Sustainability Study

Synthesis 2026

CHALLENGE
FUND
FOR
YOUTH
EMPLOYMENT

This report has been produced by the Challenge Fund for Youth Employment
The Challenge Fund for Youth Employment (CFYE) is a 7-year programme (2019 - 2026) funded by the Netherlands Ministry of Foreign Affairs, managed by Palladium, VSO Nederland and Randstad.

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Executive Summary

The Challenge Fund for Youth Employment (CFYE) Sustainability Study focuses on the trajectory of selected businesses and their employment outcomes after CFYE support ended. Through six in-depth case studies conducted 12–24 months after project closure, the study looked at how businesses had evolved, whether employment outcomes and CFYE-supported approaches had continued over time, what factors shaped their progress, and what contribution CFYE appeared to have made.

The study was designed as a practical learning exercise focused on CFYE's contribution rather than a formal evaluation or impact assessment.

Cases were selected deliberately and are not representative of the wider CFYE portfolio. To maximise learning about how business and employment outcomes evolve after support ends, cases were selected to reflect diversity in country, sector, business maturity, employment pathways, and project performance, while considering data availability, respondent access, and logistical constraints.

Based on these criteria, the following six cases were selected: Cherubet, TakaTaka and Fundis in Kenya; PadUp and ReelFruit in Nigeria and ACE in Uganda. The businesses followed different trajectories after CFYE. Some continued to expand their core operations, while others consolidated or redesigned their business models in response to changing commercial conditions. In one case, operations contracted significantly in the CFYE market while the business continued to pursue growth elsewhere.

Across the cases, five main findings emerged:

1. **Continued adaptation was important for business performance and resilience post-CFYE.** Sustainability rarely meant keeping the operating business model at the time of the CFYE intervention unchanged. Businesses adapted their products, markets, delivery models and employment approaches in response to market conditions and lessons learned during and after CFYE implementation. In some cases, sustainability meant moving away from some parts of the operating business model at the time of the CFYE intervention.

2. **Commercial viability shaped what businesses maintained after CFYE support ended.** Assets, systems and activities that generated revenue, reduced costs or supported core operations were more likely to continue. Activities with weak financial returns or high ongoing delivery costs were more likely to be redesigned, consolidated or discontinued. Gender inclusion and job-quality practices sometimes followed a different path to sustainability, shaped by their operational and commercial value, business mission, leadership priorities and external expectations.

3. **Continued business operation and growth did not automatically translate into sustained employment outcomes.** Employment expanded alongside business growth in some cases, but contracted or changed form in others. This highlights a potential tension between scaling business operations and sustaining or expanding employment outcomes, as well as trade-offs within employment adaptations between the number of jobs retained and their quality and inclusivity.

4. **CFYE's contribution often took the form of accelerating growth, testing new approaches and building operational capacities.** CFYE provided capital and technical assistance that enabled businesses to expand, test approaches and strengthen systems. Some of these investments and capabilities continued to be important after project closure, even when the CFYE-supported intervention changed. However, what happened afterwards also depended heavily on businesses' own decisions, subsequent finance and partnerships, and changing market and operating conditions.

5. **Grant funding and CFYE's focus on jobs results requirements could both support and potentially undermine sustainability.** Grant capital allowed businesses to pursue investments and pilot additional revenue streams that might otherwise have been too risky. At the same time, several cases raise questions about whether donor funding and employment targets can encourage businesses to expand before key commercial assumptions have been sufficiently tested. An important lesson for future programming is to ensure that key commercial assumptions are sufficiently tested before businesses pursue expansion with grant funding, helping align growth ambitions with commercial viability and sustainable employment outcomes.

These findings suggest several implications for future employment programmes that work through private-sector partners.

- Validate the key commercial assumptions behind employment projections before encouraging rapid expansion.
- Distinguish grant funding for experimentation from funding for scale.
- Allow more flexibility in results-based incentives to accommodate changing business conditions and employment trajectories.
- Recognise the potential tensions between commercial viability, job numbers, job quality and inclusion and ensure these are fully understood and considered in programme design.



Opportunities for Further Learning

A broader portfolio-level follow-up could show how many CFYE-supported businesses remain operational and how their employment has evolved, providing useful context for what was observed in these six cases. More consistent worker-level follow-up is needed to understand how post-project business adaptation affects employment continuity, earnings, job quality and inclusion. Further analysis could examine when and under what conditions business growth translates into employment growth; what makes organisational capabilities, gender inclusion and job-quality practices continue over time; and how grant and results-based financing can support experimentation without encouraging businesses to scale too early.

Together, these areas of further learning would help move beyond asking whether an intervention was simply "sustained" towards understanding interventions as dynamic processes rather than static projects – and exploring what continued, what changed, why, and what this meant for businesses and workers.

