




Rapid Assessment Report: Impact of COVID-19 on Micro & Small Enterprises (MSEs)

Gambia Government – MoTIE/UNDESA

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Background: Gambia Government/UNDESA pilot project in The Gambia “*Enhancing National Capacities for unleashing full potentials of MSMEs in achieving SDGs in developing countries*” which seeks to facilitate The Gambia’s efforts in addressing identified constraints by engaging critical stakeholders at the public and private sectors as well as civil society to develop deep impact interventions that will contribute to Gambia’s objectives of fully participating in the various regional value-chains led by adequately resourced Micro Small & Medium Enterprises (MSMEs).

The Rapid Assessment and this Report is done to capture and reflect the impact of the ongoing economic realities being faced by a particular segment of the private sector in The Gambia, namely Micro and Small Enterprises (MSEs) to support Government of The Gambia’s (GoTG) efforts to reach all citizens especially the most vulnerable who are not usually properly captured due to the informal nature of their business.

Objectives:

1. To ensure that informal MSEs are appropriately captured for consideration in the decision-making process to receive available and planned support in the immediate to short-term
2. To facilitate the inclusion of concerns that may be peculiar to MSEs in medium to long term policymaking processes for national plans so that no groups are left behind in national efforts to facilitate resilience and foster growth.



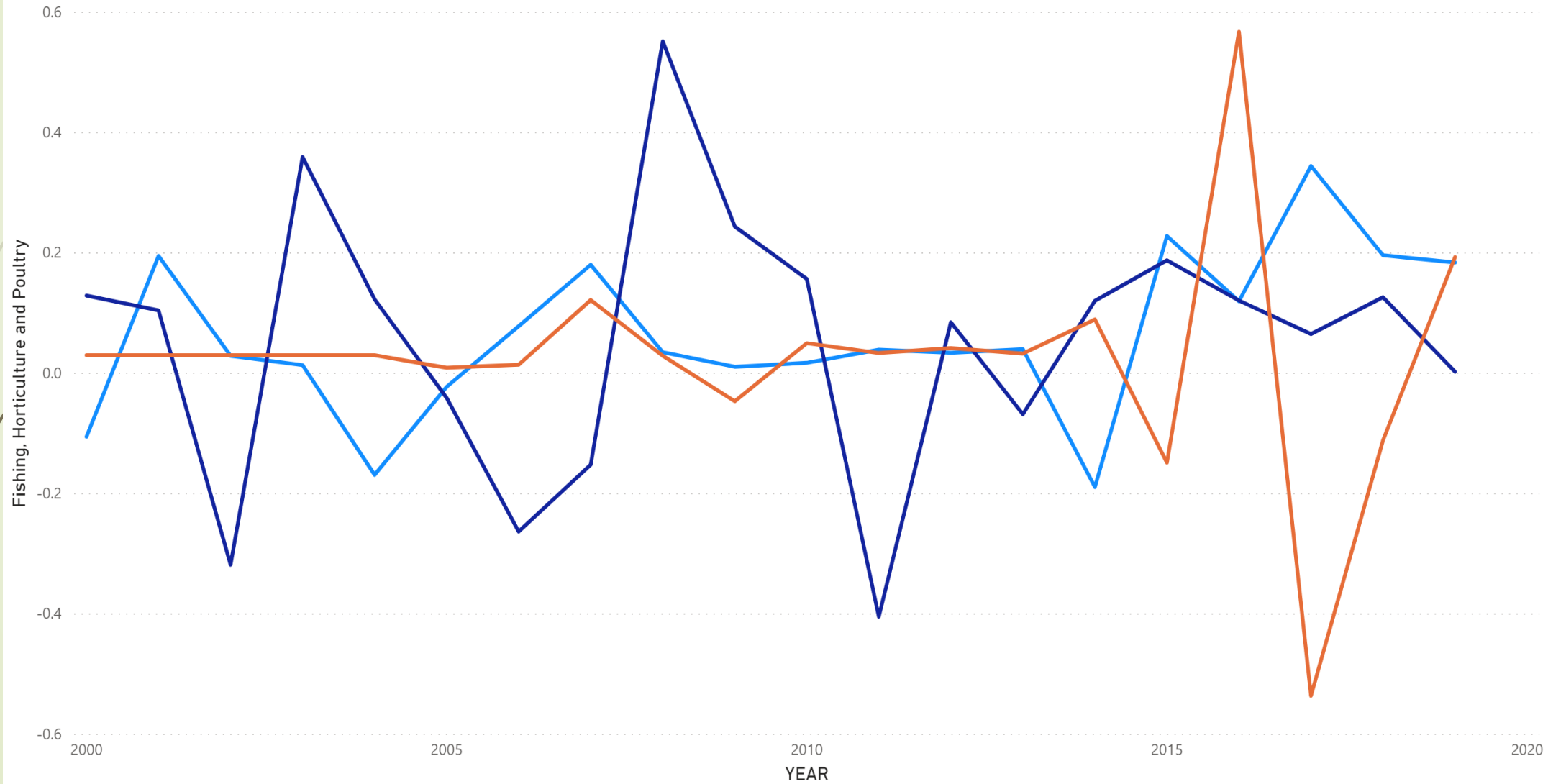
MSEs in The Gambia: The Gambian economy is characterised by a dominance of Micro, Small & Medium Enterprises (MSMEs) engaged across sectors, MSMEs constitute 63% of the urban labour force and contribute about 20% of the GDP (MSME Policy 2019-2024).

