Raising FDI for African manufacturing

An assessment of Manufacturing Africa's additionality

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Acknowledgements and background

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The contents of the document are the sole responsibility of the authors and do not necessarily reflect the views of Manufacturing Africa.

This report is based on a mixed-methods approach, triangulating secondary data from Manufacturing Africa's database with company interviews, expert interviews and other secondary data collected by the research team. A full methodology is provided in the Annex.

Executive summary

Manufacturing Africa (MA) has delivered at scale as a catalytic development programme. Since its launch in September 2019, MA data shows the programme has mobilised nearly £2.2 billion in Foreign Direct Investment (FDI) and supported approximately 150,000 direct and indirect jobs. Out of 266 companies supported at the time of this study, 175 companies of which have completed MA's support, 55 have successfully raised investment, with a deal closure rate exceeding 30%. This compares favourably to peer programmes. [1]

This study independently assesses MA's 'Bigger, Better, Faster' Additionality Framework, the approach used by MA to ensure that Foreign, Commonwealth and Development Office (FCDO) funds deliver outcomes beyond what the market would provide on its own. Using a theory-based approach drawing on contribution analysis, the study combines quantitative analysis of MA's Salesforce data, benchmarking against industry comparators, and semi-structured interviews with MA-supported companies and sector experts.

MA has created additionality across multiple dimensions. Our analysis found that MA has accelerated the pace of deals, and in some cases helped achieved larger deals. Investors also found that MA's support to companies made them more confident about investing in a sector or company. ESG, gender and governance support strengthened companies' investability and, in some cases, deepened the development impact of the deals.

MA's impact extends beyond what the current framework captures, making firms' fundamentals stronger and contributing to structural transformation. The current Additionality Framework is focussed on deals, but MA's impact goes beyond this. The programme improves firms' fundamentals by supporting companies to become more strategic, efficient and productive, and well managed. It supports deals in many innovative sectors, contributing to structural transformation and diversification of African economies, enhancing their resilience.

Future programming should expand the scope of MA, and the Additionality Framework should include positive impacts that are currently neglected. A broadened framework, structured around three levels – foundational company impact, investment-level impact and inclusive and sustainable economic transformation – would more accurately reflect MA's contributions.

As MA demonstrates, FCDO's role as a catalyst for private investment in African manufacturing is well established; future programming could expand this remit to more countries and activities, including more active support to last-mile investment processes (for instance supporting companies during negotiations with investors).

[1] MA's data show that the programme is providing support to/has supported more than 280 companies as at June 2026. The figures presented in this report come from a dataset provided by MA to the study team at the beginning of the study (January 2026).

Contents

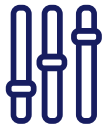
Scope of the assignment

Does Manufacturing Africa deliver additionality?

Launched in September 2019, the MA programme aims to drive inclusive, manufacturing-led economic transformation by addressing the structural gaps that prevent viable investment opportunities from reaching fruition.

Central to its success and legitimacy is the principle of additionality: the requirement that ODA support must achieve outcomes that the market would not have delivered on its own. MA defines additionality not as a simple binary, but as a multidimensional framework:

Existence (not at all)



Scale (bigger)

Velocity (faster)

Quality (better)

This assignment seeks to independently validate these additionality claims.

What is Manufacturing Africa and why is it needed?

The case for MA: FDI is not yet part of the mainstream financing toolkit for manufacturers in Africa

- Equity finance is poorly understood and underused as a growth tool in African manufacturing. Companies everywhere, including in Africa, are thought to prefer investing their own funds, followed by debt and finally equity, to finance their expansion (Donaldson, 1961; Myers and Majluf, 1984).
- African companies usually rely on tools other than equity to grow. Manufacturing firms often rely on their own resources, on debt and less frequently on equity (see World Bank data on the right). In the case of family-owned companies, this avoids dilution of their ownership. Equity deals are sometimes used for exit rather than for expansion, diversification or innovation (expert interviews).

Average proportion of investment financed by:

		Shareholder equity/internally (%)	By banks (%)	By equity or stock sales (%)	By supplier/customer credit (%)	By other financing (%)
Kenya (2025)	All sectors	59.5	20.7	7.2	7.9	4.7
	Manufacturing	48	27.4	6.2	9.5	8.8
Ethiopia (2025)	All sectors	79.1	9.1	7.6	1	3
	Manufacturing	83.6	6	2.9	0.1	7.5
Nigeria (2025)	All sectors	75.8	1.5	15.5	2	5.1
	Manufacturing	70.8	0.5	20.3	1.2	7.3
Rwanda (2023)	All sectors	70.2	13	2.2	2.1	12.5
	Manufacturing	70.1	17.2	1.9	1.9	8.9
Senegal (2024)	All sectors	66.9	17.9	2	12	1.2
	Manufacturing	68.2	18.5	11.1	2.3	0
Tanzania (2023)	All sectors	84.4	3.6	3.1	2.9	5.9
	Manufacturing	87.9	0.4	1.5	2.3	7.9
Uganda (2025)	All sectors	64.4	13.7	16.3	2.1	3.6
	Manufacturing	69.8	9.5	13.9	3.2	3.6
Sub-Saharan Africa	**All sectors**	**74**	**8.6**	**8.1**	**4.6**	**4.7**
	Manufacturing	**74.1**	**9.7**	**8**	**3.5**	**4.7**

Source: World Bank Enterprise Survey data

A persistent market failure exists on what transaction advisors offer vs. what companies need

- **Private equity investing has made little headway in Africa,** with the exception of South Africa (Moss et al., 2007). Private equity has only operated for a few decades in African markets (with the exception of South Africa), and African manufacturing companies have been largely absent from private capital markets. Investors tend to gravitate towards sectors with more familiar risk profiles, lower capital requirements or faster returns, such as the financial sector or tech, leaving manufacturing underserved (AVCA, 2026; expert interviews).
- **A structural market failure underlies this gap.** On the one hand, transaction advisors and service providers (legal, financial, technical) generally support large 'vanilla' transactions but shy away from manufacturing, which is considered risky and complex. These advisors often prioritise large transactions with big corporate or government clients rather than the needs of (usually) smaller manufacturing companies of the type MA serves (based on expert interviews). On the other hand, many viable manufacturing firms cannot afford high-quality advisory services, and they sometimes find these services generic and not tailored to the needs of their specific sector and geographies. Companies are also unable or unwilling to pay for standard advice not tailored to their needs, especially when the returns are uncertain and unknown in advance (based on company interviews). This leaves otherwise promising companies unable to meet investor standards or navigate complex transactions on their own.
- **Many firms that could benefit from equity investment are not yet 'investment-ready':** they lack the governance structures, financial reporting standards, ESG policies or strategic clarity that investors require. Transactions advisors are unlikely to offer such services. Bridging this gap requires targeted, high-quality and often technical assistance – this is the niche that MA was designed to fill.

Manufacturing Africa works with companies and governments to unlock FDI

Pathway 1: Government and investment promotion

Strengthen government institutions (ministries, IPAs, regulators) to be more effective at attracting, facilitating and retaining manufacturing FDI

Pathway 2: Market knowledge and investor de-risking

Fill critical information gaps on market opportunities, commercial viability and investment risk, targeting investors, businesses and sometimes governments to ‘crowd in’ players in specific sectors or value chains

Pathway 3: Ecosystem enablers and deal mobilisation

Mobilise capital, creating deal pipelines and building networks of investors, businesses and intermediaries – often through convening, origination activities or platforms

Pathway 4: Thought leadership and future industries

Generate forward-looking and strategic thinking on the future of manufacturing influencing long-term planning, policy narrative and donor/development partner priorities

Note: The present assessment focuses on the work under Pathways 2 and 3

MA Transaction facilitation

£2bn+
FDI Facilitated

55
Deals Closed

Tailored support

FCDO funded world-class investment advisory to turn growth businesses in manufacturing into investable opportunities.

Corporate finance & investor readiness

Financial analysis and modelling, marketing materials, business planning, valuation and full transaction support to prepare businesses for international investment.

Commercial diligence & strategy

Deep commercial gap analysis, market data and strategic issue resolution — filling information asymmetries that deter investment in African manufacturing markets.

Investor matching & market linkages

Introductions to strategic partners via a 350+ investor network.

Development impact: ESG, GESI & climate

Gender and social inclusion integration, climate/environmental support, governance improvement and impact measurement — 100% of deals GESI-screened.

