Statement by Ms. Aissata De,
UNDP Resident Representative in The Gambia

High Level Policy Forum
Supporting Micro Small and Medium Size Enterprises (MSMEs) in The Post COVID-19 Era
Promoting MSME Formalization
14th December 2020

Your Excellency, Dr Isatou Touray, Vice President of the Republic of The Gambia;

Honourable Seedy Keita, Minister of Trade, Industry, Regional Integration and Employment;

Mr. Amson Sibanda, Chief, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, United Nations Department of Economic and Social Affairs (UN-DESA);

Mr. Edrissa Mass Jobe, President - Gambia Chamber of Commerce and Industry (GCCI)

Honourable Ministers here present;

Members of the National Assembly;

Traditional and Religious Leaders;

The Dean and Members of the Diplomatic Corps and Development Partners;

Representatives of the United Nations Agencies and colleagues;

Permanent Secretaries and Government officials;

Representatives from civil society, private sector and the media;

Security Chiefs and Members of the security forces;

Distinguished ladies and gentlemen;
I am extremely honored to be present here today at this High-Level Policy Forum Supporting Micro Small and Medium Size Enterprises (MSMEs) in The Post COVID-19 Era and Promoting MSME Formalization in The Gambia.

This is a timely and very important Forum as we know MSMEs are the backbone of The Gambian economy and are the engine of growth, transformation and job creation in the country as stipulated in The Gambia’s National Development Plan 2018-2021.

The COVID-19 pandemic has hit Gambian MSMEs hard and they are still feeling the negative effects of this ongoing pandemic in their income losses, decline or shutdown in operations and loss of human resources.

The UN System in The Gambia and development partners have made concerted efforts to provide support in all areas of the COVID-19 response and supporting MSMEs to respond to and rebuild from the pandemic is of utmost importance. Making sure MSMEs remain afloat and strong contributors to GDP growth, development and livelihoods is essential to economic recovery in The Gambia. What we have learned from previous crises are the importance of stimulus packages and how they are implemented – ‘Protecting jobs is better than having to protect laid-off workers.’ Ensuring the continued and improved functioning of small producers, informal workers and MSMEs across sectors is vital to ensure production of, and access to, food and other essential goods and services.

MSMEs in The Gambia are the driving force to the attainment of the SDGs, 71 percent of MSMEs are in the informal sector and they employ 95 percent of the informal sector workforce. Most workers in the MSME sector rely on daily activity to sustain themselves and their families. The impact of the closures brought on to mitigate the spread of COVID-19 have negatively impacted these individuals and businesses more than anyone. The pandemic has severely hampered human development progress unlike anything in the past 2 decades and has induced many people back into poverty instantly erasing many of the gains made in terms of entrepreneurial and private sector development.
A stimulus package to the extent the Government can manage it would be a useful remedy to support MSMEs during this difficult period. The majority of informal sector workers are women and protecting the economic empowerment of Gambian women has to be of utmost priority at this time given its implications on families and poverty reduction.

Safeguarding the lives of the people especially the poorest and most vulnerable is the immediate priority of the Government and the United Nations. Given that almost half of The Gambia’s 2 million population (48.6%) are living below the poverty line, a large number of the population is still vulnerable to shocks and a crisis like COVID-19 will move most of the vulnerable populations back into poverty while increasing vulnerability for others.

In such situations, women and children tend to be more adversely affected mostly because of the gendered nature of the informal sectors. The Gambia is already in the midst of an employment crisis pre-COVID with an unemployment rate of 35.2 percent. Female and youth unemployment are even higher at 57.1 and 41.5 percent respectively. With the COVID-19 outbreak creating an even more turbulent economic environment, many more people will enter unemployment and find it difficult to secure jobs.

Coherent policy decisions across multiple sectors are needed to address the challenges presented by the pandemic to avoid disruption and permanent job losses. For example, a measure of import substitution in the short-term, with local producers and exporters making sure they increase production for the populace to ensure food security and adequate provision of basic commodities in an environment conducive for them to do so.

MSMEs should take advantage of digital technology and innovation in order to keep businesses running. Some companies are using online platforms, delivery services and mobile money to still be able to provide services to the people.

Tripartite social dialogue between Governments (National, Regional & Local), Workers’ and Employers’ organizations and having inclusive Forums such as
the one here today are a key tool for developing and implementing sustainable solutions, from the community level to the national level.

Protecting workers through social protection mechanisms through existing schemes and/or ad-hoc payments will also aid in safeguarding lives and livelihoods. UNDP supported 6427 informal tourism sector workers hard hit by the pandemic through direct cash transfers and we encourage our development partners to undertake measures such as these through innovation and collaboration.

This Forum provides us with the platform to discuss issues pertinent to MSMEs to respond to the pandemic but also to build forward better and towards socio-economic transformation.

A key opportunity looking forward would be increased regional integration and the possibilities presented by the effective functioning of the AfCFTA for economic growth, industrialization and sustainable development in Africa in line with the 2030 Agenda for Sustainable Development and the African Union (AU) Agenda 2063 for the Africa We Want.

Consolidating Africa into one trade area provides an enabling framework for micro small and medium size enterprises (MSMEs), particularly for youth and women-led businesses to absorb the large labour force in order to achieve the bigger objectives of the continental agreement.

The entrepreneurship opportunities that can be exploited by MSMEs through the AfCFTA are significant – from agriculture, to tourism, to digital technology, the scope is endless to harness Africa’s natural resources and human capital for development.

The AfCFTA will help African countries to strengthen regional value chains, diversify economies, reduce vulnerability to external shocks and assist in their recovery efforts.

But access to emerging opportunities from a larger common market are not automatic, it requires increased and deliberate investments to fuel the creativity, energy and innovation of entrepreneurs in Africa including closing
the infrastructure gap and improving access to financial and other services in order to unlock economic, social and environmental opportunities for youth to become the architects and drivers of economic transformation on the continent. This is what we must endeavor to do in The Gambia, to make our MSMEs fit for purpose to enter the larger African and indeed the global market.

Be rest assured of UNDP’s support in working with like-minded institutions here like UNDESA, MOTIE and GCCI to protect and rebuild MSMEs. Through our Country Development Programme, we will continue to provide support to MSMEs through our Entrepreneurship and Private Sector Development Project with the Ministry of Trade. We will use our vast network and expertise in over 170 countries worldwide to advise on appropriate fiscal and monetary policies to stimulate the economy and employment as a whole. Finally, UNDP will support The Gambia to invest in human capital development, our forte, which will be key to MSME growth especially in the area of skills development to prepare Gambian workers to meet the high demands and sophistication of the Fourth Industrial Digital Revolution.

I thank you and wish you fruitful deliberations.