2. Methodology

Study approach

The Sustainability Study was designed as a practical learning exercise rather than a formal evaluation or impact assessment. It examined what continued, changed or ended after CFYE support, the factors shaping these developments and CFYE's contribution. It does not classify businesses as "sustainable" or "unsustainable" or assess their long-term financial viability.

How this study defines sustainability

In this study, **sustainability** is an umbrella term covering:

- businesses' post-CFYE trajectories;
- the continuation and evolution of employment and income-generating opportunities; and
- the durability of CFYE-supported systems, capabilities and practices.

The analysis examined these dimensions separately because they did not necessarily move together. It also considered how CFYE support interacted with businesses' strategies and capabilities, subsequent finance and partnerships, and changing operating conditions. Further details on the methodology and limitations are provided in Annex A.



Cases and methods

The six cases were purposively selected to provide variation in country, sector, business maturity, employment pathway and performance during CFYE. The sample supports comparative learning but is not representative of the wider CFYE portfolio. Table 1 introduces the cases; their CFYE employment results are presented in Annex A.

Table 1. Sustainability Study sample

Business	Primary country of operation	Business model	CFYE employment pathway
Cherubet	Kenya	Produces and distributes fortified and ready-to-eat foods	Direct employment, alongside income opportunities for farmer suppliers, delivery riders and product resellers
PadUp	Nigeria	Manufactures and distributes reusable menstrual and hygiene products	Waged employment and community-based sales and distribution opportunities
ReelFruit	Nigeria	Produces dried fruit and healthy snacks	Recruitment, training and placement (matching) within ReelFruit and with external employers
TakaTaka Solutions	Kenya	Collects and processes plastic and other waste streams	Direct employment in collection, sorting and recycling, alongside income opportunities for waste pickers
Fundis	Kenya	Platform connecting skilled tradespeople with customers and employers	Job matching and improvement opportunities for skilled tradespeople and artisans
ACE	Uganda	Distributes ethanol cooking solutions and related services	Direct employment in sales, distribution and customer service

Each case combined a review of CFYE documents and results data with interviews with senior business representatives. Evidence was compared within and across cases, with greater confidence given to findings supported by multiple sources and documentary evidence.

Interpretation and limitations

The findings should be interpreted in light of the study's small, purposively selected sample and variations in the availability and comparability of post-project evidence. Follow-up information relied partly on retrospective business reporting and could not always be independently verified. Employment was assessed primarily through business-level data; the study did not track individual workers and therefore could not assess their employment continuity, earnings or job quality over time. Post-project developments also reflected business decisions, subsequent finance and partnerships, and changing external conditions.

3. Post-CFYE Trajectories: What Happened?

Approximately 12–24 months after CFYE support ended, all six businesses included in the study remained operational, but their post-CFYE trajectories differed considerably. Across the cases, continued business operation did not necessarily mean preserving the business model, CFYE-supported activities or employment pathways as they existed at project close. These elements evolved differently as businesses responded to commercial realities and changing market conditions.

The table below summarises each business's post-CFYE trajectory, changes in employment outcomes and the durability of CFYE-supported approaches. The trajectory labels are descriptive and do not represent ratings of sustainability.

Table 2. **Post-CFYE outcomes**

Case	**Cherubet**	Kenya
	Business outcomes	***Employment outcomes***
	Business Expansion • Cherubet's revenues continued to grow steadily after CFYE. • The CFYE-supported ready-to-eat products became an established part of the business and now account for approximately 30–35% of monthly sales.	**Employment Expansion** • Direct employment increased alongside the business. • Income opportunities expanded through farmer sourcing and informal distribution networks.
CFYE-supported approach & contribution to subsequent outcomes	**Contribution through productive assets, organisational capabilities and market relationships** • CFYE-supported products, processing technology, sourcing and distribution relationships, and management systems remain in use. • Together with Cherubet's subsequent adaptation and later funding, these provided a foundation for continued growth.	
Key contextual factors	• Flooding disrupted agricultural sourcing, prompting Cherubet to diversify its suppliers. • New packaging requirements increased costs.	

Case	**PadUp**	Nigeria
	Business outcomes	***Employment outcomes***
	Business Expansion • PadUp reported substantial sales growth since the pre-CFYE period. • The business expanded its product range beyond menstrual products and entered new export markets.	**Employment Expansion** • Waged employment increased after project closure. • The community-based sales network also expanded and was reorganised into community partners and ambassadors.
CFYE-supported approach & contribution to subsequent outcomes	**Contribution through acceleration and productive investment** • CFYE-supported machinery, manufacturing capacity and six sales hubs remain in use. • The community-sales model evolved, while the planned mobile application was replaced by a browser-based sales portal. • CFYE accelerated production and employment growth, while technical assistance and due diligence helped formalise organisational practices.	
Key contextual factors	• Currency depreciation, inflation and high energy costs encouraged greater emphasis on exports. • Factory relocation addressed a major electricity constraint. • Subsequent financing supported further investment in machinery.	