Through its tailored support, MA has contributed to investment and job creation, aiming to achieve additionality

MA was launched by FCDO as a strategic instrument to drive inclusive, manufacturing-led economic transformation in Africa.1 It addresses the structural gaps that prevent viable investment opportunities from reaching fruition, acting as a bridge between African manufacturers seeking growth capital and global investors deterred by perceived high risks.

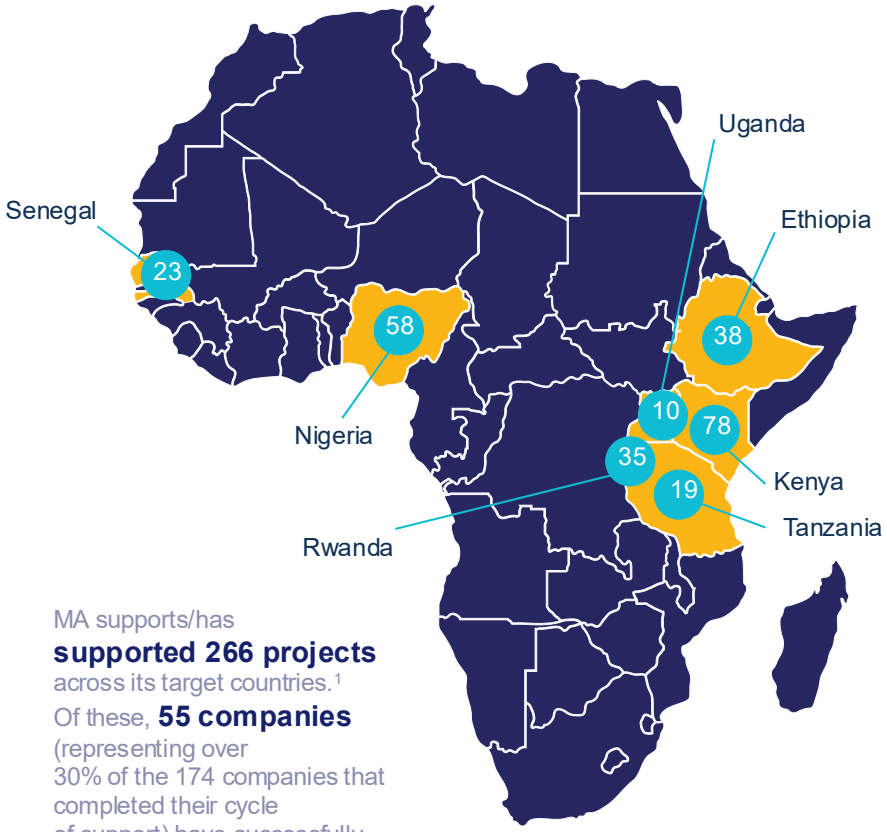
- **Scale of impact to date:** MA's own records show that the programme has supported nearly £2.2 billion in FDI and approximately 150,000 direct and indirect jobs. [2]
- **Mode of support:** MA provides professional-grade corporate advisory services free of charge to selected companies. These include corporate finance support (financial modelling, business plans, investor identification), commercial due diligence, support on environment, climate and gender and social inclusion (GESI) policies, and other forms of support. MA does not provide grants or concessional loans; it provides expertise.
- **Target companies:** MA targets manufacturing firms that present viable investment opportunities and are expected to create positive economic, social and environmental impact, but cannot access the investment-readiness support they need through commercial channels – because such services are unavailable, insufficiently specialised or prohibitively expensive. Companies must pass a rigorous selection process before receiving support.
- **Additionality as a core principle:** Central to the legitimacy of this model is the principle of additionality – the requirement that Official Development Assistance (ODA) support achieves outcomes the market would not have delivered on its own. MA defines additionality as a multidimensional framework: Not at All (Existence), Faster (Velocity), Bigger (Scale) and Better (Quality).

[1] Data presented in this section, and data on MA's portfolio presented throughout this report, was provided to the study team by MA at the start of the study. Some figures may not have been updated to reflect the latest progress.

[2] Figures commonly cited by other reports are £2 billion in FDI and 125,000 jobs supported. The figures reported here ($2.5 billion ~ £2.2 billion and 150,000 jobs) come from data provided by MA to the study team.

Analysis of the MA portfolio

MA's portfolio spans seven countries and more than a dozen manufacturing subsectors



MA supports/has **supported 266 projects** across its target countries.[1] Of these, **55 companies** (representing over 30% of the 174 companies that completed their cycle of support) have successfully raised equity investment, **mobilising a combined £2.2 billion**.[2]

- **By country:** Kenya dominates the portfolio of companies supported by MA (78 projects, $5.4 billion in project value), followed by Nigeria (58 projects, $4.1 billion) and Ethiopia (38 projects, $858 million). Rwanda has 35 projects but at a much smaller average size ($12 million), reflecting the smaller size of the economy. Nigeria has the highest deal-closure rate (42% of the companies that completed support closed deals), followed by Senegal (38%), with an overall programme average of 32%.
- **By sector:** The majority of the companies supported by MA are in agroprocessing (the largest sector, with 90 projects), followed by pharmaceuticals (26) and machinery and electrical equipment (20). In terms of successful capital raises, machinery and electrical equipment has the highest closure rate (67%), followed by vehicles and transport equipment (36%).
- **By investment type:** Most of the companies supported are brownfield investments (entailing the expansion or improvement of an existing investment), with 149 projects, $3.8 billion total value, averaging $26 million per deal. Greenfield projects (new ventures) are fewer but much larger (114 projects, $9.9 billion total, averaging $87 million per deal).
- **Support types:** The most commonly provided form of support is corporate finance (financial modelling, business plans, investor and buyer identification), followed by commercial due diligence analysis and Gender, Equality and Social Inclusion (GESI)/climate and environment support. MA tailors bespoke support packages to each company's specific needs, which often means more than one type of support is provided.

[1] Information on the MA portfolio presented in this and in the following sections is drawn from the data provided by MA to the study team. Some information in this dataset is to be considered 'expected' or 'planned' and not actual impact. For instance, the 'additionality' figures represent what the MA team expects the additionality to be in engaging with the firm, not the additionality that actually takes place after MA's support. Similarly, the FDI amount is what investors have committed to invest (through signed commitments), rather than what companies actually raise. As such, the data should be treated as indicative.

[2] The figures commonly cited by other reports are £2 billion in FDI and 125,000 jobs supported. The figures reported here ($2.5 billion ~ £2.2 billion and 150,000 jobs) come from the study team's calculations based on the data provided by MA. MA data on close rate may differ as they take into account typical close time-frames.

MA's portfolio spans seven countries and more than a dozen manufacturing subsectors

Kenya houses most projects and agroprocessing is the largest sector

Country[1]	Number of projects	Total value of projects (million USD)	Average project value (million USD)
Kenya	78	5,437	70
Nigeria	58	4,100	71
Ethiopia	38	858	23
Rwanda	35	398	11
Senegal	23	1,541	67
Tanzania	19	196	10
Uganda	10	254	25
Cross-Country	4	1,161	290
Other	1	178	78
Total	**266**	**14,123**	**53**

