

Contribution Analysis on the Ghana Automotive
Development Policy and the Jobs and Economic
Transformation Ghana Programme

February 2025

Executive Summary

The UK-Ghana Partnership for Jobs and Economic Transformation (JET) Programme team commissioned this consultancy to undertake a Contribution Analysis (CA). The objective of the assignment is to generate evidence on how JET contributed to the passage of the Ghana Automotive Development Policy (GADP), and in turn how GADP contributed to attracting investments and creating jobs in greenfield automotive assembly plants in Ghana. This CA will allow the programme to ascertain how much of the success JET can credibly claim.

The analysis aims to inform future policy formulation and future programming by the Foreign, Commonwealth and Development Office (FCDO) and the wider development community. It will also serve as a direct input to the development of a strategic communications plan for the programme.

The CA have focussed on interrogating the output to outcome pathway(s) focussing on the passage of GADP. As the programme has presented clear evidence of achieving longer term results at the impact level, this CA also considered the outcome to impact pathways- specifically, how the increased foreign direct investments led to job creation in Ghana.

Methodology

This analysis followed Mayne's six steps:

Step 1: Set out the cause-effect issue to be addressed. As per the ToR, the cause-effect question investigated is as follows:

To what extent has JET Programme's support to the passage of GADP contributed to attracting investments and spurring highly skilled jobs in greenfield automotive assembly plants in Ghana?

Step 2: Develop the intervention-specific theory of change, identifying counterfactuals, potential influencing factors, and rival explanations. The CA traced the intervention-specific pathway and situated it within the overall programme theory of change.

Step 3: Gather existing evidence on the theory of change. The existing evidence included secondary information and primary data through key informant interviews to triangulate findings and information.

Step 4: Set out the contribution narrative. Based on the evidence collected under Step 3, a coherent narrative on how the results achieved came about was put together.

Step 5: Collect additional evidence to reinforce the credibility of the contribution story, triangulation. The team triangulated the available evidence through various forms of verification such as additional interviews and expert industry knowledge.

Step 6: Revise and strengthen the contribution narrative. Based on the findings from Step 5, the team adjusted and strengthened the narrative to incorporate new evidence where available.

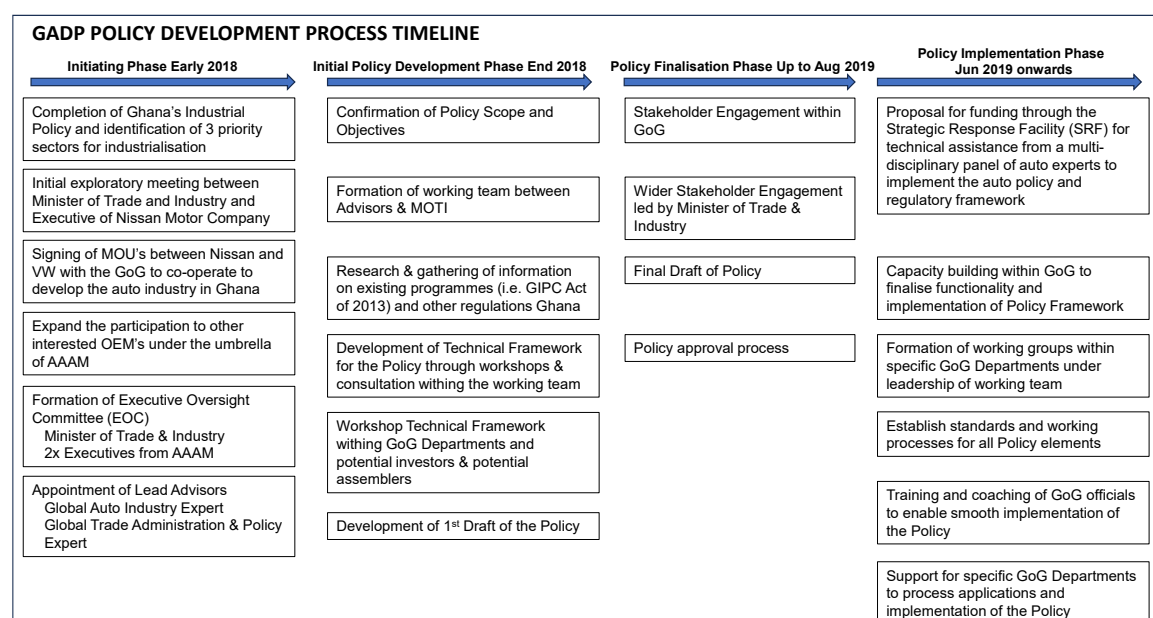
Methods

The primary method for data collection was key informant interviews held in-person in Ghana in January 2025 and remotely with FCDO in December 2024. A total of 15 stakeholders were reached ranging from FCDO staff, GoG interlocutors, private sector investors, and relevant

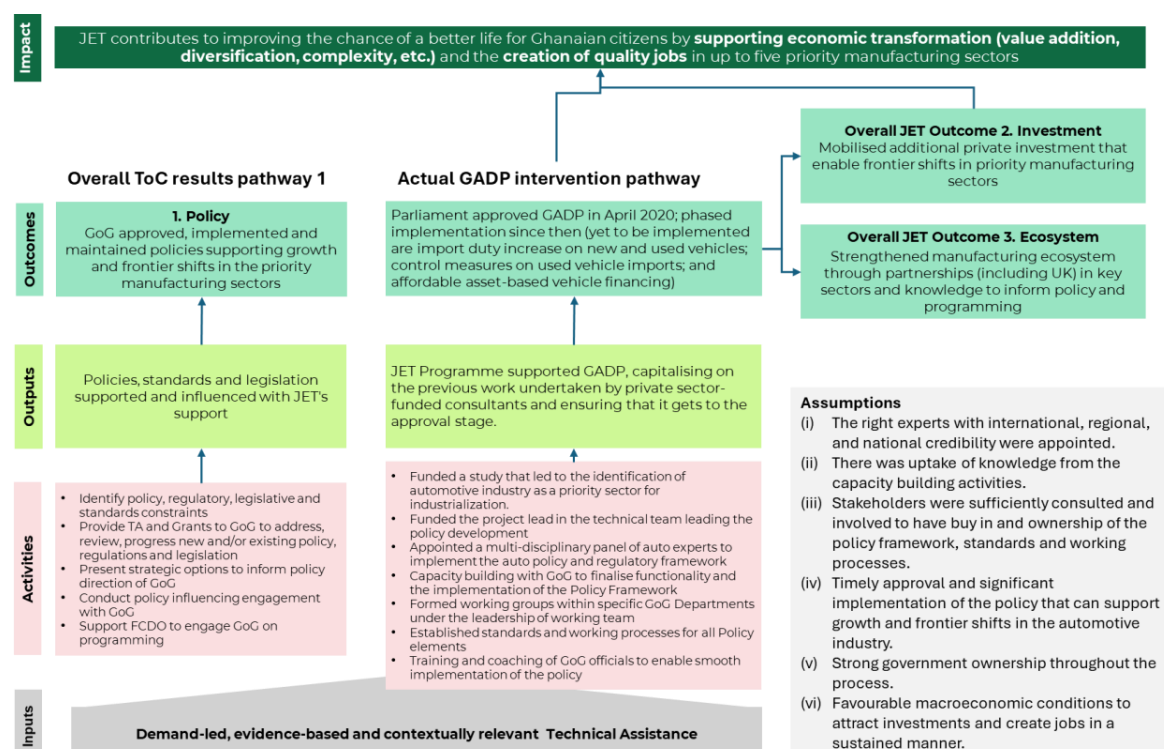
industry bodies. The analytical methods used were of qualitative nature using thematic and cluster analysis to group together findings from interviews and desk-based analysis.

