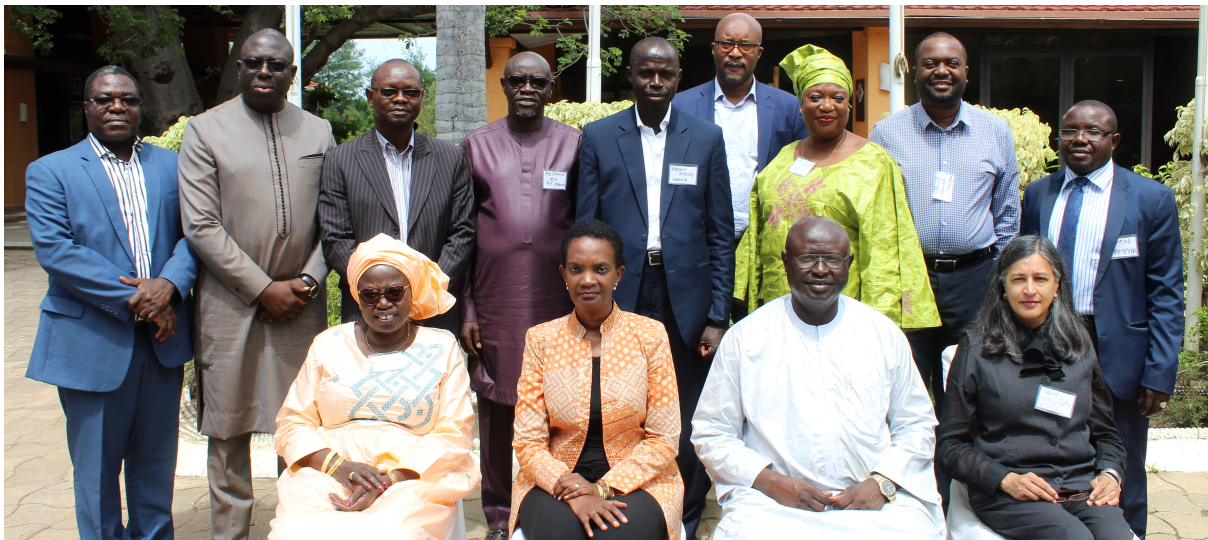




Report

National Workshop on The Africa Continental Free Trade Area (AfCFTA) and Micro Small and Medium Enterprises (MSMEs) in The Gambia



Banjul, The Gambia
17-18 September 2019

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1. Introduction

The Division for Sustainable Development Goals (DSDG) in the Department of Economic and Social Affairs (UN DESA) is implementing a project on “Enhancing national capacities for unleashing full potentials of MSMEs in achieving SDGs in developing countries”. The project is funded by the United Nations 2030 Agenda for Sustainable Development Sub-Fund of the Peace and Development Fund. The project will be implemented in nine developing countries, globally, including Brazil, Cambodia, Fiji, The Gambia, Kenya, Laos, The Philippines, Sri Lanka and Tanzania.

The project aims to enhance and strengthen knowledge, policy development and national capacities of developing countries and transitional economies to improve their policies and programmes supporting the growth of micro-, small-, and medium-enterprises (MSMEs). The project will effectively contribute to the achievement of the sustainable development goals (SDGs) through enhancement of productive activities, job creation, income generation and entrepreneurship, especially among socially disadvantaged groups, including women and youth.

For The Gambia, the project activities include, national and regional consultations, literature reviews and the organization of national and sub-national multi-stakeholder workshops. The project will also facilitate the sharing of best practices in MSME implementation within the West Africa Subregion. Against this backdrop, a national workshop was organized from the 17th to the 18th September 2019 in order to assess the main obstacles to MSME growth and development.

One of the primary problems identified during national scoping was the role of MSMEs in the Africa Continental Free Trade Agreement (AfCFTA), which came into effect on 30 May 2019 and is seen as having the potential to transform the continent in that it could stimulate inter-regional trade, which is estimated at 3.4 trillion dollars¹. As such it could be instrumental in ushering the continent out of poverty and bringing about sustained economic growth. The agreement is expected to be beneficial to MSMEs, which are thought to account for more than 80% of employment within the continent and 50% of GDP. Indeed, the AfCFTA is the largest of its kind since the World Trade Organization was established in 1994.

2. Objectives

The Gambia has ratified AfCFTA and is now embarked on the development of a national strategy for its implementation with assistance from the UN Economic Commission for Africa (ECA). Such a strategy will need to explore the impact of the agreement on MSMEs which contribute approximately 20% to GDP and employ 60 % of the active labour force, of which 70 % are self-employed. Thus, MSMEs are of strategic

¹ Balima Boureima, "Economic Game Changer? African leaders Launch Free Trade Zone." Reuters Business News, July 7th 2019.

importance for the functioning of The Gambian economy, and their positioning in the implementation of the AfCFTA will be key.

The Ministry of Trade, Industry, Regional Integration and Employment is the lead negotiator for the agreement. In this regard, the Ministry plans to engage with Gambians from all walks of life to inform them of the agreement, and to seek their views and prepare them on its implementation. This workshop, which was organized by the Government with support from UNDESA and UNDP, is the first in the series of such engagements.

The main objectives of the workshop were:

- i) To provide a forum for key stakeholders to share information and ideas on the implementation of the AfCFTA in The Gambia and from the West Africa sub-region;
- ii) To make recommendations on a strategy for continuous engagement with stakeholders in the implementation of the agreement;
- iii) To understand the potential implications of the AfCFTA on the Gambian Economy and the ECOWAS Sub-Region;
- iv) To forge partnerships for learning and knowledge networking with existing platforms on the AfCFTA, MSMEs and the SDGs.