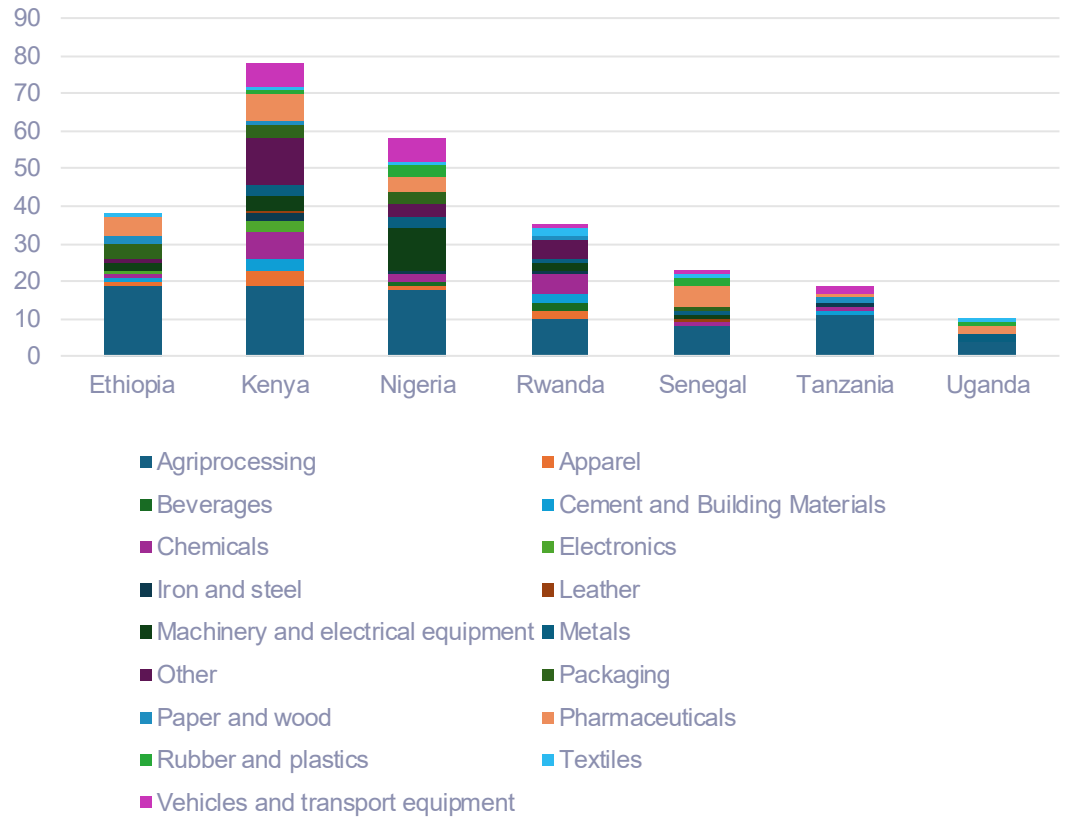
Type of investment	Number of projects	Total value of projects (million USD)	Average project value (million USD)
Brownfield	149	3,803	26
Greenfield	114	9,931	87
Joint Venture	1	10	10
Public-Private Partnership	2	380	190
Total	266	22,749	37

Sector	Number of projects	Total value of projects (million USD)	Average project value (million USD)
Agroprocessing	90	2,796	31
Apparel	8	84	11
Beverages	3	37	12
Cement and building materials	8	95	12
Chemicals	18	3,405	189
Electronics	4	134	34
Iron and steel	5	256	51
Leather	2	17	8
Machinery and electrical equipment	20	540	27
Metals	10	209	21
Other	23	3,081	134
Packaging	12	307	26
Paper and wood	6	53	9
Pharmaceuticals	26	1,020	39
Rubber and plastics	8	321	40
Textiles	7	363	52
Vehicles and transport equipment	16	1,405	88
Total	**266**	**14,123**	**53**

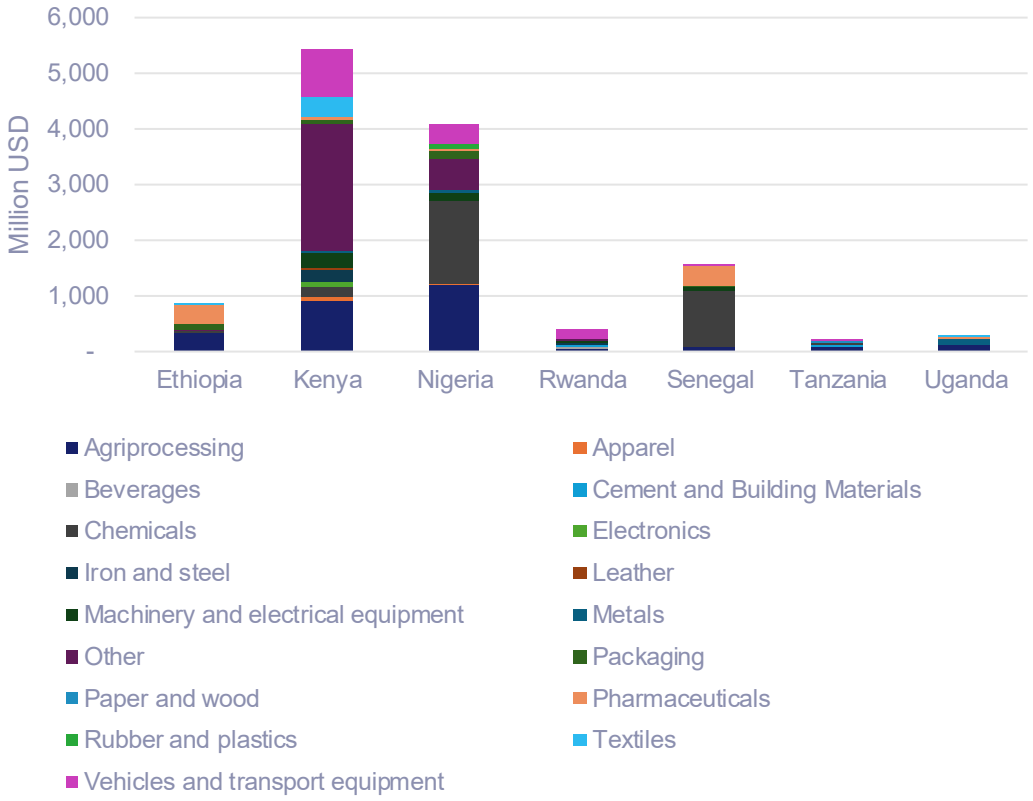
Agroprocessing dominates by number of projects in all countries

Chemicals and pharmaceuticals expected to attract/attracted large investments in Nigeria and Senegal; vehicles and transport equipment more prominent in Kenya

Projects supported (number)



Projects supported (by expected investment volume)



Raising capital through MA's interventions

55 companies (over 30% of the companies supported) were successful in raising capital

These companies are equally split between greenfield and brownfield, and are often innovative

- **Closure rate:** 55 companies have successfully raised equity investment/FDI out of 175 companies that received full transaction facilitation support — a deal closure rate exceeding 30%, comparing favourably to peer programmes operating in similar markets.[1]
- **Combined capital mobilised** is expected to be £2.2 billion across the 55 closed deals.
- **Average deal size** expected at $45.3 million; median deal size: $12 million. The wide range reflects diversity from scaling start-ups to large industrial greenfield investments. A significant share of deals falls below $10 million whilst a smaller number exceeds $100 million in expected value.
- The portfolio of deals achieving closure is evenly split between **greenfield** and **brownfield** projects, but the equity raised for greenfield is 8x the equity of brownfield.
- **Innovation:** MA tracks the share of deals that introduce innovations (new products or new production methods) to the market. Among companies that have raised capital, 47% involve innovations, compared with 37% among those that have not raised capital. This suggests that investors are particularly attracted to innovative companies.

	Number of projects	Value of projects (USDm)	Average size of deals (USDm)
Brownfield	27	267	10
Greenfield	28	2,226	80
Grand Total	55	2,494	45

[1] Data on the MA portfolio were provided to the study team by MA at the start of the study. Some figures may not have been updated to reflect latest progress. Data on individual companies were collected by the study team through interviews, and reflect progress achieved at the time of the interview.

Kenyan companies closed more deals, Senegalese companies closed the largest deals