Summary of findings

From the drafting through to the passage of GADP from early 2018 to April 2020, there was a strong government ownership and extensive involvement of the private sector and FCDO. The figure highlights the key steps in the policy development process.



The GADP intervention pathway that led to the outcome of JET-supported policy, which in turn led to the second programme outcome of increased investments and finally to the programme impact of job creation, is consistent with the overall theory of change.



The six critical assumptions underlying the conversion of results from inputs up to impact that this CA identified as part of the theory of change analysis all held, with a largely strong evidence base. The stakeholder consultations corroborated this finding.

The GoG, the private sector, FCDO (through JET and the mere presence of the British High Commission) and other donors (i.e., GIZ), all have critical contributions to the approval of GADP (Outcome 1). JET contributed to this desired result through support to ensure technical quality of the policy, convening key stakeholders extensively, building on government ownership and strong private sector support, and leveraging the British High Commission's credibility and perceived authority.

JET facilitated around GBP35 million of private investment (excluding VW investment) in the auto assembly sector. As a result, 320 direct jobs were created because of these investments. This figure excludes VW direct workers and additional jobs in Government and outsourced services utilised by the assemblers. Investors such as Toyota Tsusho, Japan Motors, Rana Motors, and Automobiles Industries Limited confirmed that their investments in assembly plant and equipment are a direct result of the approval of the GADP. The local partner made all these investments, while the global OEM provided technical support in design and preparation of the assembly facility. These are investments and hence jobs that would not have existed in the absence of an appropriate policy framework. Only one investor invested in assembly facilities prior to the approval of GADP.

Lessons and recommendations

Lesson 1: While strong government ownership provides both an anchor and momentum to policy development, creating and passing a policy that is intended to lead to increased investments require early buy-in of the private sector.

Recommendation 1: For the GoG and funding partners (e.g., JET and other donors) to ensure that the private sector is sufficiently involved in economic policy development process.

Lesson 2: Engaging with the widest possible range of stakeholders from the drafting of a policy to its passage improves the quality of a policy.

Recommendation 2: For the GoG and funding partners (e.g., JET and other donors) to clearly identify stakeholder groups and ensure that consultations take place at the widest possible range.

Lesson 3: A dedicated team of consultants with a supportive role to the government adds critical value to the quality and speed of policy development process.

Recommendation 3: For JET programme to continue supporting strategic technical roles with appropriate sector-specific expertise and Ghana-specific and global experience when putting in place (or amending) an investment and regulatory framework.

Lesson 4: Political will and commitment need to extend beyond policy approval and to policy implementation.

Recommendation 4: For the GoG (and Technical Team if involved) to ensure that there is sufficient commitment across government agencies to implement a policy in its entirety, before submitting the policy for final approval.

Acronyms

| | |
|--------|---|
| AAAM | African Association of Automobile Manufacturers |
| AIL | Automotive Industries Limited |
| CA | Contribution Analysis |
| CKD | Completely Knocked Down |
| ECOWAS | Economic Community of West African States |
| FCDO | Foreign, Commonwealth, and Development Office |
| GADP | Ghana Automotive Development Policy |
| GIPC | Ghana Investment Promotion Act of 2013 |
| GoG | Government of Ghana |
| JET | Jobs and Economic Transformation Programme |
| MOTI | Ministry of Trade and Industry |
| OEM | Original Equipment Manufacturers |
| SKD | Semi-Knocked Down |
| TRIM | Trade Related Investment Measures |

Contents

| | | |
|------|---|----|
| I. | Introduction | 1 |
| II. | Methodology | 2 |
| III. | Context | 3 |
| | Timeline..... | 4 |
| IV. | Impact pathways and the JET theory of change | 6 |
| V. | JET Programme's Contributions | 10 |
| | Contributions to Outcome 1: approval and partial implementation of the GADP | 10 |
| | Contributions to Outcome 2: increased investments and Final Impact: jobs creation | 11 |
| VI. | Concluding notes on JET contributions..... | 13 |
| VII. | Lessons and recommendations | 14 |
| | Stakeholder consultations | 16 |

I. Introduction

The UK-Ghana Partnership for Jobs and Economic Transformation (JET) Programme team commissioned this consultancy to undertake a Contribution Analysis (CA) to generate evidence on how JET contributed to the passage of the Ghana Automotive Development Policy (GADP), and in turn how GADP contributed to attracting investments and spurring jobs creation in greenfield automotive assembly plants in Ghana.

This CA is a stand-alone exercise but was significantly informed by JET's Annual Review 2023-2024¹ and Mid-term Review². These earlier reviews have undertaken activities that are precursor to a CA such as the analysis of the programme theory of change (ToC) and a stocktake of the contextual factors that have shaped the programme implementation and results. Hence, this CA serves as a deep dive extension to these reports. It will not replicate earlier findings but will instead build on them.

The aforementioned reviews highlighted the significant successes of JET through the passage of the GADP. This CA will allow the programme to ascertain how much of the success JET can credibly claim. The analysis will importantly trace the contribution flows from the support provided by JET to the Government of Ghana (GoG) to the passage of the GADP, and through to increased foreign direct investment (FDI) and finally to jobs creation in the automotive industry.