Case	ReelFruit	Nigeria
	Business outcomes	***Employment outcomes***
	Business Expansion • ReelFruit scaled its core business through factory expansion, international food-safety certification and entry into new export markets. • Production capacity quadrupled, while exports rose from around 40% to an expected 70–80% of sales.	**Employment Expansion** • Employment increased as the business expanded. • Internal recruitment and staff-development systems continued, while the external job-matching pathway was discontinued.
CFYE-supported approach & contribution to subsequent outcomes	**Contribution focused on recruitment and workforce development** • ReelFruit retained and formalised its internal recruitment and career-development systems. • External matching through partner employers did not continue. • CFYE contributed mainly to the pace and quality of hiring and workforce development, rather than to ReelFruit's wider commercial expansion.	
Key contextual factors	• Currency depreciation and inflation increased the importance of exports. • International certification opened new markets. • Raw-material supply and quality continued to affect the pace of growth.	

Case	TakaTaka Solutions	Kenya
	Business outcomes	***Employment outcomes***
	Business Repositioning • TakaTaka consolidated around higher-volume locations and specialised recycled-plastic products. • Recycling volumes declined before recovering, and the company reported a return to profitability.	**Employment broadly stable, but changed in form** • TakaTaka continued to engage a similar number of workers as at the end of the CFYE project, although more workers had shifted from payroll to flexible work arrangements. • Opportunities for waste pickers fluctuated with recycling volumes.
CFYE-supported approach & contribution to subsequent outcomes	**Contribution through expansion, experimentation and proof of concept, with mixed durability** • Core plastics-recycling capacity continued, while lower-volume sites and textile recycling were discontinued. • The flexible-plastics operation helped attract later investment. • Less successful activities generated learning that informed subsequent consolidation.	
Key contextual factors	• Low virgin-plastic prices weakened demand for recycled material. • Tighter financing increased the focus on profitability and operational efficiency.	

Case	Fundis	Kenya
	Business outcomes	***Employment outcomes***
	Business Repositioning • Fundis moved away from geographic expansion and household job matching towards business-to-business (B2B) matching and managed services. • The revised model places greater emphasis on commercially financed activities.	**Employment contraction and redesign** • The CFYE employment model did not continue at the anticipated scale. • Newer models focus on potentially longer and more regular engagements for artisans, although their effects on income stability and job quality remain uncertain.
CFYE-supported approach & contribution to subsequent outcomes	**Contribution mainly through learning and capability-building rather than continued scale** • Training, skills assessment and investment-readiness capabilities continued. • Physical expansion and financial services for artisans were scaled back. • Experience during CFYE informed the subsequent shift towards managed services and B2B matching.	
Key contextual factors	• A loss of external grant funding prompted consolidation and a stronger focus on commercially financed operations.	

Case	ACE	Uganda
	Business outcomes	***Employment outcomes***
	Contraction in Uganda • ACE's Uganda operation contracted sharply and now focuses on fuel distribution, after-sales support and its existing customer base. • The wider business is concentrating growth in other markets.	**Employment Contraction** • Direct employment in Uganda fell below its pre-CFYE level. • New fuel-distribution opportunities are emerging through independent riders and stockists rather than ACE's formal employment model.
CFYE-supported approach & contribution to subsequent outcomes	**Contribution through organisational systems and smaller business pathways** • CFYE enabled rapid expansion, but its lasting contribution was largely limited to organisational systems and smaller business pathways. • The large field-sales model did not continue. • After-sales services, fuel distribution and some HR and recruitment systems continued in adapted forms.	
Key contextual factors	• Changes in carbon markets, financing constraints and regulatory differences contributed to the contraction in Uganda and the shift towards other markets.	

Business performance and resilience

Three broad business trajectories emerged after CFYE: expansion, repositioning, and contraction. Cherubet, PadUp and ReelFruit expanded, although through different combinations of product development, market diversification and geographic expansion. TakaTaka Solutions and Fundis remained operational but repositioned their businesses, redesigning parts of their models as commercial conditions changed. ACE followed a different trajectory in Uganda, where the CFYE-supported business contracted significantly even as the wider business continued to expand.

The distinction between these trajectories is important. Expansion was associated with businesses growing their core offer or reaching new markets, while repositioning involved making decisions about what parts of the model remained commercially viable. For businesses that repositioned, sustainability did not mean preserving the original business model; it involved redesigning activities as evidence emerged about demand and costs.

Taken together, the cases suggest that continued operation is a more meaningful sign of resilience when considered alongside the business's capacity to adapt. For some businesses, resilience was expressed through growth and for others, through repositioning around a different business model.

