant Workers in South Asia and the Middle East), Asia Regional Department, Andrew Clayton (A-Clayton@dfid.gov.uk). https://devtracker.dfid.gov.uk/projects/GB-GOV-1-300551. £12,995,090 (300551). To reduce vulnerability to trafficking and forced labour of women and girls across migration pathways leading to the care sector and textiles, clothing, leather and footwear industries of South Asia and the Arab States. (March 2018 – March 2023)

5. Structural Change for Economic Growth (STEG), Growth Research Team, Tim Green (T-Green@dfid.gov.uk), £12,000,000 (300656). To better understand how governments and development partners can facilitate processes of structural change and improved productivity, growth and poverty reduction in low income countries.

6. Investment Promotion Agency (yawar.naeem@trade.gov.uk)

7. Business Integrity Initiative (Julia-Kraetke@dfid.gsx.gov.uk)

Annex 6: Acronyms

BOP	Bottom of Pyramid
CJCE	Commercial Justice and Contract Enforcement
DFID	Department for International Development
EAC	East African Community
EGAT	Economic Growth and Transformation
EU	European Union
FDI	Foreign Direct Investment
ICT	Information and Communications Technology
IFC	International Finance Corporation
ILO	International Labour Organisation
ISO	International Standards Organisation
IT	Information Technology
IPAs	Investment Promotion Agencies
MNE	Multi-national Enterprises
NGO	Non-governmental Organisation
OHS	Occupational Health and Safety
PSD	Private Sector Development
PPPD	Public-Private Policy Dialogues
RCT	Randomised Control Trial
SEZ	Special Economic Zone
SME	Small and Medium Enterprises
SMEP	Sustainable Manufacturing Environmental Pollution
SRO	Senior Responsible Officer
TA	Technical Assistance
ToT	Training of Trainer
TVET	Technical and vocational education training
TSIs	Trade and Investment Support Institutions
UK	United Kingdom
UNIDO	United Nations Industrial Development Organisation
US	United States of America