The analysis will inform future policy formulation by policymakers and future programming by the Foreign, Commonwealth and Development Office (FCDO) and the wider development community. It will also serve as a direct input to the development of a strategic communications plan for the programme.

This report sets out the findings from the one-week stakeholder consultations held in Ghana, desk-based review, and expert judgement based on the application of the approved CA methodology in the Inception Report.

- First, it presents the methodology used to undertake this CA.
- Second, it explains the context against which the GADP was formulated and approved and presented a timeline of major events that were pivotal to the approval of the policy.
- Third, it illustrates the relevant impact pathway within the programme Theory of Change (ToC) by analysing the intermediate steps that the GADP intervention followed along the results pathway.
- Fourth, it explores the various areas through which JET contributed to the outcomes and final impact in question.
- Fifth, the document concludes with lessons and recommendations.

¹ Annual Review 2023-2024

² Unpublished, internal document

II. Methodology

The CA have focussed on interrogating the output to outcome pathway(s) focussing on the passage of GADP. Unusually, the programme has presented clear evidence of achieving longer term results at the impact level and therefore the CA also considered the outcome to impact pathways- specifically, how the increased FDI led to job creation in Ghana.

This analysis followed Mayne's six steps, as set out below and in the Inception Report³ for this consultancy.

Contribution analysis was introduced by John Mayne in the early 2000s. As a theory-based approach, its point of departure is an adequately specified theory of change that represents the logical progression of project results within a theorised or actual pathway(s) of change. The analytical exercise includes an examination of counterfactuals explored qualitatively. It systematically takes account of influencing factors beyond the programme's sphere of influence and test alternative explanations as to how and why the result was achieved. It utilises a combination of data collection, analytical, and triangulation techniques to verify causal links and assumptions.

Mayne's six steps

Step 1: Set out the cause-effect issue to be addressed.

As per the ToR, the cause-effect question to be investigated is as follows:

To what extent has JET Programme's support to the passage of GADP contributed to attracting investments and spurring highly skilled jobs in greenfield automotive assembly plants in Ghana?

Step 2: Develop the intervention-specific theory of change, identifying counterfactuals, potential influencing factors, and rival explanations.

The CA traced the intervention-specific pathway and situated it within the overall programme theory of change (see Figures 3 and 4).

Step 3: Gather existing evidence on the theory of change.

The existing evidence included secondary information from earlier programme reviews and external sources such as grey or published literature, tacit knowledge, etc. Most of the evidence have already been collected and used by previous Annual Reviews and Mid-term Review. The team also collected primary data through key informant interviews to triangulate findings and information.

Step 4: Set out the contribution narrative.

³ Inception Report (December 2024)

Based on the evidence collected under Step 3, a coherent narrative on how the results achieved came about was put together.

Step 5: Collect additional evidence to reinforce the credibility of the contribution story, triangulation.

Whilst Mayne's fifth step only requires that additional evidence be collected, in the context of this analysis the team triangulated the available evidence through various forms of verification such as additional interviews and expert industry knowledge.

Step 6: Revise and strengthen the contribution narrative.

Based on the findings from Step 5, the team adjusted and strengthened the narrative to incorporate new evidence where available.

Methods

The primary method for data collection was key informant interviews held in-person in Ghana in January 2025 and remotely with FCDO in December 2024. A total of 15 stakeholders were reached ranging from FCDO staff, GoG interlocutors, private sector investors, and relevant industry bodies. Details are in the annex.

The analytical methods used were of qualitative nature using thematic and cluster analysis to group together findings from interviews and desk-based analysis.

III. Context

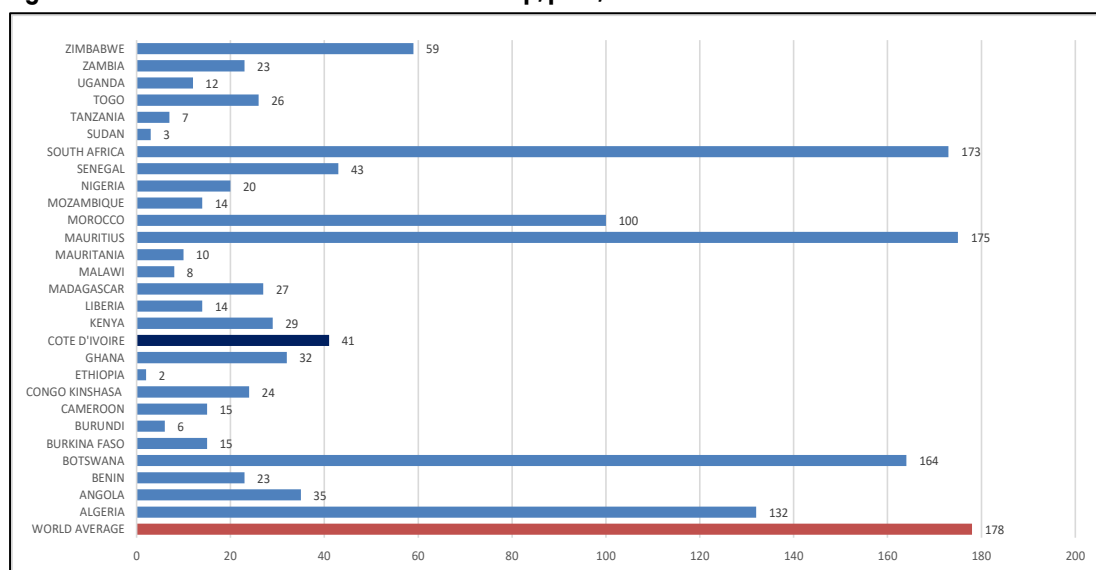
The Automotive Industry is one of the world's largest manufacturing industries. It is considered a strategic vehicle for advancing national industrialisation and integration into global supply chains. The growth of African economies has stimulated an interest in global auto manufacturing companies to examine production possibilities in Africa to meet the rising demand for automobiles. South Africa and Morocco have advanced and well integrated automotive manufacturing sectors. Against this background, the development of the automotive sector is increasingly gaining traction and recognition in some of the emerging economies of Africa.