3. Outputs

The workshop was attended by more than 80 participants, from across the public and private sectors, the legislature, civil society, and academia, with representation from the Economic Community of West Africa States (ECOWAS), multilateral organizations, and the chief negotiators of Senegal and Sierra Leone.

The six sessions of the workshop sought to (i) build understanding around the AfCFTA, (ii) provide the national stakeholders with a platform to voice their position on the AfCFTA, (iii) explore business opportunities around AfCFTA, (iv) discuss best practices from across Africa, (v) explore the challenges and opportunities for The Gambia, and finally, (vi) assess whether The Gambia can compete on a continental level through the AfCFTA. These topics produced substantive deliberations with active contributions from the attendees. A summary report of the proceedings is attached as annex one.

The **Main recommendations** emanating from the workshop are as follows:-

1. Enhancing Government Commitment to the AfCFTA

- Not much is known about the AfCFTA outside of the Ministry of Trade, Industry Regional Integration and Employment. Given the importance of the agreement,

the cabinet and other senior Government officers need to be sensitized, especially on the implications for The Gambia.

- Government also needs to demonstrate its commitment to the AfCFTA by providing support to the Ministry of Trade for the negotiations and for all national activities. The negotiating team will need to be strengthened through an increase in human and financial resources.
- Government should prepare a country readiness strategy for implementation of AfCFTA similar to what has been done in Senegal. This is critical, given the various concerns raised, most notable of these being the anticipated loss of revenue.

2. Engaging with all stakeholder groups on the AfCFTA

- Taking the AfCFTA to the regions is key. Such engagement should not be limited to sensitization workshops but should also seek to make sure that there is an understanding of the agreement and its implications.
- The Ministry should develop an engagement and communications strategy which would be multi-stakeholder in nature and which would employ appropriate ways and means of working together with the stakeholders, so that there is an understanding of and ownership of the AfCFTA at the national level. This cannot be done by workshops alone, so a clear roadmap for the such engagement will need to be developed.

3. Establishing an institutional mechanism to support the AfCFTA negotiations

- The existing national committee at the Ministry of Trade needs to be more inclusive in terms of its membership. The committee should include relevant private sector and Government representatives and should cover all the priority sectors for The Gambia. In addition, working groups should be created under the group that would provide technical support on all these priority areas.
- The Gambia should not only have one negotiator for AfCFTA. The negotiating team should be strengthened to include highly skilled experts that would support the chief negotiator as needed. It is imperative that an MSME expert be part of such a team so that MSMEs are not disadvantaged in any way.
- As a matter of urgency, the chief negotiator should work with the different sectors to seek their inputs on goods to place in exclusions list and other tariff concessions

4. Leveraging the special relationship with Senegal

- Given the geographic, economic and socio-cultural relationship between the Gambia and Senegal, it will be in the interest of both countries to develop a Sene-Gambian technical working group on the AfCFTA. Some of the activities

could include bilateral working visits to industries, associations, and cooperatives engaged in cross-border trade or service provision.

5. Establishing a learning network which would include other countries in the sub-region

- The Ministry of Trade could build on the lessons learnt from the ECOWAS country groupings in the negotiating process in order to create national learning networks aimed at supporting the Gambia in its negotiation process. Such networks are also important for learning from the other countries and for preparing the country for implementation.
- The Gambia could learn from best practice from the Caribbean, the European Union, and the United States in order to develop a national coalition of service industries.

6. Exploring ways and means of how to best position the MSME's so they are not disadvantaged by AfCFTA

- The skills gap is one of the major challenges that needs to be accorded the highest priority as a highly skilled workforce is crucial for improving on competitiveness. A number of critical actions are recommended which include the following:-
- Education policy needs to be reviewed to give Technical and Vocational Education Training (TVET) the priority it deserves, including the resources to implement the policies.
- Strengthening (TVET) institutions by incorporating work placements and similar measures.
- Support for apprenticeship programmes for the youth including the revitalization of the National Youth Service Scheme (NYSS)

7. Developing a one stop shop for entrepreneurs

- Develop a one-stop shop for access to information on international trade, quality standards, and skills training providers

8. The AfCFTA and Tourism

- Transform the tourism industry and promote year-round tourism through the AfCFTA
- Standardization - ensuring that products are of a world class standard. This would involve improving standardization practices across the board e.g. Tourism, Licensing, etc.

ANNEXES

ANNEX 1: RAPPORTERUS REPORT WITH COMMENTARY ON SESSION PROCEEDINGS

- Link: https://drive.google.com/open?id=1fhKG0wzQ21T3lfm_e5l67Aq9k-HB4-B6

ANNEX 2: PRESENTATIONS

- Link: https://drive.google.com/open?id=1OB6wq8HDM_d_lfcS0mqLfTgB_ryotsJz

ANNEX 3: LIST OF PARTICIPANTS

- Link: <https://drive.google.com/open?id=1kXbxlYldRXao7BkTwe1vFt8Zs1EN8tjo>

ANNEX 4: PICTURES

- Link: <https://drive.google.com/open?id=1hGnFI1e62dWocQ63mxT7l3HzkUTDNZXM>

ANNEX 5: PRESS RELEASES

- Link 1: <https://standard.gm/gambia-committed-to-full-implementation-of-afcfta/>
- Link 2: <http://thepoint.gm/africa/gambia/article/lets-promote-intra-african-trade>