Employment trajectories

Employment trajectories were connected to the business trajectories, but did not necessarily mirror them. Where expansion generated additional labour demand, employment increased, such as in Cherubet and PadUp. In other cases, businesses maintained employment at similar levels while changing its form, or reduced the scale of employment as they consolidated or redesigned operations. ReelFruit also recorded substantial employment growth relative to its pre-CFYE workforce, although differences in measurement during the different stages mean its employment pathway cannot be compared directly across all three periods.

The cases where businesses repositioned show why employment outcomes need to be assessed separately from continued business operation. In one case, a similar number of workers continued to be engaged, but more had shifted from payroll to flexible arrangements. In another, a high-volume model of shorter assignments was replaced by fewer, potentially longer business-to-business engagements. In Uganda, business contraction was accompanied by a substantial reduction in employment.

A key finding is therefore that business adaptation can change both how much labour a business requires and the type of employment it creates. A business may remain operational, reposition successfully or even grow without preserving the scale, structure or accessibility of the employment pathway supported during CFYE. Business performance and employment outcomes therefore need to be considered as connected but distinct dimensions of sustainability.

External context and subsequent developments

Across the cases, businesses faced combinations of inflation and currency depreciation, climate shocks, funding constraints and regulatory developments. At the same time, some accessed new finance, partnerships and markets. These developments altered the commercial assumptions underpinning some models and became critical for business decisions.

Financing and market opportunities sometimes allowed businesses to build on capabilities or investments developed during CFYE, while adverse conditions prompted others to narrow or abandon activities that had previously appeared viable. Post-CFYE outcomes therefore reflect the interaction between what CFYE enabled, what businesses subsequently learned, and the conditions they faced after support ended. The study accordingly examines how CFYE contributed to these outcomes without attributing them to CFYE alone.

4. What Have We Learned About Sustainability?

The case studies illustrate how the three dimensions examined—business trajectories and performance, employment outcomes, and the durability of CFYE-supported approaches—do not necessarily move together. A business may remain operational while changing its products, markets, delivery model or workforce, and particular assets or capabilities may remain valuable even if the wider CFYE-supported approach does not continue.

The cross-case analysis identified five key findings:

Finding 1 Continued adaptation was important for post-CFYE business performance and resilience

Across the cases, businesses continued to adapt after CFYE support ended, responding to external shocks and what they learned about markets, products, customers, distribution channels and operating costs. In several cases, narrowing, redesigning or discontinuing parts of the CFYE approach helped businesses remain viable. Adaptation ranged from continued refinement of products and markets to consolidation, repositioning and narrowing of operations, with businesses generally responding to market conditions, retaining what served their commercial interests and discontinuing what did not.

These cases suggest that departure from the CFYE plan is not, by itself, evidence of failure. A more useful test is whether businesses learned, responded to changing conditions and kept or repurposed what continued to create value. Adaptation did not necessarily preserve the intended employment outcomes: in two cases, continued business operation coincided with substantial contraction or redesign of the CFYE employment pathway.

Finding 2 Commercial viability increasingly shaped what businesses kept after CFYE

Once CFYE funding ended, activities that generated revenue, reduced costs, or supported core operations were more likely to continue. Those with weak financial returns, high delivery costs or continuing dependence on external funding were more likely to be consolidated, redesigned or discontinued.

The same pattern applied to productive assets and organisational capabilities. CFYE-supported equipment, production capacity and internal systems for management, recruitment and training generally stayed in use where they continued to support core operations. Approaches that relied heavily on external support, or that were costly to operate relative to their commercial value, were more likely to be discontinued or redesigned.

Gender inclusion and job quality practices sometimes followed a different trajectory. Some persisted because they supported recruitment, retention, safety or productivity. Others appeared to depend more on the business's mission and leadership or on expectations from investors and funders. In some cases, cost pressures created potential trade-offs between maintaining higher job quality standards, expanding employment and sustaining a commercially viable model.

Finding 3 Continued business operation did not automatically translate into sustained employment outcomes

A business's continued operation did not necessarily mean that the same number or type of jobs continued.

In some cases, employment diverged clearly from business performance. A business could stay operational while employment in a particular market fell sharply, sometimes below pre-project levels. In other cases, overall workforce numbers remained relatively stable while the form of work changed, for example, through a shift from payroll to piece-rate arrangements or from several short assignments to fewer, longer engagements. Where these changes in employment arrangements were still recent, their implications for earnings and job quality could not yet be assessed.