Ghana has very low vehicle ownership rates by global standards. As demonstrated in Figure 1, at only 32 vehicles per 1,000 inhabitants (estimated in 2016), the country's vehicle ownership rate is less than a quarter the global average of 178 vehicles per 1,000 inhabitants. It is also low in relation to leading African economies such as South Africa (173), Mauritius (175), Morocco (100), and Botswana (164). It is however higher than many other African economies, including Nigeria (20). Low vehicle ownership rates suggest major growth opportunities in West Africa, particularly given strong recent and projected economic growth rates. The African Development Bank Group (AfDB) has upgraded Ghana's growth forecast, projecting a robust 3.4% for 2024 and an even more promising 4.3% for 2025, surpassing earlier predictions of 2.8% for the current year.

The increasing rate of urbanisation in the Economic Community of Western African States (ECOWAS) sub-region, coupled with an expanding middle class, is also expected to drive

increased demand for vehicles. With a 2024 population of around 35 million, Ghana is well positioned to benefit from growing vehicle ownership.

Figure 1: Sub-Saharan African vehicle ownership, per 1,000 inhabitants



Source: OICA (2022)

The industry develops over time, commencing with the assembly of semi-knocked-down kits (SKD) to more advanced manufacturing in the assembly of completely-knocked-down kits (CKD), with associated component production, to integrated manufacturing facilities where there is a relatively high degree of local component production in the assembly process.

To anchor the interest of the OEMs, there was a critical need for Ghana to put in place a comprehensive Automotive Development Policy.

Against this background and based on the study⁴ that JET supported, the GoG has confirmed the auto sector as one of three priority sectors in the economy earmarked for future industrialisation.

Timeline

The GADP development process up to its approval took around two years to complete, from early 2018 to April 2020.

Early 2018: a delegation from the African Association of Automobile Manufacturers (AAAM) visited Ghana. After discussions with MOTI, AAAM committed to support the Government to develop an automotive development policy.

GoG constituted a technical team to develop the policy. The fundamental principle underlying the Policy was that the private sector is the engine of growth, with Government providing an enabling environment designed for automotive manufacturing to thrive over the long term. This

⁴ This study was undertaken to identify the key sectors for industrialisation in Ghana and then to identify the sectors that need to be prioritised. Ten sectors were initially identified, and this was narrowed down to three sectors – Pharmaceuticals, Textile and Clothing and Automotive Assembly.

were to be achieved through the full spectrum of policy instruments across the following nine thematic areas:

1. Incentive and regulatory framework
2. Market expansion and trade facilitation
3. Standards and safety
4. Access to industrial infrastructure
5. Automotive skills and technology upgrading
6. Supplier development programmes
7. Implementation and coordination arrangements
8. Labour relations
9. Legislative measures

The strategic objectives of the GADP include:

- To establish a fully integrated and competitive industrial hub for automotive assembling in collaboration with the private sector – global, regional and domestic.
- To generate highly skilled jobs in automotive assembly and the manufacturing of components and parts, with spillover effects into other sectors of the economy.
- To establish an asset-based vehicle financing scheme for locally manufactured vehicles to ensure affordability for vehicle buyers.
- To improve balance of payments through competitive import substitution and export market development.
- To improve vehicle safety and environmental standards.
- To transform the quality of the national road transport fleet and safeguard the natural environment.

End of 2018: the Technical Team presented a first draft of the policy to the GoG. Relevant government departments agreed the general direction of the policy.

Early 2019: GoG approached FCDO for a funding application (under JET) for consultants to support the relevant authorities with Government to facilitate the implementation of the policy and leading up to the final approval of the policy.

April 2020: the GoG Parliament approved GADP.

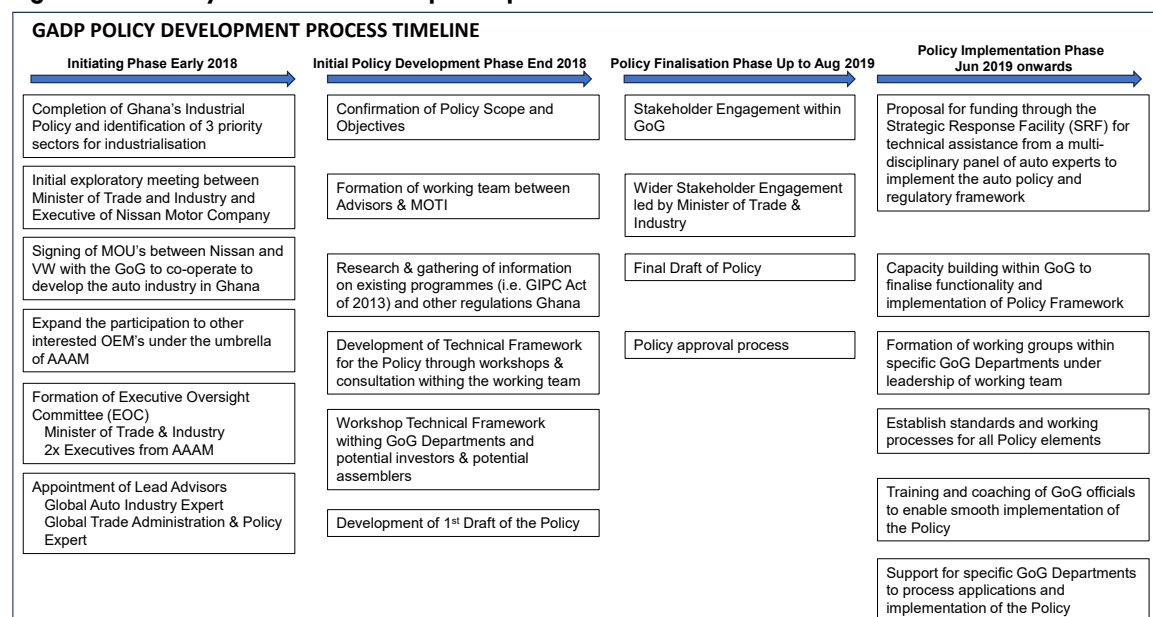
MOTI agreed to implement the various elements of the policy in stages. This phasing has meant that some elements of GADP is still not implemented by the end of 2024 including the following components:

- Import duty increase on new and used vehicles;
- Control measures on used vehicle imports; and
- Affordable asset-based vehicle financing.

Stakeholders noted that this incomplete implementation is the biggest threat to further investments in the sector as players start to rethink where the automotive industry in Ghana is heading in the absence of the relevant provisions (as above).

