

## **Opening Remarks at the Policy Implementation Forum ‘Supporting Micro, Small and Medium-sized Enterprises (MSMEs) in the Post-COVID-19 Pandemic Era’**

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Hon. Vice President of the Republic of The Gambia, Dr. Isatou Touray,

Hon. Minister of Trade, Industry, Regional Integration and Employment, Mr. Seedy Keita,

Mr Edrissa Mass Jobe, President of the Gambia Chamber of Commerce and Industry,

Ms. Aissata De, UNDP Resident Representative,

Ladies and gentlemen,

I am very pleased to join you today at this policy implementation forum on supporting Micro-, Small and Medium-sized Enterprises (MSMEs) in the post-COVID-19 pandemic era. Please allow me to start by thanking the Vice President of the Republic of The Gambia, the Minister of Trade, Industry, Regional Integration and Employment, and the UNDP Resident Representative for your presence at this important event.

Your Excellency, madam Vice President, we are grateful for your presence at this event. Your presence demonstrates the high-level commitment of the Government to our partnership on promoting the formalization and growth of MSMEs for achieving the 2030 Agenda for Sustainable Development and the AU Agenda 2063, including in response to the challenges posed by the COVID-19 pandemic

MSMEs play a critical role in the economic growth and structural transformation of Africa, including that of The Gambia. According to the International Trade Centre, MSMEs represent more than 90 per cent of business entities and employ about 60 per cent of the labour force in the continent. Investing in MSMEs would not only contribute to the eradication of poverty and create employment opportunities, but also generate positive spillover effect that extend social benefits to the lives of African people, especially the poor and people in vulnerable situations. Promoting the

growth of MSMEs is also an indispensable requirement for women and youth's economic empowerment and sustainable development.

However, the proliferation of MSMEs in quantity does not necessarily enhance their contribution to economic growth and sustainable development. The majority of MSMEs in The Gambia and across Africa, as their counterparts in many other parts of the world, are informal and concentrate in labour intensive sectors, including retailing, services and tourism sectors. These sectors are highly vulnerable to external shocks, especially to global economic downturns and emerging challenges such as those posed by the COVID-19 pandemic.

The various measures that have been put in place to contain the pandemic, including a State of Public Emergency, lockdowns and social distancing measures that were implemented once the first COVID-19 cases were confirmed in March 2020, have led to the loss of revenues, massive job losses, and closure of small businesses, including MSMEs. Because of the impact of the COVID-19 pandemic on the tourism and hospitality industry, the mainstay of The Gambian economy, the IMF revised the 2020 real GDP growth projections from 6.3 percent to 2.5 percent. The economy has also taken a huge hit from disruptions in global and regional trade and a decline in remittances and FDI flows.

Unlike bigger enterprises, MSMEs lack sufficient cash reserves to weather external shocks. Their informality further renders them less able to benefit from economic stimulus packages and emergency credit. Targeted policy measures that offer timely support to both formal and informal MSMEs would be crucial to revitalize these enterprises if we are to build back better and enhance the role of entrepreneurship in post-COVID-19 social and economic resurgence and achieving the Gambian National Development Plan 2018–2021 which is aligned with the 2030 Agenda for Sustainable Development and the African Union Agenda 2063.

The Gambian economy is characterized by the dominance of MSMEs in different economic sectors. MSMEs can contribute to economic growth and sustainable development, in terms of creating employment opportunities, strengthening vocational and technical skills, as well as facilitating innovations by introducing new products, services and technologies.

Nonetheless, MSMEs in The Gambia are facing multiple challenges such as limited human capital, access to credit, global value chains and productive infrastructure. Moreover, the majority of MSMEs are informal. To address these gaps and challenges requires coherent policies and an enabling environment that fosters the growth and formalization of MSMEs.

Ladies and gentlemen,

Although the lack of data undermines the ability of the government to fully assess the impact of this pandemic on MSMEs, one thing is clear. The impact of the COVID-19 pandemic on MSMEs has been severe, whether we are talking about their contribution to GDP growth, job creation or supporting livelihoods. The pandemic has had a particularly negative impact on women and young entrepreneurs given their overrepresentation in sectors particularly affected by lockdown measures and other systemic issues that have historically stymied their growth and resilience.

According to a rapid assessment conducted by UNDESA' Division for Sustainable Development Goals jointly with the Ministry of Trade, Industry, Regional Integration and Employment and the Gambia Bureau of Statistics, among the five hundred MSMEs interviewed, most expressed loss of revenues during the pandemic, while less than a quarter reported having benefited from government support programmes.

Despite the economic costs imposed by the pandemic, I would also like to highlight the existence of some emerging opportunities. For instance, the pandemic has underscored the need to enhance resilience to external shocks. In this regard, it could be useful to leverage the opportunities that exist within ECOWAS as well as those presented by the African Continental Free Trade Area and tap into regional and global value chains as well as diversify export markets. In partnership with Ministry of Trade, Industry, Regional Integration and Employment, DESA has contributed to the establishment of the AfCFTA National Implementation Committee and the formulation of the AfCFTA communication strategy in The Gambia. The objective of this initiative is to increase awareness of the AfCFTA among policymakers and MSME entrepreneurs and to support them as they seek to capitalize on opportunities offered by this mechanism.

Our work in The Gambia is built on solid partnership with government departments and the UN Country Team. We organized our first workshop on mainstreaming the MSME dimension in AfCFTA formulation process together with the Ministry of Trade, Industry, Regional Integration and Employment and UNDP in September 2019. In the past two years, the partnership has been strengthened consistently with concrete results, including the delivery of the assessment of the COVID-19 pandemic impact on MSMEs in the fishery, horticulture and second-hand cloth selling sectors. The assessment was organized in close consultation with the Ministry of Trade, Industry, Regional Integration and Employment. It also completed parallel assessments that were carried out by UNDP in other sectors.

It is against this backdrop that this forum takes place. I am sure it will become an integral part of our successful partnership in supporting MSMEs for achieving the 2030 Agenda for Sustainable Development and the AU Agenda 2063.

Ladies and gentlemen,

I believe our discussion today will be important to identify and agree upon a way forward to address key issues affecting MSMEs in the post-COVID-19 pandemic era. I encourage your active participation in the discussions and share your insights in formulating a roadmap that strengthens policy coherence and effectiveness if we are to ensure that MSMEs are resilient and better positioned to fully leverage the opportunities presented by the AfCFTA.

Going forward, it will be critical to recognize the heterogeneity of the MSME sector and ensure that sustained policy support is tailor-made to the specific needs of MSMEs as the first responders to the pandemic in terms of protecting jobs and sustaining the livelihoods of people in vulnerable situations. It is also imperative that policies targeting MSME growth and formalization should also promote investments in digital infrastructure that contribute to closing the digital divide and creation of green and circular enterprises that preserve and protect the environment.

International cooperation and partnerships remain the key for building an enabling policy environment for MSME growth through policy dialogue, knowledge exchange and experience sharing.

We look forward to continuing our cooperation and partnership with the Government of the Republic of The Gambia and the UN Country Team, the success of which has been exhibited through this event. It is imperative that we work together to strengthen the resilience and competitiveness of MSMEs as well as fully leverage their potential if we are to build back better in this Decade of Action to deliver the Sustainable Development Goals.

I thank you for your attention and I look forward to a very productive forum.

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