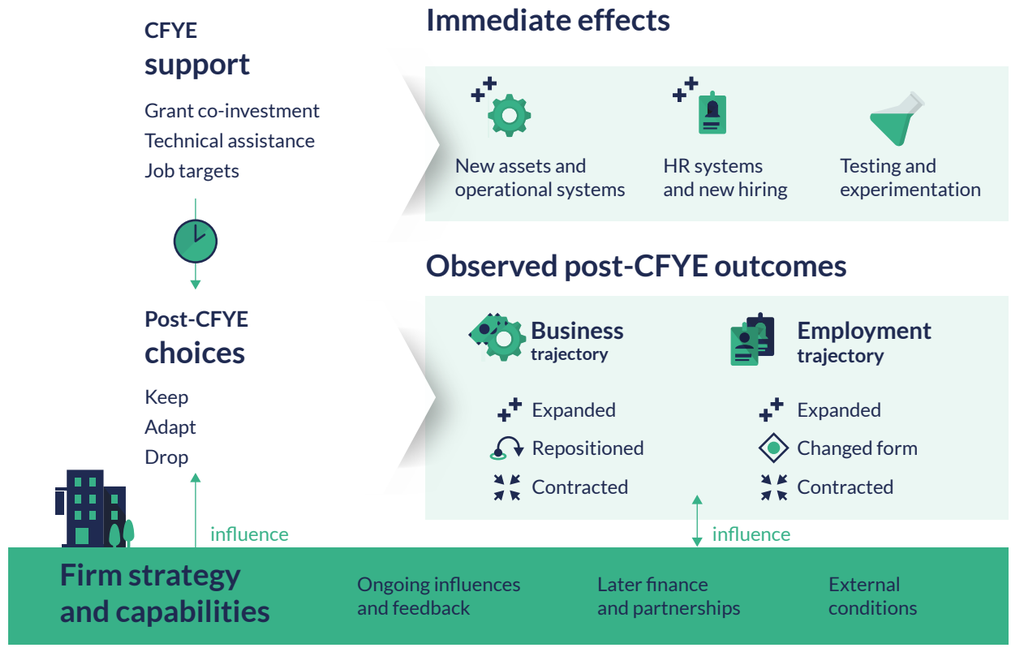
These changes created potential trade-offs among job quantity, quality, accessibility, inclusion and commercial sustainability. Concentrating work among fewer workers may improve reliability or earnings while reducing reach. Geographic consolidation may strengthen unit economics while limiting access outside core markets. More flexible employment arrangements may help the business while shifting risk to workers.

The study did not collect worker-level evidence and therefore could not assess how these changes affected individual workers' employment continuity, earnings or job quality. Future assessment should track business performance, the scale and form of employment, and workers' experiences as separate but connected dimensions.

Finding 4 CFYE's contribution was mainly about accelerating growth, testing new approaches and building capabilities

The study considered additionality as one aspect of CFYE's contribution: what CFYE enabled businesses to do that they would not otherwise have done, or would have done later, on a smaller scale or with less willingness to take risks. CFYE provided capital and technical assistance within an explicit focus on employment outcomes, allowing businesses to invest, test approaches, strengthen systems and move faster. What happened afterwards also depended on businesses' own decisions, subsequent financing and partnerships, and changing market conditions.

Figure 1. How CFYE contributed to post-project outcomes



CFYE's additionality was not limited to whether specific funded activities continued post-project. In many cases, its core additionality lay in co-investing with businesses in early-stage changes to their business models and operations, which they subsequently adapted, financed and built on with their own resources, as described in Section 3. CFYE's contribution fell into four broad types:

- **Pilots and tests of new activities.** Some later became core business lines, while others showed what was not viable.
- **Productive assets** that remained central to operations.
- **Internal systems and capabilities** in management, recruitment, training and assessment.
- **Evidence and a track record** that helped attract later investment.

Technical assistance contributed by helping businesses address concrete needs and strengthen capabilities that could be applied beyond the specific activities funded by CFYE. Businesses identified support in areas such as human resources (HR), sales, curriculum development and investment readiness as particularly valuable, and some continued to draw on these capabilities after CFYE. CFYE's contribution to job-quality and inclusion practices was harder to determine. The study did not collect worker-level evidence, and the practices that continued were also shaped by their business value, leadership commitment, organisational mission and the expectations of other funders.

Finding 5 Grant funding and results requirements could both enable and undermine sustainability

Flexible capital allowed businesses to invest in and test new technologies, products, activities and locations at a scale that might otherwise have been too difficult or risky. Even where these activities did not continue, they often produced useful learning about what was and was not commercially viable.

However, several cases suggest that grant-funded expansion sometimes moved ahead before key commercial assumptions had been sufficiently tested. When financing, demand or market conditions did not develop as expected, businesses subsequently closed locations, reversed expansion or reduced their workforces. This points to a tension between using grants to accelerate growth and ensuring that growth rests on a sufficiently tested commercial foundation.

The evidence also raises questions about results-based payments. Linking payments to employment targets strengthened accountability and maintained a focus on employment outcomes. However, fixed targets and milestones may also have reduced businesses' flexibility to adjust their expansion plans when the underlying business case weakened.