Figure 2 presents the details of the development process of GADP. The critical steps are discussed and expounded on the succeeding sections.

Figure 2: Summary of the GADP development process



IV. Impact pathways and the JET theory of change

This CA used the most recent version of the theory of change⁵ that the programme team developed after the Annual Review 2023-2024. As previously mentioned, this analysis will not interrogate the results pathways and assumptions as part of the CA since the activities have been undertaken separately.

As demonstrated in Figure 3, the first impact pathway leading to the policy-related outcome is where the work on GADP fits in. The actual implementation pathway taken by GADP support and how the results of this intervention have contributed to the second outcome on investments and then to the final impact of jobs creation is demonstrated in Figure 4. These figures illustrate that the intermediate steps undertaken by the programme in supporting the GADP development through to passage have been consistent with the programme inputs and outputs.

It is typical that the final results- such as those related to jobs creation- generated by a policy support mechanism takes considerable time to emerge. Thus, they are not often subject to a contribution analysis while programme implementation is still underway. However, this does not apply in the case of GADP where there is clear evidence that jobs were created following significant investments after the GADP passage and (partial) implementation.

⁵ Shared by the programme team in January 2025

Figure 3. Overall programme theory of change and relevant pathway of change to GADP

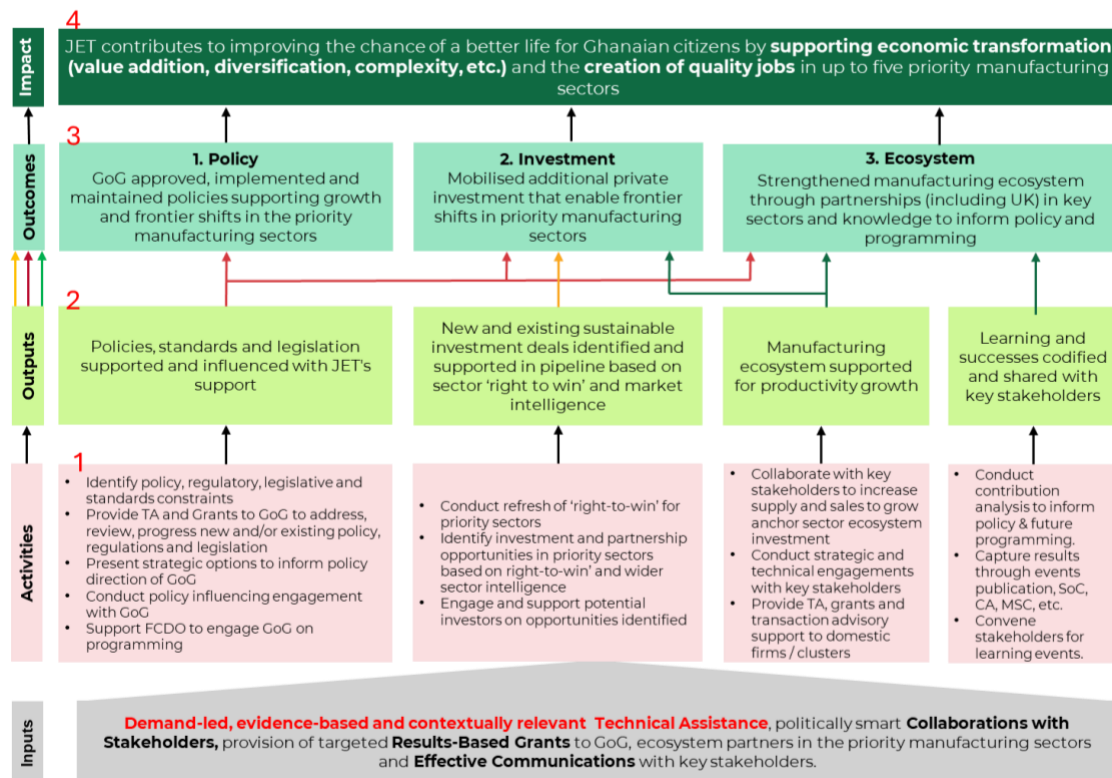
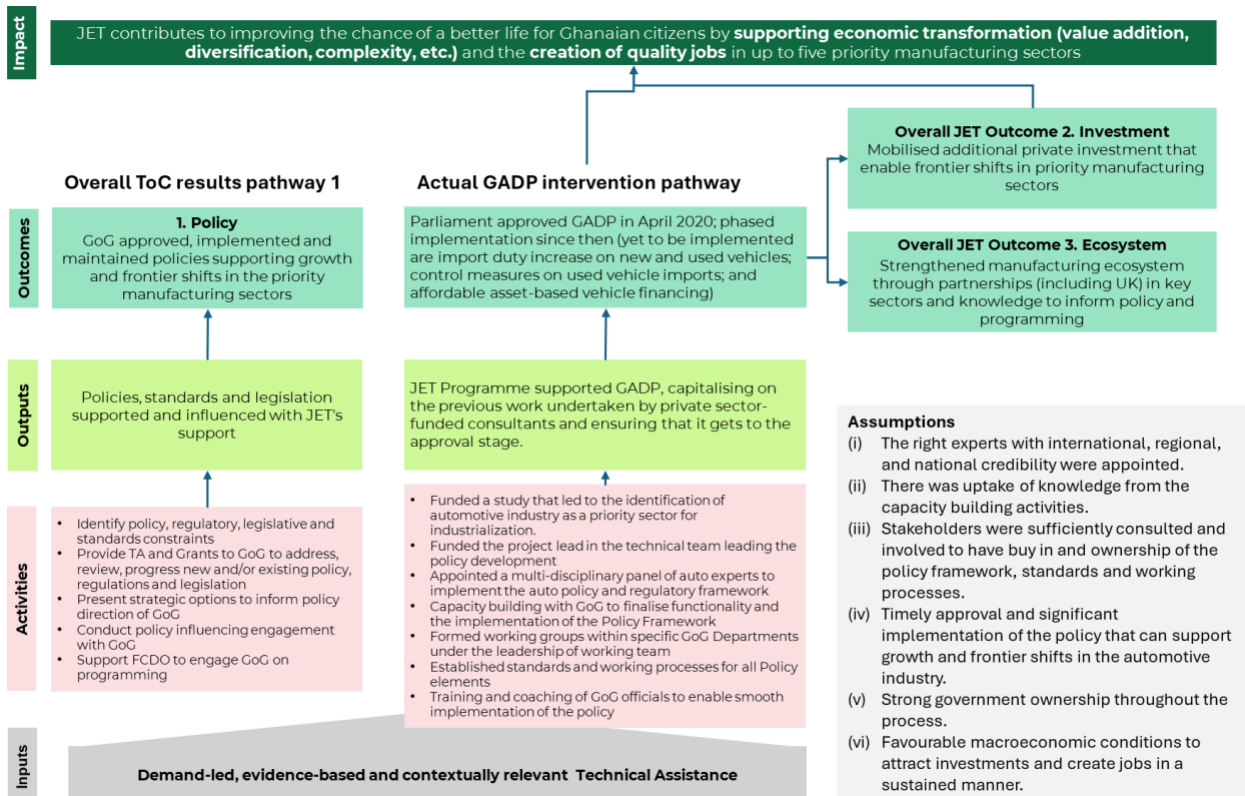