The largest investments on average were in pharmaceuticals, rubber and plastics

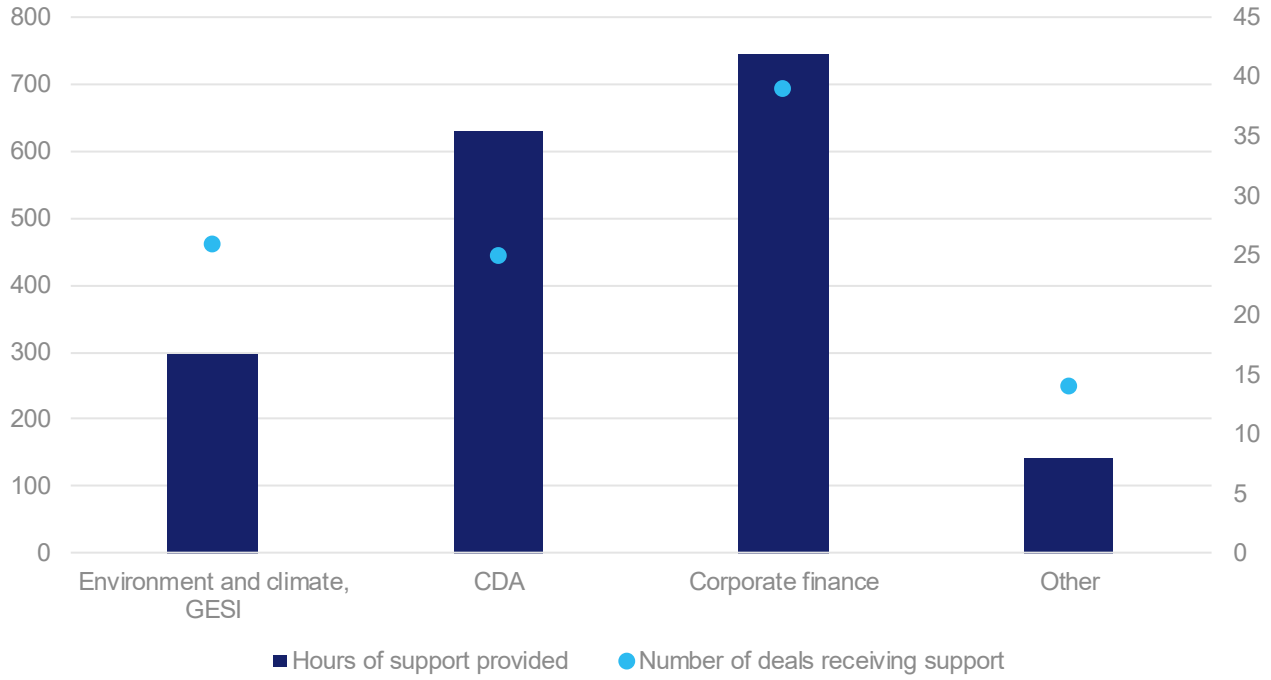
	Number of projects	Volume of investment (USDm)	Average project value (USDm)
Kenya	21	807	38
Nigeria	13	473	36
Ethiopia	8	404	50
Rwanda	6	186	31
Senegal	3	240	80
Tanzania	1	3	3
Uganda	1	3	3
Other	1	178	178
Cross-Country	1	200	200
Total	**55**	**2,494**	**45**

Sector	Number of projects	Volume of investment (million USD)	Average project value (million USD)
Agroprocessing	16	141	9
Apparel	2	42	21
Cement and building materials	1	5	5
Chemicals	2	64	32
Iron and steel	1	8	8
Machinery and electrical equipment	8	134	17
Other	9	816	91
Packaging	2	24	12
Paper and wood	2	18	9
Pharmaceuticals	6	725	121
Rubber and plastics	2	209	104
Vehicles and transport equipment	4	308	77
Grand Total	**55**	**2,494**	**45**

Corporate Finance and Commercial Diligence Analysis are the most common types of support received by successful companies

- MA provides various types of support to companies to make them investment-ready.
- The most commonly provided type of support is **corporate Finance** (support with financial modelling, business plans, identification of investors and buyers etc.), followed by **Commercial Diligence Analysis** (CDA) and support on **environment, climate, gender** and other areas of impact.
- The remainder of the support was a mix of many activities, including **support to the efficiency of manufacturing operations** and **stakeholder engagement**.

Support received by successful companies



Assessment of MA's additionality

MA's additionality framework and our assessment

Key evaluation questions

- **How did MA's support lead to different types of 'additionality' outcomes?**
  - Would deals have happened without MA's support?
  - Were deals bigger because of MA's support?
  - Did deals happen faster because of MA's support?
  - Did the quality of development impact improve – or had potential to improve – because of MA's support?
- **How can the Additionality Framework be further developed? What improvements can be made?**

Summary of additionality framework

Not at All (Existence)	Unlocking deals that would otherwise not exist.
Faster (Velocity)	Significantly compressing investment timelines through professional advisory and facilitation.
Bigger (Scale)	Expanding the capital raise or operational scope of a project.
Better (Quality)	Deepening development impact through ESG integration, gender inclusion and local supply chain linkages.

We employ a theory-based, mixed methods approach to assess the Additionality Framework

The study applies a theory-based approach, starting with a visual reconstruction of a simplified Causal Pathways framework for additionality, and by identifying assumptions underpinning it. These – as well as more detailed methodology, including study caveats and limitations - can be found in the Annex.

The study uses mixed methods to ensure the triangulation of evidence:

Document review. This includes internal MA reports, MA commissioned external studies and academic and grey literature.

Quantitative data analysis investigates the portfolio of MA-supported companies, focusing on companies that have raised capital and those that have not/are not expected to raise. The external database Dealmakers Log is analysed to provide additional benchmarking data.

Semi-structured interviews were conducted with:

A. MA programme staff, including Country Managers

B. Companies (all except one had raised capital as the time of the study)

C. Investors and funds who have worked with MA

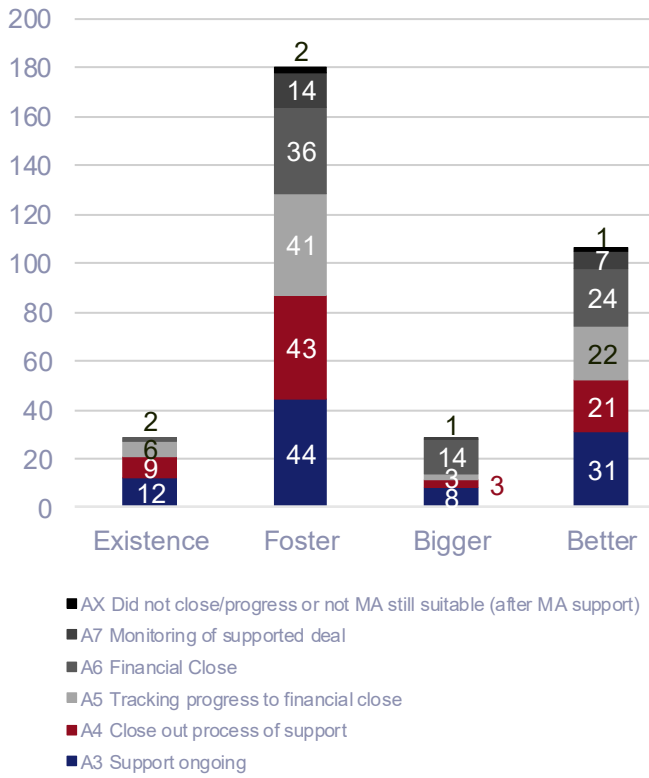
D. Industry experts.

MA expects most companies to hit more than one additionality dimension

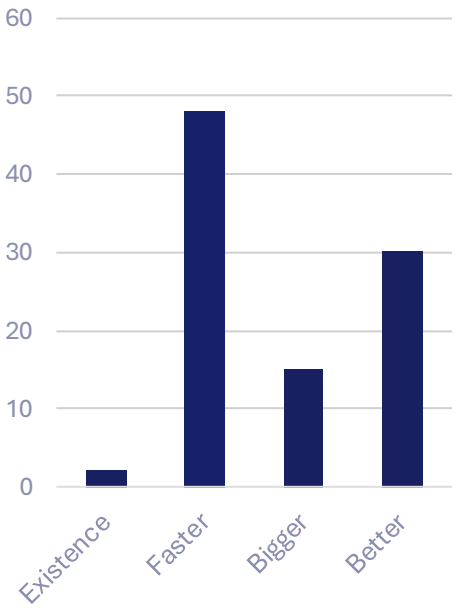
‘Faster’ is the most anticipated dimension

- MA has assigned each project according to the type of additionality (one or more) that it expects to achieve. A simple descriptive analysis reveals that:
- Out of 55 successful companies, five have not been assigned any additionality dimension/outcome.
- 17 are assigned one dimension only (i.e. most are assigned more than one dimension).
- 87% (45 companies) are expected to close a deal faster thanks to MA support, 27% (15) are expected to get a bigger deal and 55% (30) are expected to contribute to better development outcomes.
- Only two companies are assigned the Existence Additionality. This dimension was introduced more recently than the others, and therefore is less commonly assigned.

Expected additionality of all deals



Distribution of expected additionality outcomes among successful companies



Existence is the latest addition to the framework – and the hardest to prove

MA compares favourably with similar programmes in terms of closure rates

The 'Existence' (or 'Not at All') dimension of additionality asks whether, in the absence of MA support, the deal would have happened at all. It captures the most fundamental dimension of additionality: MA unlocks deals that commercial markets would not have produced on their own.