Taken together, the cases suggest that challenge funds should distinguish more deliberately between grant funding for experimentation and grant funding for scale. Several businesses were still testing key commercial assumptions while also being expected to expand their activities and employment. Where those assumptions proved weak, grant funding and results requirements may have created pressure to continue an agreed pathway rather than consolidate or redesign it. This tension between experimentation, scale and accountability is considered further in Section 5.



Connection to Wider CFYE Learning

CFYE's *Pathways to Employment (PTE)* series examined how different business models affected employment opportunities for young people, drawing lessons from CFYE's portfolio. It identified several themes also reflected in this study: tensions between commercial viability and inclusion; the uncertain relationship between business growth and job creation; the role of concessional capital in enabling experimentation; and the influence of employment targets and results-based incentives on business and investment decisions. The Sustainability Study adds a longer-term perspective, showing that 12–24 months after support ended, these tensions remained visible in decisions about what to retain, adapt or discontinue. Together, the studies provide complementary perspectives on how CFYE's approach interacted with business models, employment objectives and longer-term business decisions.

5. Implications for Future Programming

The findings point to several practical considerations for programmes partnering with the private sector to generate employment. These recommendations are drawn from a small sample, so they should be read as practical lessons rather than generalisable conclusions.



1 Pressure-test the business case before incentivising scale

Before supporting rapid employment or geographic expansion, programmes should assess whether the underlying business model is ready to scale, including aspects such as customer demand, unit economics, operating realities and financing assumptions. Employment projections should be clearly linked to the activities that generate labour demand and consider how efficiency, digitalisation or strategic change could affect that demand. The level of evidence should reflect the business's stage of development; an established business expanding a proven product should face different expectations from an earlier-stage business still testing its value proposition or route to market.

This assessment should continue past due diligence and during implementation. Programmes should periodically revisit the assumptions behind the employment pathway and ask not only whether targets can still be met, but whether the pathway still makes business sense. The design should also allow for external shocks, including currency fluctuations, input or shipping costs, market changes and extreme weather affecting suppliers.



2 Use grant funding for experimentation

Grant funding can allow businesses to test products, markets and employment approaches that are commercially promising but too risky to finance through normal operations or debt alone. This can be a valuable function, and an experiment that is modified or discontinued should not automatically be considered unsuccessful. It may still generate useful learning, capabilities, or assets.

Programmes should distinguish more clearly between funding experimentation and funding scale-up. During experimentation, milestones should take into account critical assumptions such as demand, pricing, production costs, worker recruitment and retention or the viability of a new geography. Grant agreements should make clear what evidence would support scaling, redesigning or stopping; support for scale should follow when the main commercial and operational assumptions have been sufficiently tested.

Technical assistance on topics such as product development, financial management, or HR systems can support this process when it responds to a clear operational or business need at the right time. Rather than offering technical assistance as a standard package, programmes should link it to the capabilities most important at the business's current stage — and its success should be measured by whether the business continues to build on the capabilities developed through technical assistance after the project ends, not by how many sessions or hours were delivered. Technical assistance is more likely to benefit the business when new capabilities or systems are integrated into normal operations.



3 Make results-based incentives more adaptive

Results-based financing can strengthen accountability and keep attention on employment outcomes. However, fixed targets and milestones can encourage a business to continue even if the commercial rationale has weakened. Programme governance should therefore create clear opportunities to revisit the theory of change, employment pathway, and associated milestones in response to credible evidence.

Rather than treating adaptation as an exception that a business has to request, programmes should build routine check-ins into every project from the start: for example, a required review of the business model at a fixed point, so that adjusting the plan is a normal part of the project rather than something the business needs special permission to raise.

Adaptation should not mean lowering expectations whenever delivery becomes difficult. For proposed changes, the business should explain what has changed, what has been learned and why the revised approach is more likely to produce commercially viable outcomes and greater impact. Weak pathways should subsequently be redesigned or discontinued, while businesses remain accountable for the agreed results.



4 Make commercial and social trade-offs explicit

Programme design should not assume that commercial viability, job numbers, job quality and inclusion will always support one another. Concentrating work among fewer people may improve job quality; geographic consolidation may strengthen the business while limiting inclusion; and flexible or piece-rate arrangements may support commercial viability while shifting risk to workers.

CFYE's business cases required implementing partners to set out their employment expectations and job quality parameters, but the wider factors shaping the nature and accessibility of those jobs were not assessed in a standardised way. Future programme design could build on this foundation by examining potential trade-offs more systematically and revisiting them as business models change. This would include distinguishing between the number of workers reached, the duration and regularity of work, earnings, employment terms and accessibility to priority groups. Where a desired social outcome has no clear commercial rationale, programmes should also consider how it could be sustained after grant funding ends.