Figure 4. GADP actual intervention pathway and assumptions

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This analysis identified six critical assumptions that are instrumental in the translation of activities to outputs, outputs to outcomes, and outcomes to impact. The assumptions were validated in this analysis to test which of them held (or did not). All the assumptions held to a certain degree. The explanation as well as strength of evidence (on whether they held or not) is set out in Table 1. Strong evidence within the table means consensus amongst all stakeholders interviewed and consistency with desk-based review findings. The moderate evidence for the uptake of knowledge from capacity building below was assigned due to the absence of an exit interview or survey from participants, but this was mitigated by their actual contributions to the policy process.

Table 1. Theory of change assumptions related to GADP development process

| Assumption | Comments | Strength of evidence |
|--|--|-----------------------------|
| The right experts with international, regional, and national credibility were appointed. | <p>At the beginning of the process in 2018, the GoG appointed a Technical Committee to develop an automotive development policy with the support of AAAM. The project leader, Mr Alex Kyei, a very experienced diaspora who worked in the USA for an extended period, was appointed with funding from JET. He selected a project team from within MOTI. He was complemented by AAAM-funded two industry policy development experts from South Africa with global experience in policy development with specific reference to the automotive sector.</p> <p>Stakeholder interviews as part of the CA and the earlier annual review and mid-term review confirmed that these experts were highly qualified and played a key role in moving the policy development process along.</p> | Strong |
| There was uptake of knowledge from the capacity building activities. | <p>There was a very low level of auto sector specific knowledge and skills within MOTI, The Customs Authority and the Standards Authority. Utilising funding from JET, the expert consultants did some extensive training and coaching in these departments to upskill the levels of understanding of the operational side of the auto sector. While there was no exit interview or survey undertaken to measure improved capacity, the inputs of the trained staff to the policy development process were deemed a good measure of improved capacity.</p> | Moderate |
| Stakeholders were sufficiently consulted and involved to have buy in and ownership of the policy framework, | <p>Stakeholder feedback on the quality and quantity of consultations during the development process was generally positive. One stakeholder deemed that more could have been done to reach used car importers and dealers, and another</p> | Strong |

| Assumption | Comments | Strength of evidence |
|---|--|----------------------|
| standards and working processes. | stakeholder raised that engagements should have not been limited to just the leadership of stakeholder groups. For example, the used car industry stakeholders have a complex and ever-changing leadership structure to avoid trust issues between membership and the leadership. | |
| Timely approval and significant implementation of the policy that can support growth and frontier shifts in the automotive industry. | The GADP was passed roughly within two years of its development, and the process included studies, extensive consultations, and capacity building. As at the end of 2024, some aspects of the policy have yet to be implemented. Based on the results that the programme achieved, the approval has proven to be timely and putting it in place notwithstanding its partial implementation, it has communicated certainty and a degree of clarity to prospective investors. | Strong |
| Strong government ownership throughout the process. | MOTI was fully committed to ensure that the development and implementation of the policy would be successful. This initiative was specifically driven by the then Minister of Trade & Industry, Mr Kyerematen. He ensured that a strong team within MOTI was appointed. Various engagements of stakeholders with MOTI pointed to the strong commitment and ownership of the government. The partial implementation is affected by various interests at play and its analysis is beyond the remit of this CA. | Strong |
| Favourable macroeconomic conditions to attract investments and create jobs in a sustained manner | Whilst the successes that followed the passage and implementation of GADP came quite quickly, Covid-19 and its aftermath as well as the subsequent Ukraine-Russia war, were huge exogenous shocks that adversely affected the economic performance of countries, regions, and the world. As the previous programme reviews highlighted, Ghana has also suffered from these shocks, and they partly explain the slowing down in JET's achievements of the results of interest. | Strong |

V. JET Programme's Contributions

Contributions to Outcome 1: approval and partial implementation of the GADP

The GADP was passed by the GoG Parliament in April 2020, around two years after JET's actual start date⁶ and with about 26 months of extensive engagement with key ecosystem actors. The policy provided a framework for investing in the automotive sector in Ghana, creating a more predictable and attractive environment for businesses to invest.

From the outset, the GoG was clear that the purpose and thus the main driver for the passage and implementation of GADP is primarily economic, to create sustainable jobs and attract foreign and local investment. Secondary to this, stakeholder interviews also highlighted that GADP aims to improve the safety of vehicle fleets, facilitate affordable ownership of new vehicles, develop technical skills in Ghana. For the GoG, the GADP is a further step in the implementation of its industrialisation plan with a clear regulatory framework in place. Of particular value to the process were the inputs of the Ghana Standards Authority and Customs in the policy development. The Ministry of Finance's role for vetting of the policy proposal prior to submission for approval of the policy was also critical.

The private sector's role, through the AAAM, in the policy development process was also significant. The main incentive at play for the private sector was creating a stable regulatory environment that will and can facilitate growth in volume and market share for them, and to establish Trade Related Investment Measures (TRIM) to reduce the cost for local assemblers, including investment incentives for Enhanced SKD and CKD.

JET's funding support for the Technical Team was critical to facilitate the employment of a knowledgeable and experienced Project Leader and consultants with the appropriate experience and knowledge to ensure the development of a policy that will meet stakeholder needs. These consultants also built the capacities required in the relevant government departments responsible for the implementation of the policy, such as:

- Ghana Standards Authority inspectors were trained in identifying appropriate compulsory vehicle standards and how to conduct vehicle inspections to confirm conformity to these standards. They were also trained to operate the Vehicle Homologation Process.
- The customs inspectorate was trained how to inspect arriving kits for conformity to the appropriate definitions – SKD, Enhanced SKD and CKD.
- MOTI personnel were coached how to assess assembly registration applications.

