

Statement at the Opening Ceremony of the High-Level Policy Workshop on Mainstreaming MSMEs In AfCFTA Implementation in The Gambia Organized by UNDESA and the Ministry of Trade, Industry and Employment by UNDP Resident Representative Held at International Conference Centre on the 15th December 2021

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Representatives of CSOs

Distinguish Ladies and Gentlemen

It is my distinct honor and pleasure to be part of this historic event marking the first **High-Level Policy Workshop on Mainstreaming MSMEs In AfCFTA Implementation in The Gambia.**

As you are aware the Africa Continental Free Trade Agreement (AfCFTA) was adopted by the AU Heads of State in Kigali, Rwanda on March 21, 2018 and was immediately ratified by the Government of The Gambia. The agreement

establishing the African Continental Free Trade Agreement is a key milestone in Africa's Regional Integration Agenda.

The AfCFTA is expected to be a key engine of economic growth, industrialization, and sustainable development in Africa in line with the 2030 Agenda adopted by the United Nations General Assembly, and 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.

It is worthy to note that Micro, Small and Medium-sized Enterprises (MSMEs) are key to economic development and growth in Africa. They generate employment; add value to products and contribute to innovation. These entrepreneurs are the engines that drive private sector development, enable the creation of jobs and the transformation of economies in ways that reduce poverty and inequalities significantly.

Globally, Micro, Small and Medium-sized Enterprises (MSMEs) are the backbone and key to growth of many developing economies, especially in Sub-Saharan Africa. The informal sector, which constitutes a large share of MSMEs in Least Developed and Developing economies, accounts for 80 percent of Africa's businesses, 25 to 40 percent of Gross Domestic Product (GDP) and more than 60 percent of employment . Levels of informality and the number of workers employed by the informal sector are particularly high in Sub-Saharan Africa.

Despite the **high informality in The Gambia, MSMEs play important** roles in production, employment creation, poverty eradication and boosting household income. MSMEs represent a majority of enterprises, contributing about 20% of GDP and employing approximately 60% of the urban Labour force. As is the case in many developing countries, the majority of MSMEs in The Gambia (78% as per UNDP supported 2018 MSME Mapping) are informal, thus not formally registered. 95 percent of the informal sector workforce are employed in informal MSMEs that provide critical livelihood opportunities for women, youth, migrants and refugees and their families.

With the COVID 19 pandemic, there are great challenges affecting MSME eco-systems the most as regulations set by the WHO to contain the spread of the virus affected the normal business operations of the MSMEs. 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.

With the coming into force of the Africa Continental Free Trade Agreement (AfCFTA), whose **primary objective is to increase Africa's intra-continental trade by 52.3 percent by 2022**, a great opportunity is availed to MSMEs to benefit from increased market access to boost their sales and grow their businesses. This however will require that deliberate actions are taken by governments and businesses to ensure the full realization of the benefits of the AfCFTA to MSMEs, in the informal ones led and owned by women, youth and groups in vulnerable situations.

It is against this backdrop that this High-Level Policy Workshop, jointly organized by the Ministry of Trade, Industry, Regional Integration and Employment (MoTIE) and the United Nations Department of Economic and Social Affairs (UN-DESA) and the UN Country Team in The Gambia, is being convened.

With the diverse and relevant participation of high-level government officials, private sector, CSOs and development partners, **the primary objective of this Workshop is to discuss and explore possible options and come up with**

strategic recommendations to address the potential challenges of the AfCFTA and how Gambian MSMEs can benefit from the Agreement. The workshop will explore good practices on leveraging AfCFTA for enhanced participation of Gambian MSMEs in intra-African trade.

The **AfCFTA is central in the National Development Plan Strategic Priority** areas particularly on areas relating to MSMEs, trade expansion, competitiveness and opportunity for diversification and priority value chain development to support economic diversification and maximize trade potential in the context of the Agreement. The Implementation of AfCFTA will **have positive ramifications in the realization almost all the Sustainable Development Goals and the reaching out to all and leaving no one behind** in terms of participation and benefits.

In this regard, UNDP is committed and will continue to support the Government of The Gambia in positioning itself while expanding opportunities for the full realization of the AfCFTA. UNDP had supported the MSME sector so as to improve its eco-system and is currently supporting the Government in creating greater awareness of the Agreement to ensure greater political and citizen participation and ownership. We will continue to collaborate with other

like-minded development partners in particular UNDESA in supporting the development of MSMEs in the country so that greater dividend can be realized from the opportunities available by the AfCFTA.

Thank you and God bless The Gambia.