5 Introduce proportionate post-project follow-up

A business may remain operational even if project-supported employment does not continue, while particular capabilities, practices or assets may endure after the wider intervention ends. Programmes should therefore consider a light, standard follow-up at 12 and 24 months after project closure, tracking business trajectory and performance, employment outcomes, and the durability of key supported approaches. Applied consistently across the portfolio, this would provide a clearer picture of what continues, what changes and what shapes those outcomes after funding ends.

6. Conclusions and Further Learning

Across the six cases, the three dimensions examined in this study evolved differently after CFYE support ended. Businesses remained operational but followed different trajectories of growth, repositioning and contraction. Employment sometimes moved with these business trajectories, but not always: jobs could grow, contract or change form as businesses adapted. CFYE-supported assets, systems and practices followed a third trajectory: some were retained, others were adapted or repurposed, and some were discontinued.

CFYE contributed to these outcomes, but rarely determined them. Its most plausible contribution was to accelerate businesses' development, enable experimentation and productive investment, and strengthen capabilities that businesses could later keep or adapt. What happened after CFYE reflected how these foundations interacted with businesses' own decisions, financing and partnerships, and changing external conditions.

The findings also point to an important programme design challenge. Grant funding and employment targets can enable experimentation and accelerate employment creation, but where commercial assumptions are still uncertain, incentives to scale may also encourage businesses to expand before the underlying model has been sufficiently tested. This points to e value of distinguishing more clearly between funding for experimentation and funding for scale, while creating opportunities to revisit employment pathways and related grant agreements as new evidence emerges.

Priorities for further learning

The study points to several areas where additional evidence could strengthen CFYE's understanding of longer-term sustainability:

- **Establish the wider portfolio picture.**
  A relatively light portfolio-level follow-up could establish how many CFYE-supported businesses remain operational, how many have closed or substantially contracted, and how those that continue have changed. This would help establish how common different post-CFYE business and employment trajectories are across the wider portfolio, complementing the deeper insights from the six selected cases.

- **Understand how businesses define and assess sustainability.**
  Further research could explore how implementing partners define their own longer-term success, including business viability, employment outcomes and the continuation of social objectives. It could also examine which indicators they use, how these considerations influence decisions during and after grant funding, and where their definitions differ from those used by funders. This would help future programmes align expectations while recognising that businesses and funders may assess sustainability through different lenses.

- **More routinely track employment outcomes over time.**
  More consistent post-project worker-level follow-up would help show whether jobs continue and how they change in terms of earnings, regularity, duration, employment terms and job quality. Where possible, this should include consistent age- and gender-disaggregated data to understand whether employment trajectories differ for women and young people. This is particularly important where businesses survive by consolidating, improving efficiency, or changing their employment models.

- **Understand how business performance translates into employment over time.**
  The cases suggest that business growth does not necessarily translate into proportional job growth or improvements in job quality. Further analysis across a larger sample could examine where growth generates additional employment, or where it instead leads to consolidation and/or higher productivity, and how the sector and business model influence this relationship. This could help better understand the conditions under which business growth translates into sustained employment outcomes.

- **Examine what helps capabilities and social practices continue.**
  Longer-term follow-up could explore which forms of technical assistance and organisational capability remain embedded in the business, and why. Similar questions apply to gender inclusion and job-quality practices: where these continue, further research could examine whether this reflects their commercial value, their institutionalisation within the business, leadership priorities or mission, or continued reinforcement by investors, customers or other funders.

- **Test the relationship between fund design and sustainability.**
  The cases raise questions about when grant funding is most effective for experimentation versus scale, what evidence of commercial viability should precede expansion, and whether employment targets or results-based milestones can unintentionally encourage businesses to continue with weak pathways. These questions would benefit from being examined across a wider set of CFYE projects, including those that adapted successfully during implementation and those that did not.

Annex A. Detailed methodology

A.1 Case eligibility and selection

The study considered projects that had closed 12–24 months earlier and were no longer receiving CFYE funding. At the time of case selection, only 16 of the more than 130 projects in the CFYE portfolio met these criteria. The eligible pool therefore consisted largely of earlier CFYE cohorts, particularly Challenge Calls 1–3. Most later projects and projects receiving top-up grants had not operated independently of CFYE support for long enough to be included.[1]

Case selection aimed to capture variation in:

- country and operating context;
- sector and business model;
- business maturity;
- employment pathway, with particular attention to direct employment;
- performance during CFYE implementation; and
- potential learning value.

The final selection also reflected practical considerations, including access to knowledgeable respondents, the availability of evidence, willingness to participate, security and logistical constraints, and the feasibility of engaging with the businesses.

These criteria resulted in the selection of Cherubet, TakaTaka Solutions and Fundis in Kenya; PadUp and ReelFruit in Nigeria; and ACE in Uganda. The cases were selected to support comparative learning and are not representative of the wider CFYE portfolio.