There was consensus amongst stakeholders that through JET's funding, and the perceived authority of the British High Commission in Accra and how that exerts political pressure to get the GADP approved by the Parliament, accelerated the passage and implementation of the policy.

In sum, the main success factors that stakeholders noted to have driven the GADP approval, include the following:

⁶ [DevTracker Programme GB-1-205058](#)

- A fully committed MOTI.
- A credible, dedicated Technical Team supportive of MOTI.
- An involved and invested private sector.
- Stakeholder engagement throughout the development process.
- Inter-departmental co-operation by all the relevant government departments.
- Pre-engagement with senior government officials prior to submission for approval.

Contributions to Outcome 2: increased investments and Final Impact: jobs creation

JET facilitated at least GBP35 million of private investment (excluding VW investment) in the auto assembly sector. As a result, 320 direct jobs were created because of these investments. This figure excludes VW direct workers and additional jobs in Government and outsourced services utilised by the assemblers.

During the field visits the following investors confirmed that their investments in assembly plant and equipment is a direct result of the approval of the GADP:⁷

- Toyota Tsusho
- Japan Motors
- Rana Motors
- Automobiles Industries Limited

The assembly facilities that were visited were all a very high standard and could easily be upgraded to accommodate assembling of Enhanced SKD kits.

All these investments were made by the local partner or the relevant trading company that was involved, while the global OEM provided technical support in design and preparation of the assembly facility.

These investors requested that the specific investment should be kept confidential. Therefore, only the aggregate investment has been specified in this report.

VW was not available during the field visit and was also not prepared to respond to a request to submit a written response to a questionnaire. VW were the only global OEM that made a direct investment in an assembly facility in Ghana without the involvement of a local partner, and this has left an important gap in the report.

The GADP contributed to increased investments, which then led to jobs creation, by providing a clear and stable regulatory environment and appropriate support measures to grow the industry. These are investments and hence jobs that would not have existed in the absence of an appropriate policy framework. The close involvement of the private sector in the policy processes who has interest in investing in Ghana has also made this possible.

All the investors confirmed that they would not have invested in the absence of GADP. Only one investor invested in assembly facilities prior to the approval of GADP. They already invested in 2015 based on an opportunity to transfer some facilities from a defunct Chinese assembler in Turkey. Without the adoption of the GADP, it would have required many years to get significant

⁷ Katanka invested in an assembly facility in 2015, but not influenced by GADP

new vehicle market growth to establish an assembly facility based on pure market economic motivators.

GIZ, a German federal enterprise, was also noted to have had a role in jobs creation. In particular, GIZ supported the technical skills development of Ghanaians to be employed within the assembly industry. They formed a partnership with Bosch and Rana Motors to establish the West African Vehicle Academy (WAVA) in 2020. Their main focus is the aftermarket support for vehicles, but the skills are also appropriate for the assembly industry. Without this support, the jobs created through the increased investments in the auto sector brought about by the GADP

Rana Motors started production of Kia models in May 2023. They have an installed capacity of 35,000 vehicles. They invested in an assembly plant and employs 60 direct, full-time employees. They assembled 684 vehicles in 2024. They are currently assembling 12 KIA models. They have sufficient factory space to expand in the future and to progress to Enhanced SKD once the volume is sufficient.

The GADP was the direct driver of Rana Motors' investment decision, but market share expansion also provided additional motivation.

Toyota Tsusho started the assembly of Toyota pick-ups at SKD level in Mid-2021. They invested in an assembly facility. This investment would not have been made if it was not for the introduction of the GADP. They started assembling Suzuki Swift in the second half of 2023 at Enhanced SKD level and assembled 960 Toyota Hilux's and 185 Suzuki Swifts in 2024. They are starting assembly of a new facelift model of Suzuki Swift at the beginning of 2025 and has planned for 1300 Hilux and 320 Suzuki Swifts for 2025.

Toyota Tsusho is currently employing 70 direct, full-time employees, excluding the employees of outsourced services such as cleaning and HR.

Japan Motors invested in infrastructure development, tools and equipment, and Nissan consultancy support. They would not have done it in the absence of GADP since it was impossible for an assembly operation to work without a policy. They started production of the Nissan Pick-Up in the second half of 2023. JMTC production volume for 2024 was 1100 units. They are planning to produce a similar volume in 2025, unless the balance of the policy is implemented. With an affordable vehicle finance scheme, this volume could double in the next year. JMTC is currently employing 60 direct workers in the assembly operation.

AIL invested in an assembly facility to create more employment opportunities, make cars more affordable after receiving SKD incentives from government and scale up the volumes gradually and to finally support the vision of former President of One district one assembly plant leading to economic growth of Ghana as whole. AIL would not have invested without GADP. AIL started assembly of Hyundai models in 2024 and assembled 395 units in 2024. They are planning to assemble 594 units in 2025. AIL is employing 44 direct workers in the assembly operation.

passage would not have been filled by Ghanaians.

The main risk noted by stakeholders is that some of the investors will review their position if all the elements of the policy will not be implemented in the foreseeable future.

VI. Concluding notes on JET contributions

The evidence that JET contributed to the passage of GADP, which then led to increased investments and jobs creation in the auto sector is remarkably clear and hard to dispute. JET responded positively to an opportunity to support the GoG on its national industrialisation aims that were also backed by the private sector. The processes were not organic- stakeholder consultations and capacity building activities were built into the support to strengthen buy-in and the capacity of stakeholders to engage with the policy development process. As such, the process was not largely JET-driven, but a genuinely multi-stakeholder endeavour, and this level and quality of engagement would not have been possible without (i) the stakeholders' willingness to engage; and (ii) external support that helped facilitate the extensive engagements that could have added more pressure to MOTI's available capacity. The GoG, the private sector, and other donors (i.e., GIZ), all have critical contributions to the approval of GADP, which led to increased FDI and eventual job creation. Given this, an appropriate albeit arbitrary numerical assignment of contribution claims could be: GoG- 40%; JET – 25%; Private Sector – 25%; Other donors (GIZ) – 10%- with the GoG taking the lion's share to recognise the strong ownership of its own industrialisation plan. JET support was present from the beginning to the end, from funding the precursor study (see footnote 4) to the Parliamentary approval of the policy.