- **Portfolio data:** Out of 266 companies that MA has supported, 55 have raised investment. Only two companies in the MA portfolio have been formally assigned the Existence Additionality dimension – a low number explained in part by the fact that this dimension was introduced more recently than the others. The overall deal closure rate of over 30% is higher than the market rate of approximately 12-15%, in the absence of MA (based on expert interviews). This suggests that MA's presence makes deals happen that otherwise would not.
- **Caveat:** Existence additionality is the most difficult dimension to verify. MA's support is not randomly assigned – it is highly targeted to companies that are deemed promising but constrained. This makes it difficult to construct a reliable counterfactual. Companies that have successfully raised capital may also be reluctant to attribute their success solely to MA, introducing source bias. Results should therefore be interpreted with caution.
- **Comparator programme performance:** MA's deal closure rate of over 30% compares favourably with peer programmes: GET.invest reports approximately 21%, and Ghana JET around 32%. MA's performance is particularly strong given its exclusive focus on manufacturing, for which some subsectors (e.g. chemicals) require longer transaction timelines, higher capital intensity and more complex due diligence requirements than other sectors, such as tech.*

Programme	Closure rate	Sources
GET.invest Mobilising Renewable Energy Investments	21% 138 deals closed out of 658 projects and companies supported; 269 'accepted by financiers'	Get.invest (2026)
GHANA JET Jobs and Economic Transformation	32% ~£97m of investment closed, vs £305m supported	Annual report, April 2024

* Note: Programme comparison is difficult due to the different geographies, sectors, goals and reporting mechanisms of the various programmes. These numbers are indicative and should be treated with caution.

Investors see Existence additionality; companies benefit from a ‘reputation’ effect

MA-supported transactions create a reputation effect, and can serve as a demonstration for others in the future

- **Investor perspective:** Several investors told us that MA’s analysis and support gave them the confidence to bring deals to their Investment Committees that they would not otherwise have pursued. One investor considering an unfamiliar sector said that MA’s work was decisive in persuading them to proceed. Another investment group stated that MA’s support unlocked further funding for the deal.

- **Reputation effect:** A recurring theme in company interviews was that being vetted and supported by MA created a ‘reputation effect’. Companies reported that association with MA gave them greater credibility with investors. One company attributed its success not only to the technical support received, but also to the credibility conferred by MA’s involvement.

- **Demonstration effect:** Expert interviews suggested that positive experiences with equity transactions facilitated by MA can create a ‘demonstration effect’ for other companies, encouraging more manufacturers to seek similar funding in the future. This is particularly significant given that equity is still a relatively new and unfamiliar tool for many African manufacturers, who typically rely on debt or internal financing for expansion.

* Note: Programme comparison is difficult due to the different geographies, sectors, goals and reporting mechanisms of the various programmes. These numbers are indicative and should be treated with caution.

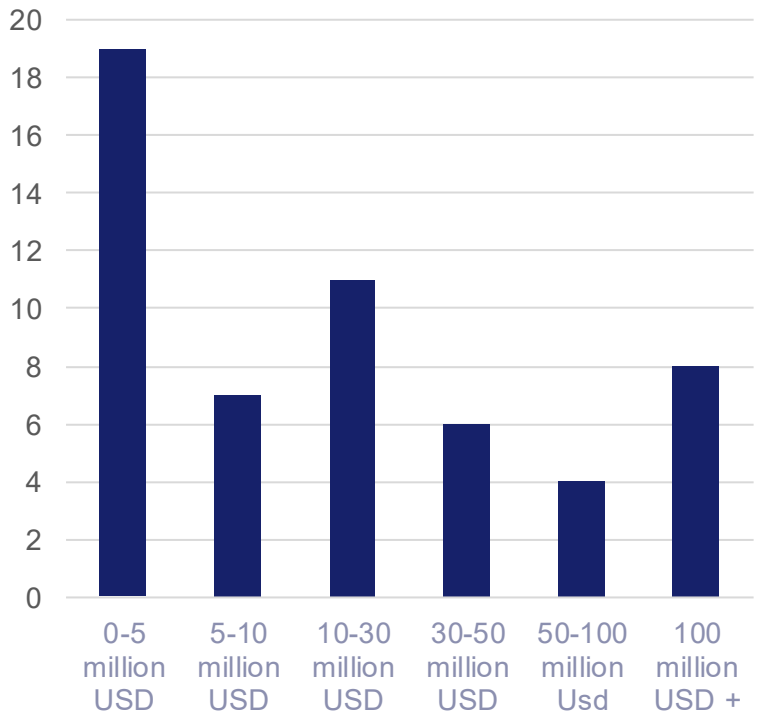
There is some limited evidence for Scale additionality

Some of the companies interviewed reported expecting or achieving larger investments (+30-55%) thanks to MA's support, but there are measurement challenges

The 'Bigger' (Scale) dimension of additionality asks whether MA's support enables companies to raise more capital or pursue a larger scope of investment than they would have done without it. Assessing this requires comparing the size of the investment achieved with what would have happened without MA, and comparing deal sizes against market benchmarks.

- **MA deal sizes:** Among the 55 companies that have raised equity, the average deal size is expected to be $45.3 million and the median is $12 million. This wide range reflects the diversity of MA-supported companies, from scaling start-ups to large greenfield investments. A significant share of deals is below $10 million, while a smaller number exceeds $100 million.
- **Interviews found limited evidence**, with only three of the 11 companies interviewed reporting some kind of scale additionality (the others reported raising the volume of investment they originally envisaged). One company reported raising more capital than originally planned – $31 million, versus $20 million planned (+55%). Another told us they revised their investment target upwards (from $10 to $13 million, +30%) due to the interest received as a result of having worked with MA. In one notable case, MA's support enabled the company to achieve its investment objectives with approximately 40% of the originally planned funding, through improved market understanding, strategic focus and process optimisation. This represents a different kind of scale additionality – greater efficiency rather than larger absolute amounts.

Number of deals by size, successful companies



* Note: Programme comparison is difficult due to the different geographies, sectors, goals and reporting mechanisms of the various programmes. These numbers are indicative and should be treated with caution.

MA accelerated the speed of deals, taking some processes ‘from months to weeks’

MA's support enhances the credibility of companies and improves fundamentals, unlocking investment faster

The ‘Faster’ (Velocity) dimension of additionality asks whether MA’s support significantly compresses investment timelines, enabling deals to close earlier than they would have done otherwise.

- **MA timelines:** The average time from initial engagement to financial close for MA-supported companies is expected to be 13.5 months, with a median of 11 months. Some transactions have extended to over three and a half years, reflecting the complexity of large greenfield investments.
- **Market benchmarks:** Expert interviews indicate that smaller brownfield deals typically close within 9–12 months, while large greenfield investments can take two to three years. From a fund manager’s perspective, the average investment timeframe is approximately 25 months. MA’s average of 13.5 months sits well within the lower end of this range, suggesting that MA helps firms close at a pace consistent with – and in many cases faster than – sector norms.
- **Company interviews:** Across the board, companies felt that MA’s support accelerated their fundraising process. One estimated that MA cut their fundraising time by approximately 30%. Another company said that MA delivered in weeks what would have taken them months or years to achieve independently.
- **Mechanisms of acceleration:** Companies identified two main drivers of faster fundraising: enhanced credibility through being ‘vetted’ by MA (which strengthened investor confidence), and improved quality of financial analysis presented to investors (for example, sector assessments produced with the support of high-profile consultants). These factors together reduced the time investors needed to conduct their own due diligence.

“If we didn't have that support, maybe it would have taken us longer to map out the investors that we needed to engage. Given the support that we had, that process was … done faster and … helped in terms of streamlining the entire process for the fundraising.”

- Interview with company manager

ESG frameworks are an emerging priority for African manufacturers, but they are not well established

ESG considerations are still emerging in African manufacturing. In 2022, less than 19% of African companies had made a carbon-neutral or net-zero commitment, compared with over 21% of global companies (Strategy&, 2022). In manufacturing, World Bank data show that only 17% of African companies surveyed monitor their CO2 emissions, and 29% of them have plans to reduce them (see table on the right).

ESG reporting is weak but improving. Nigeria, for example, is moving towards mandatory reporting regulations. In Ghana, ESG reporting is not yet mandatory, and it is targeted towards publicly listed companies and other organisations interested in reporting (Mensah and Owusu-Ansah, 2023; Agbakwuru, 2025). Overall, reporting is improving (Soilihi, 2024), but there remains a wide gap between commitment on paper, desire to execute ESG and actual implementation (Bhawani, 2025).