The Nationwide MSME Mapping Study (2018) gives an estimated total number of 115,680 MSMEs of which 98% operate as sole proprietorship which fall under micro enterprises. The mapping study further showed that 77% of the group of sole proprietors are unregistered making them informal and largely invisible since more than half of the total are operating at the micro enterprise level. The unregistered sole proprietor group consist of 43% female and 36% male.

Since the end date of the pandemic remains unknown [The Gambia currently has 38 active cases and 121 deaths], maintaining certain measures to mitigate the spread of the virus will be necessary and thus adjustments to the new normal which has been a daunting challenge to most, it therefore requires real support to facilitate the recovery process as a necessity to ensure development aspirations are not derailed since they employ a significant proportion of the workforce who are either breadwinners of households (HH) or make a contribution to family needs. Ministry of Health: The Gambia COVID-19 Outbreak Situational Report #188 (5th November 2020)

Fishing, Horticulture and Poultry by YEAR

Fishing Horticulture Poultry



Rapid Assessment: this activity is time-bound to hold relevance and so conducted over a short period to answer specific questions; this explains focus on four economic activities within MSEs for the quick deployment of available support to these enterprises believed to consist members of identified vulnerable groups

The respondents are all located in the GBA namely, city of Banjul, Kanifing Municipality and town of Brikama; all the 500 targeted interviewees responded. GBoS estimates over 50% of the country's population as being resident in these three localities which account for a significant proportion of economic activities in the country. Specifically, Brikama haing the largest share of MSMEs estimated at 33,665 followed by Kanifing with 29,390.

Distribution of traders by type of business and sex

Type of Business	Sex		Total
	Male	Female	
Second hand clothing	89.71	10.29	100
Horticulture Farmer	11.11	88.89	100
Poultry Farmer	84.38	15.63	100
Fish Seller	40.38	59.62	100
Total	51	49	100

Distribution of Average Weekly Revenue pre-COVID-19

Type of Business	Average weekly income
Second hand clothing	3,500
Horticulture Farmer	2,000
Poultry Farmer	18,900
Fish Seller	3,500