In sum, JET's approach to contributing to the desired results took the following form:

- 1) Support to ensure technical quality of the policy** – JET supported world class experts who can influence the quality of the drafting. The Technical Team filled up some technical capacity gaps within the government. The TA was assumed to be high quality, timely, and sequenced appropriately based on the readiness of government interlocutors.
- 2) Convening key stakeholders extensively** – the Technical Team supported by JET has also ensured that key stakeholders are extensively consulted and involved in the process. As noted, the processes have proved to be critical for the buy-in of various industry players. The following events were organised by the Technical Team with the relevant stakeholders:
 - Presentation of draft policy framework to key departments in GoG after each stage of policy development.
 - Presentation of draft proposal to global OEM's through AAAM.
 - One-on-one direct consultation with every individual or organisational interested investor.
 - Stakeholder Consultative Forums, including potential assemblers, new vehicle dealers and importers and used vehicle dealers and importers.
 - GADP Information document shared with prospective investors.
 - Training workshops with Standards Authority
 - Training workshops with Customs Inspectorate
 - Publication of GADP information brochure on the website.
- 3) Building on government ownership and strong private sector support**, which capitalised on the (i) momentum from the political leadership in the GoG; and (ii) the broader narrative regarding the automotive industry's role in Ghana's industrialisation through the manufacturing sector. Earlier programme reviews and this CA highlighted the high confidence level that the government and private sector have on the capacity of

Ghana to bounce back economically and for the auto industry to get back on track. This was also supported by AfDB's revised growth forecast for the country. The positive narrative around the sector has rallied the continued support of the GoG and private sector alike.

- 4) **Leveraging British High Commission's credibility and perceived authority** – while not an intended approach applied by JET, stakeholders noted its importance in moving the policy process to the right direction and at pace. The BHC remains a partner of choice for the GoG and working with FCDO provides the GoG additional credibility among other stakeholders.

VII. Lessons and recommendations

Lesson 1: While strong government ownership provides both an anchor and momentum to policy development, creating and passing a policy that is intended to lead to increased investments require early buy-in of the private sector.

The speed at which investments came through after the passage of GADP was a testament to private sector awareness of and interest in the auto industry in Ghana. The support that AAAM committed to MOTI for the policy development had meant that from the beginning, there was buy-in from the private sector (an opportunity of which both MOTI and FCDO through the JET programme maximised). Stakeholder consultations revealed that investors waited until GADP was in place as the policy provides certainty particularly as a regulatory framework.

Recommendation 1: For the GoG and funding partners (e.g., JET and other donors) to ensure that the private sector is sufficiently involved in economic policy development process.

Some sectors might have a more (or less) organised and unified industry association(s) and therefore clearly understanding the incentives and power dynamics at play can inform the approach to engagement with the private sector. Where it is possible, replicating the involvement of the AAAM can ensure that the private sector has 'skin in the game' and will see the process through to completion.

Lesson 2: Engaging with the widest possible range of stakeholders from the drafting of a policy to its passage improves the quality of a policy.

Consultations strengthen participation and buy-in and ensures that stakeholder needs and industry knowledge are factored into the draft policy.

Recommendation 2: For the GoG and funding partners (e.g., JET and other donors) to clearly identify stakeholder groups and ensure that consultations take place at the widest possible range.

While some stakeholders were generally satisfied with the consultations held for GADP, there was also feedback that there was not sufficient engagement with used car importers and imported used car distributors. The GADP consultation was limited to the association level only, which has limited important inputs from these groups.

Lesson 3: A dedicated team of consultants with a supportive role to the government adds critical value to the quality and speed of policy development process.

The Technical Team constituted exclusively to support the GADP drafting and approval processes boosted the available capacity and time within MOTI. On top of this, they also provided important capacity building activities with relevant government offices such as customs, finance, and others, which also strengthened the engagement of these offices in the process. The key point about this lesson is that the consultants were clearly supporting a government-owned initiative. They were not hired for a largely capacity substitution process. In addition to capacity and time, the profile of the consultants provided credibility to the draft policy.

Recommendation 3: For JET programme to continue supporting strategic technical roles with appropriate sector-specific expertise and Ghana-specific and global experience when putting in place (or amending) an investment and regulatory framework.

Implementing a national industrialisation plan that spans multiple sectors is a tall order for most governments. Doing it in face of fiscal and monetary constraints as well as exogenous shocks mean that such implementation stretches limited government human and financial resources. Thus, the support of a trusted development partner by the GoG such as FCDO to boost capacity through funding for a similar technical team constituted for GADP can add real value to the quality of the policy development process and the policy itself.

Lesson 4: Political will and commitment need to extend beyond policy approval and to policy implementation.

The GADP was approved more than four years ago and as at the time of writing, there are key passages that have yet to be implemented. While the implementation was substantive enough to attract investments, stakeholders raised that this piecemeal implementation is a great risk for them.

Recommendation 4: For the GoG (and Technical Team if involved) to ensure that there is sufficient commitment across government agencies to implement a policy in its entirety, before submitting the policy for final approval.

Moreover, a GADP policy review should be undertaken as soon as possible, in line with the intent stated in the policy where some of the shortcomings that have come out from the last four years can be addressed. This will help the GoG make the adjustments to the policy, to make it fit for purpose, informed by the current performance of the policy measures, and aligned with what is realistic to implement.

Stakeholder consultations

The following stakeholders were interviewed:

1. MOTI – Mr Kwasi Ofori-Antwi
2. Customs Authority – Mr Justice Yadjayime
3. Standards Authority – Mr Macmillan Prentice.
4. Ministry of Finance – Mr Daniel Nuer
5. Ghana Automotive Development Centre – Mr Kojo Annobil
6. Ghana Automotive Distributors Association – Mr Francis Larbi Odame
7. Kantanka Automobile – Mr Francis Kojo Kujoji
8. Rana Motors – Mr Kassem Odaymat
9. Toyota Tsusho – Mr Ryuta Yoshikawa and Mr Aaron Addo

The following stakeholder were not available at the time, and they submitted a written response to a questionnaire sent to them: -

10. Japan Motors (JMTC) – Mr Salem Kalmoni
11. Automotive Industries Limited – Mr Manish Daryanani
12. Nissan as Global OEM – Mr Mike Whitfield
13. AAAM – Mr Mike Whitfield (President at the time)
14. AAAM – Mr Dave Coffey (CEO)