ESG disclosure is conditional on ownership type. ESG reporting is more prevalent in African firms where managers own shares of the company, where it is partly stated owned, and when a large portion of shares is owned by overseas investors (Anifowose, 2025).

	Firms with women participation in ownership (%)	Firms with majority women ownership (%)	Firms with a woman top manager (%)	Average % of women full-time workers	Average % of women full-time production workers	Average % of women full-time non-production workers	Firms monitoring own CO_2 emissions over last 3 years (%)	Firms adopting energy management measures to reduce emissions over last 3 years (%)
Kenya (2025)	37.7	7.3	13	33.2	28.7	42.1	27.3	47.7
Ethiopia (2025)	35.4	16.3	19.9	38.7	37.6	46.1	18.8	21.8
Nigeria (2025)	16.1	7.2	7.3	22.4	16.7	43.1	36.1	46.1
Rwanda (2023)	41.9	26.6	32.3	35.1	31.1	48.9	2.9	20.4
Senegal (2024)	8.4	1.8	6.1	14.4	8.7	37.7	4.9	9.9
Tanzania (2023)	17.5	12.6	19	42.5	40.2	54.7	15.9	51.2
Uganda (2025)	24.8	11.3	14.9	28.2	27.3	36.2	37.9	47.5
Sub-Saharan Africa	**29.6**	**12.9**	**14.4**	**27.8**	**24.4**	**38.4**	**17.4**	**28.7**

Source: World Bank Enterprise Survey data

ESG frameworks are a non-negotiable for some investors

Companies tend to use the tools and frameworks developed for years after MA's support ends

The 'Better' (Quality) dimension of additionality asks whether MA's support deepens the development impact of the deals it facilitates. This includes work on environmental, social and governance (ESG) issues, gender equity and social inclusion (GESI), local supply chain linkages and governance improvements that companies would not have prioritised without external intervention.

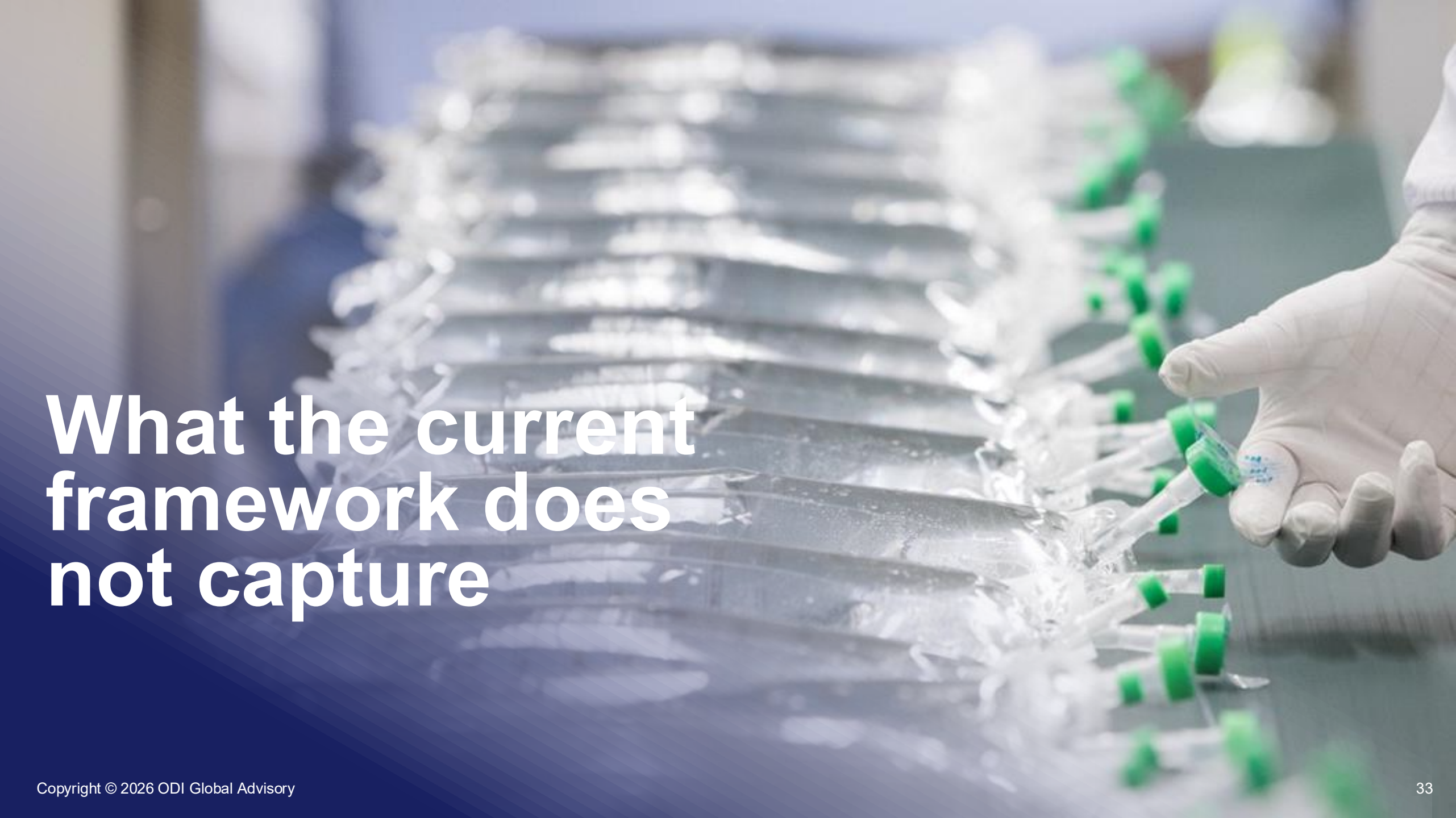
- **Context:** ESG considerations are still emerging in African manufacturing. Not all companies and investors are equally attentive to these issues.
- **Positive company experiences:** Most company interviews were positive about the ESG support received. One company said that MA's ESG support enabled them to make a stronger business case to impact-focused investors, and was fundamental in securing those investors' participation. Another company reported that the support eased investor concerns during due diligence, thereby accelerating the close. A third company, which already had a strong ESG focus, said that MA's support pushed the agenda further and gave them the idea to monetise their emissions reductions through carbon credits.
- **Lasting value:** Many companies told us they continued to use the tools and frameworks developed with MA's support for years after the programme ended. Several maintained contact with the advisors deployed by MA and hired them independently after the formal engagement concluded. This reflects the genuine value companies place on this support – and their willingness to pay for it when they can afford to do so.
- **Some investors require attention to ESG issues:** One investor interviewed reported that MA's support helped them understand the social and environmental implications of investing in a company in a specific sector. This was crucial in unlocking the investment.

Quality/better is disjointed from other dimensions in the framework

Other dimensions focus on deals, not on development impact

Conceptual limitation in the framework: Unlike the other three additionality dimensions, ‘Better’ is not about closing deals per se, but about the quality of future development impact. This creates a conceptual disconnect within the framework. Additionally, some elements currently categorised under ‘Better’ – such as governance improvements – primarily make companies more attractive to investors rather than contributing directly to development impact. The current categorisation therefore conflates investability improvements with genuine development deepening.

What the current framework does not capture



MA creates value beyond the current framework

MA's offer fills a genuine gap in the market by providing technical assistance and transaction facilitation

Beyond the four formal dimensions of additionality, MA creates value in areas that the current framework does not fully capture. One of the most important is that MA fills a genuine gap in the market for the type of advisory services that manufacturing companies in Africa need to access equity investment.

- **A unique offering:** Companies told us consistently that the support provided by MA is unique for the firms it serves. Start-ups and scale-ups in African manufacturing are not in a position to pay for high-quality, sector-specific advisory services from commercial consultants. The MA offering, combining deep knowledge of both specific sectors and the geographies companies operate in, is not replicated elsewhere in the market for this segment.
- **Market failure in advisory services:** Evidence indicates that international investors employ legal advisors in approximately 75% of deals, and commercial due diligence and tax advisory in around 64% and 56% of cases respectively (non-manufacturing specific; KPMG, 2024). However, access to such services remains uneven: costs are prohibitively high for smaller firms, and the returns are unknown; the supply of suitably specialised advisors is limited in many markets (based on company and expert interviews). By providing high-quality advisory services free of charge to eligible companies, MA directly addresses this structural failure.
- **Demand exceeds supply:** The interviews suggest that demand for MA's services is strong and likely exceeds what the programme can currently provide. Companies highly value the support, and many continue to use MA-developed materials and methodologies for years after the formal engagement ends. Likewise, investors have found MA's analysis credible and useful for their own decision-making. This points to a case for expanding the programme's remit.