1 Top-up grants were awarded to a subset of qualifying high-performing projects to extend their implementation periods.

A.2 Detailed case sample and CFYE employment results

The results below are the employment outcomes reported and verified during CFYE implementation. The outcome categories are non-overlapping, and categories not relevant to a project are omitted.

Business	Country	Business model	CFYE employment pathway	CFYE employment results
Cherubet	Kenya	Food-processing and distribution business producing fortified and ready-to-eat products	Direct employment, alongside income opportunities for farmer suppliers, delivery riders and product resellers	**Total:** 542 (60% women)
				Created: 47 direct jobs (76% women)
				Improved: 495 indirect jobs among farmer suppliers, delivery riders and hawkers/kiosks (58% women)
PadUp	Nigeria	Manufacturer and distributor of reusable menstrual and hygiene products	Waged employment and community-based sales and distribution opportunities	**Total:** 1,519 (80% women)
				Created: 1,423 jobs among waged staff and sales agents (81% women)
				Improved: 96 jobs (64% women)
ReelFruit	Nigeria	Food-processing business producing dried fruit and healthy snacks	Recruitment, training and placement within ReelFruit and with external partner employers	**Total:** 627 (56% women)
				Matched: 552 jobs (57% women)
				Improved: 75 jobs (47% women)
TakaTaka Solutions	Kenya	Recycling and circular-economy business processing plastic and other waste streams	Direct employment in waste collection, sorting and recycling, alongside created and improved income opportunities for waste pickers	**Total:** 2,782 (44% women)
				Created: 508 direct jobs (59% women) and 1,183 indirect jobs for waste pickers (37% women)
				Improved: 1,091 indirect jobs for waste pickers (44% women)
Fundis	Kenya	Platform and service business connecting skilled tradespeople with customers and employers	Job matching and improvement opportunities for skilled tradespeople and artisans	**Total:** 862 (20% women)
				Matched: 286 artisan jobs (5% women)
				Improved: 576 artisan jobs (27% women)
ACE	Uganda	Clean-energy business distributing ethanol cooking solutions and related services	Direct employment in sales, distribution and customer service	**Total:** 210 (50% women)
				Created: 210 direct jobs (50% women)

A.3 Data collection and analysis

Each case began with a structured review of available CFYE evidence, including business case documents, results frameworks, monitoring reports, employment verification data, Theory of Change reviews and relevant case studies and learning outputs. The review reconstructed the project's history and reported results and identified issues for exploration during interviews.

Follow-up evidence came primarily from semi-structured interviews with one or more senior business representatives involved in the CFYE-supported project. Where available and relevant, business and employment records were also reviewed.

Analysis took place in two stages. First, evidence was reviewed within each case to examine the business trajectory, employment changes, the durability of CFYE-supported approaches, the factors shaping these developments and CFYE's contribution. Second, the cross-case synthesis compared trajectories and identified common and contrasting themes.

Evidence was triangulated across interviews, CFYE project and verification data, available business and employment records and other relevant sources. Greater confidence was placed in findings supported by multiple sources and documentary evidence.

A.4 Interpretation and limitations

The study has several limitations.

First, the six cases were purposively selected from a pool of 16 eligible projects. They provide insight into how and why post-CFYE trajectories differed but cannot show how common these patterns are across the wider portfolio.

Second, the quality and comparability of evidence varied across cases. Information on project implementation and results drew on CFYE monitoring, reporting and verification systems. After project closure, information on business performance and employment relied more heavily on retrospective reporting by businesses. Supporting documentation was available in some cases, but post-project claims could not always be independently verified in detail.

Third, employment was assessed primarily through business-level measures, including workforce headcount and the number of people engaged through different employment pathways. The study did not track individual workers over time and therefore could not assess worker-level employment continuity, earnings or job quality.

Comparable age- and gender-disaggregated data were not consistently available at follow-up. The study therefore could not determine whether post-CFYE employment trajectories differed for women and young people.

Finally, post-CFYE developments reflected overlapping influences, including business decisions and capabilities, subsequent finance and partnerships, market conditions, regulation and wider economic developments. The study examines CFYE's contribution within this context; it does not attribute post-project developments to CFYE alone.

A.5 Use of generative AI

Generative AI tools were used to support parts of the evidence review, cross-case comparison and drafting process. These uses included organising information from the case studies, identifying recurring and contrasting themes, checking the consistency of cross-case summaries and refining written drafts.

AI-generated outputs were treated as working material rather than evidence or findings in their own right. The study team reviewed and revised all outputs, checked substantive claims against the underlying case evidence and retained responsibility for the interpretations, findings and recommendations presented in this report. Generative AI was not used to collect primary evidence, select the cases or make final analytical decisions.