Distribution of MSEs Level of Business since the onset of COVID-19 Pandemic

Type of Business	Level of business				Total
	Increased	Remained The same	Reduced	Fluctuate	
Second hand clothing	0.0	4.4	94.9	0.7	100.0
Horticulture Farmer	1.4	8.3	86.8	3.5	100.0
Poultry Farmer	1.6	6.3	89.1	3.1	100.0
Fish Seller	0.0	2.6	91.7	5.8	100.0
Total	0.6	5.2	90.8	3.4	100.0

The global nature of the pandemic makes it even more challenging to seek alternative and/or non-traditional sources/employment for income and livelihood because of the impact on all economic activities. Even though The Gambia is the second highest recipient of remittances in sub-Saharan Africa (SSA) according to the WB's Migration and Development Brief; these remittances are largely for consumption rather than investment. Therefore, although remittances have been registered as increasing by the Central Bank of The Gambia (CBG) during the period it will not serve as supplementary income.

Distribution of COVID-19 impact mitigation strategies. Employed by MSEs

Type of business	Get paid employment	Doing other business	Embark on other activities	Handouts	Rely on support from family/friends	Nothing	Other
Used clothing	2.3	18.1	16.4	7.0	21.6	20.5	14.0
Horticulture Farmer	0.0	24.7	15.4	8.8	28.6	19.8	2.8
Poultry Farmer	9.1	37.7	14.3	1.3	3.9	19.5	14.3
Fish Seller	0.0	13.5	16.5	4.0	29.0	21.0	16.0
Total	1.8	21.0	15.9	5.9	23.8	20.3	11.4



GoTG/Partners Support Extended:

Targeted support in the form of direct cash transfers of USD\$70 given to informal MSEs

Gambia Revenue Authority (GRA) extensions on filing of tax returns businesses

Distribution of basic foodstuff namely rice, sugar and cooking oil and cash equivalent of USD\$8

The United Nations Children's Fund of the UNICEF and the Quick NAFA payment of the National Nutrition Agency also made cash payments to women and HHs respectively

A joint press release by the Trade and Justice Ministries (23rd March, 2020) of the President's declaration to maintain prices at open market as at 18th March. The statement went further to prohibit hoarding of these commodities and exportation of these commodities.

Recommended Interventions:

Immediate:

In consultation with the local municipalities for identification of the MSEs from whom they collect daily fees in the markets as well as government project offices who provide support to some of these sub-sectors

- *Emergency relief/support*

Distribution of basic foodstuff in a more concerted manner to ensure all identified vulnerable groups are captured and handed the available support

- Stimulus packages (Grants)

Direct cash transfers by person or via mobile money to Micro enterprises

Transition:

Macroeconomic policies (Fiscal measures):

Lowering interest rates to encourage access to finance

Subsidies on rent payments

Microfinance institutions

Waive interest on loans

Postpone loan repayment

refinance facility

Proposed Policy Prescriptions:

Deeper penetration of the Single Window Business Registration (SWBR) initiative to promote and facilitate formalisation of MSEs for their recognition/visibility and inclusion in decision making platforms and beneficiaries of support: MoTIE, MoJ, GRA and GIEPA

Single digit interest rate on loans for MSEs following criteria to determine qualification for such loans: MoTIE, MoFEA, CBG and Association of Bankers

Establishment of proposed MSME fund to mitigate the challenges of access to finance faced by a significant proportion of all MSEs: MoTIE, GIEPA, MoFEA, MoWA, Office of The President

Scale -up and scale out the EMPRETEC Model for a more extensive outreach to provide BDS to more MSEs: MoTIE, GIEPA, UNDP

Integration of simple digitisation for e-commerce and e-payment to serve as an option to the modern global trading system and lessons from COVID-19 exposures in business: MoTIE, CGG, GIEPA, UNDP, e-banking service providers

Leveraging on available AfCFTA technical and financial support to engage MSEs for their potential growth and/or diversification along the AfCFTA value-chains: MoTIE, GIEPA, FSQA, GRA, GCCI, GWCC, GYCC