MA's work supports structural transformation and diversification

New subsectors receive investment due to MA's support

A further area of additionality not captured by the current framework is MA's contribution to structural transformation and economic diversification. By supporting manufacturing investment in sectors and countries that the private market largely ignores, MA helps to broaden the productive base of African economies.

Evidence from benchmarking: The table on the right shows equity deals taking place on the open market and reported in the media, as collected by the Dealmaker's Log, 2023–2026.[1] Comparing these deals with MA-supported transactions reveals a striking difference in sectoral breadth. In Ethiopia, the benchmark shows only building materials deals; MA has supported paper and wood, machinery and electrical equipment, agroprocessing, pharmaceuticals and cement. In Kenya, the market shows e-mobility and cleantech; MA has supported agroprocessing, apparel, machinery, packaging, paper, pharmaceuticals, rubber and transport equipment. Similar patterns hold in Nigeria, Rwanda and Senegal.

1 Note that the Dealmaker's Log only reports disclosed deals and thus has thin coverage (e.g. it does not include all MA-supported transactions).

Country	Benchmark transactions	MA transactions
Ethiopia	Building materials	Paper and wood Machinery and electrical equipment Agroprocessing x 3 Pharmaceuticals x 2 Cement and building materials
Kenya	E-mobility Cleantech	Agroprocessing x 3 Apparel Machinery and electrical equipment x 2 Packaging Paper and wood Pharmaceuticals Rubber and plastics Vehicles and transport equipment x 2 Other x 5
Nigeria	Food	Agroprocessing x 2 Machinery and electrical equipment x 5 Pharmaceuticals Vehicles and transport equipment Other x 3
Rwanda	Clean cooking appliances Renewable energy x 2 Food products	Agroprocessing x 3 Apparel Chemicals Vehicles and transport equipment
Senegal	Agroprocessing	Agroprocessing Pharmaceuticals Packaging
Tanzania	Energy	Agroprocessing
Uganda	Food and agroprocessing	Agroprocessing

Source: Benchmark data come from our analysis of the Dealmaker's Log (Africa Private Equity News, n.d.); MA data come from MA's own repository.
Notes: The Dealmaker's Log lists disclosed deals and has thin coverage. Benchmark data cover 2023-2026. MA's data cover 2020-2026.

Structural transformation is key for the resilience of African economies

This can have broader sectoral and macroeconomic effects

Significance: MA has supported transactions in many sub-sectors that go well beyond what the private market would have generated on its own. This pattern of diversification – across sectors, products and geographies – is key to building resilient, productive economies. Diversification away from commodity-dependent or single-sector economies is key to building economic resilience and sustainable long-term growth.

Agroprocessing as a gateway: The prominence of agroprocessing in the MA portfolio is notable. In many African countries, agroprocessing represents the most natural starting point for manufacturing development – it builds on existing agricultural resources, connects to export markets and supports jobs across supply chains. MA's support in this sector strengthens the links between agriculture and manufacturing and creates the conditions for broader industrial development.

Beyond the current additionality framework: This structural transformation effect is not captured by the existing additionality framework, which focuses on individual deals rather than the broader patterns of sectoral and geographical diversification that MA enables. A revised framework for future programming should include this dimension explicitly.

Some of the additional value created by MA may not be immediately visible in the deals, but may materialise in the future

The current additionality framework focuses on whether capital was raised – a yes/no outcome measured at a specific point in time. However, MA's impacts are broader and longer-lasting than this framework captures. A significant share of the value MA creates will materialise only after the programme has ended.

Companies that have not yet raised capital are not failures: Even companies that have not yet closed an equity deal have benefited significantly from MA's support. Interviews with these companies reveal that they value MA's contribution and believe it has improved their business fundamentals, positioning and investor-readiness. Many expect to raise capital in the future – and when they do, the groundwork laid by MA will have been instrumental.

Foundational impact persists: MA's support produces lasting improvements in companies' governance structures, financial reporting, ESG policies and strategic planning. These improvements make companies stronger and more competitive – whether or not they raise equity within the programme period. Many companies have continued to use materials and frameworks developed with MA for years after support ended.

Development impact takes time to materialise: Even for companies that have raised capital, the full development benefits – jobs supported, tax revenues generated, supply chain linkages built, environmental improvements embedded – will accrue over years and decades. The current framework evaluates additionality at the point of financial close, which is too early to capture these downstream effects. A more comprehensive framework should account for this temporal dimension.

Implication for programme design: An additionality framework based solely on whether capital was raised within the programme period is too narrow. It risks undervaluing MA's contribution and creating perverse incentives – for example, pushing country managers to prioritise companies most likely to close quickly, rather than those with the greatest long-term development potential. Future programming should include tracking mechanisms that follow companies beyond the programme period.

Conclusions

Conclusion: FCDO - from donor to investor

Manufacturing Africa exemplifies FCDO's strategic shift from traditional donor to market-enabling investor. Rather than providing grants or concessional financing directly, FCDO is using ODA as a catalyst for private investment.

- **MA fills a gap the market cannot:** By providing high-quality investment-readiness support to African manufacturers that cannot access it commercially, MA addresses a structural market failure with precision. This is not a programme that displaces commercial advisors – it serves companies that commercial advisors have limited incentive to serve, or for which there exists no adequate support in the market. The programme's additionality is therefore inherent to its design.

- **Additionality demonstrated:** The evidence confirms that MA generates meaningful additionality across multiple dimensions. Deals are faster, sometimes larger than comparable market transactions, and in specific cases would not have happened at all without MA's support. Moreover, MA is contributing to structural transformation – supporting manufacturing investment in sectors absent from private capital flows – and creating foundational impacts at company level that outlast the programme and can bring future benefits.

- **The case for expanding the programme's remit:** There is demand from companies and investors for more of what MA does. Future programming could consider expanding to additional countries, prioritising those in which the government has a strong commitment to manufacturing, to ensure alignment with national development plans. It could also consider deepening support at new stages of the investment process (for example, helping companies engage with investors during negotiations), and strengthening the work done directly with investors and funds to identify investable opportunities.

- **A future programme should focus on deals that cannot be left to market forces alone:** Much of the programme's value lies in its ability to unlock investment that would not have happened if left to market forces alone – in sectors such as automotives, pharmaceuticals or machinery. Having already made much progress in agroprocessing, in the future the programme could focus on these other sectors where capital mobilisation may be more complex. Key sectors could be identified with a suite of economic techniques, such as analysis of countries Revealed Comparative Advantage and global demand and input-output multipliers (to identify the most impactful investments).

- **FCDO as a catalyst for private investment:** The MA model – using ODA to provide market-correcting advisory services that unlock private capital– offers a compelling template for how FCDO can operate as a catalyst rather than a conventional donor. The programme demonstrates that well-targeted ODA can crowd in private investment, support structural economic transformation and create lasting developmental impact.

Annex

- Study approach and causal pathways
- Methods
- References

Study approach and causal pathways

Appling a theory-based approach

This study uses a theory-based approach to assess MA's 'Bigger, Better, Faster' additionality framework, applying elements from contribution analysis but not following it rigidly.

The key evaluation questions that this study aims to address are:

- **How did MA's support lead to different types of 'Additionality' outcomes**
  - Would deals have happened without MA's support?
  - Were deals bigger because of MA's support?
  - Did deals happen faster because of MA's support?
  - Did the quality of development impact improve – or have the potential to improve – because of MA's support?
- **How can the additionality framework be further developed in the future? What improvements can be included?**

Creating a simplified, clear model for causal pathways

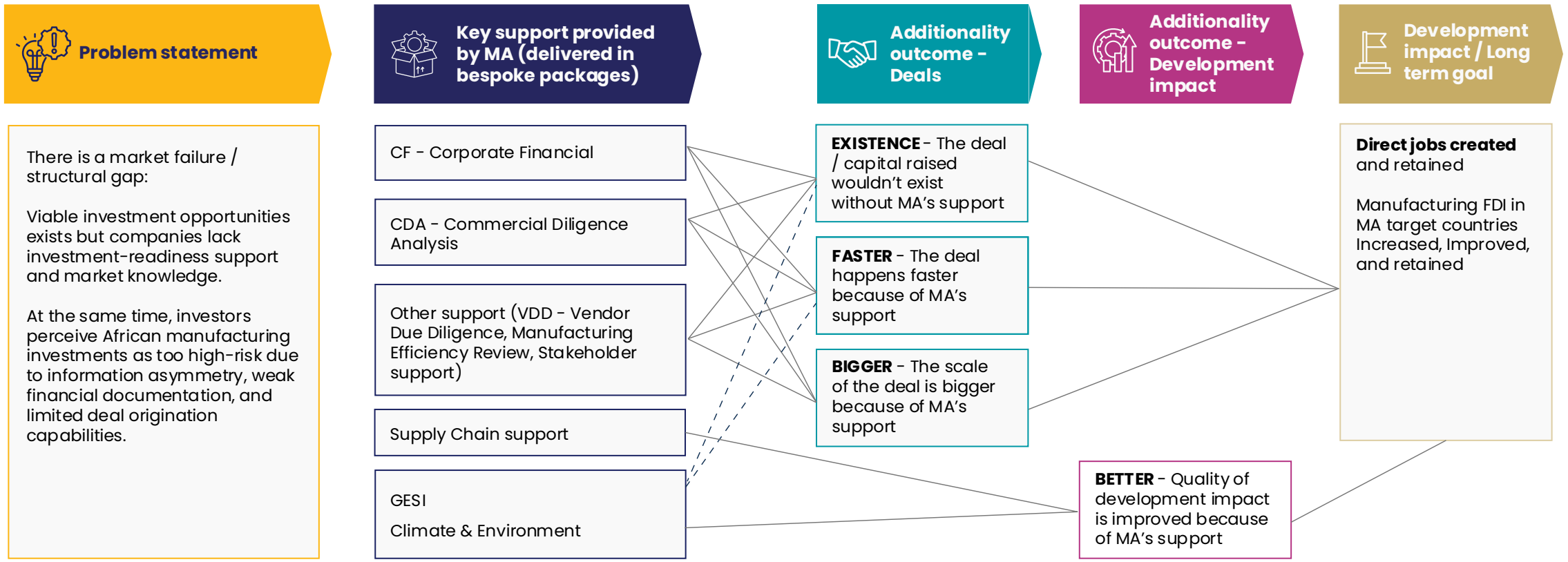
The first step in the theory-based approach is to clarify how intervention (MA's support) is envisioned to lead to different types of outcomes (the four Additionality Outcomes).

This was done by reviewing MA's documentation and database, interviewing MA staff and conducting a review of the relevant literature. The reconstructed causal pathways, presented in Figure 1 (next slide), are kept intentionally simple for the sake of clarity.

The causal pathways presented in the next slide differ from MA's Theory of Change in the following ways:

- **They are prepared by the authors of this assessment, not by programme staff.** They represent our understanding of the pathways leading from interventions to additionality, as well as the underlying assumptions.
- **They are more limited in scope.** They only concern one part of the work done by MA, i.e. their support to companies aimed at raising equity investment; and they are not concerned with other types of impacts.

Visual presentation of MA's causal pathways for additionality



Overarching assumptions:

1. Companies accross Africa present viable investment opportunities but are not able to pursue the necessary investment-readiness advice / support they need via market (non-existent, not high quality enough, too expensive etc)
2. Companies are looking to raise capital / Investments at the time of support

Country / sector level Assumptions:

1. Country level environment allows / does not discourage investment
2. Sectoral trends allow / do not discourage investment (e.g. there is demand for the specific product)

Two types of assumptions underpin MA's support

A key part of constructing causal pathways is identifying the assumptions underpinning the work. Assumptions were categorised into

- Overarching, and
- Country and sector assumptions

Overarching assumptions	Country and sector assumptions
1. Companies across Africa present viable investment opportunities but are not able to pursue the investment-readiness advice/support they need via the market (non-existent, insufficient quality, too expensive etc.) 2. Companies are looking to raise capital/investments at the time of support	1. Country-level environment allows/does not discourage investment 2. Sectoral trends allow/do not discourage investment (e.g. there is demand for the specific product)

Most assumptions held true

- Interviews with MA programme staff, companies, investors and industry experts indicate **that most of the assumptions identified by the research team held more or less true**.

- For example, companies said that they would not have received similarly high-quality and bespoke advice and support through other means either because such services were lacking or because they were too expensive.

- However, there is some indicative evidence **that some firms may not always seek immediate investment** – instead, their primary immediate objective is to get their company in good shape, ready for investment at a later stage. This may apply only for a small proportion of MA-supported firms, but it is worth noting as it can have an effect on deal closure rates.

- Some firms may not be familiar with equity financing and may prefer to deal with more familiar instruments such as debt, or may prefer to use debt financing in order to retain control over the company.

Constructing causal pathways reveals two different types of additionality outcomes

As seen in the causal pathway, **three of the additionality dimensions (or outcomes) are about the deal** (i.e. raising capital).

1. Whether the deal happened in the first place (Existence)
2. Whether the deal happened more speedily (Faster)
3. Whether the deal was larger due to MA's support (Bigger)

Unlike the first three dimensions, **the fourth (Better) focuses on future development impact – or the potential for it**. Given that evaluating development impact was beyond the scope of this evaluation, we focus on reporting the perspective of interviewees (both companies and investors) and whether MA's support has the *potential* to improve development impact in the future.

Methods

Mixed-methods data collection and analysis ensures the triangulation of evidence

Evidence was collected and analysed through a variety of means. These include:

Document review. This includes internal MA reports, MA commissioned external studies and academic and grey literature.

Quantitative data analysis investigates the portfolio of MA-supported companies, focusing on companies that have raised capital and those that have not/are not expected to raise. The external database Dealmakers Log is analysed to provide additional benchmarking data.

Semi-structured interviews were conducted with:

A. MA programme staff, including Country Managers

B. Companies (all except one had raised capital as the time of the study)

C. Investors and funds who have worked with MA

D. Industry experts.

Limited number of interviews but a broad range of views represented

Interview group	Number of people interviewed	Notes
MA programme staff, including Country Managers	6	Covering Kenya, Ethiopia, Tanzania, Rwanda, Senegal and overall portfolio
Companies	11	Breakdown by country: Nigeria: 4 Ethiopia: 3 Senegal: 2 Kenya: 1 Rwanda: 1 Six of these companies had closed the deal at the time of the interview
Investors and funds who have worked with MA	5	Norfund, BII, Agrium Capital, Sanyuni Capital
Industry experts	5	BII manufacturing experts and independent

All studies suffer from limitations and caveats – here are ours

1

Convenience sampling

Combining difficulties in reaching companies with the timing of the study (parallel-running studies wanting to reach the same companies) meant that using random or quota sampling was not possible. Thus, the sample of companies interviewed is not likely representative of the whole portfolio, which may influence the findings.

2

Limited number of interviews, and type of interviewees

The number of interviews conducted (especially MA-supported companies) was much lower than initially expected, and this could have have implications to the findings.

Our interviewees can be grouped into four categories: 1) MA programme staff; 2) leaders of companies supported by MA; 3) investors and funds which have worked with MA; and 4) industry experts. The first three categories include people who are part of MA's work or have benefitted from it, and therefore may have a positive bias. Regarding the companies supported by MA, the sample mainly included companies that agreed to be interviewed and managed to raise equity. These companies are therefore more likely to be positive in their assessment of MA's support compared to, for example, companies that did not manage to raise capital.

Regarding industry experts, two of the five we interviewed have collaborated or are collaborating with MA, and this could influence their responses. Given the limited number of experts/practitioners in the African manufacturing sector, it was not possible to only select non-MA-affiliated experts for interview.

3

Lack of one-to-one comparisons

MA support is not random but highly targeted to companies in need of support and not able to obtain it via commercial channels, but who still present viable investment opportunities. Thus, it is difficult to create any kind of counterfactual of what would have happened without MA's support. Companies that were initially considered but did not receive support could provide some indications. These companies sought MA's support but, for a number of reasons, it was decided (by MA or FCDO) not to move forward with them. However, interviewing these companies was not possible.

Literature review and interviewing country and/or sector experts also provides indications about the typical size of investment in a certain sector or country, and how long does it usually take to close a deal, but these are only indicative, not one-to-one comparisons.

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