



**The KENYA INSTITUTE for PUBLIC
POLICY RESEARCH and ANALYSIS**

Thinking Policy Together

Towards a policy framework for enhancing pandemic preparedness among MSMEs

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**Micro & Small Enterprises
Authority**

Introduction

- ❑ Covid-19 pandemic has created a sense of urgency in preparing for future pandemics.
- ❑ Proper preparations is a precursor for less social and economic disruptions especially among MSMEs

Vulnerability of MSMEs is a result of:-

- ✓ Financially fragile, smaller in size and resources.
- ✓ Over representation in sectors most affected by crisis.

Intro. Cont.

- ✓ Weaker supply chain capabilities than their larger counterparts.
- ✓ MSMEs lag behind in terms of the uptake of digital tools and technologies which can help to build resilience in the current pandemic crisis
- ✓ Limited operational skills constraints i.e MSMEs are less likely to innovate both in processes and in goods and services, compared to their larger counterparts

Policy responses in pandemic preparedness

- ❑ Despite the existence of well documented MSMEs policy framework, the government response to the needs of MSMEs during the COVID-19 pandemic was highly constrained due to *weak institutional capacity, funding constraints, low engagement with MSMEs, low digitalization and inadequate social protection system.*
- ❑ With no clear playbook, the government response to support MSMEs was learning by doing!

The lessons?

- ❑ Nevertheless; the pandemic has offered the much-needed impetus to bolster the preparedness for future pandemics with a more holistic approach at both macro and micro levels.
- ❑ To prepare for future unprecedented pandemics, there is need to readjust the current MSMEs policy frameworks to meet the evolution of MSMEs' difficulties

Intervention opportunities

- ✓ Rethinking health support schemes for informal workers
- ✓ Enhancing social protection system for more effective targeted social safety nets.
- ✓ Re-thinking the current financing models for structural reduction of finance gap and provision of insurance services among the MSMEs
- ✓ Offering advisory support to help enterprises develop mid- and long-term risk mitigation strategies

Intervention Cont.

- ✓ Continuous capacity building MSMEs on innovation practices for MSMEs sustainability.
- ✓ Ensure that policy support measures are inclusive and reach vulnerable segments of the entrepreneurs, including women and youth entrepreneurs.
- ✓ Establishment of structural policies for resilience such as providing a strong focus on the digitalization of MSMEs and providing new markets for MSMEs.

Intervention Cont.

- ✓ Ensure that MSMEs and entrepreneurs, and the organizations that represent them, are consulted and included in government decision-making processes regarding policy responses to the pandemic.
- ✓ Introduction of specific schemes to **monitor** the impact of the crisis on MSMEs and enhance the **governance** of MSMEs related policy responses.

Audience engagement session

What do you think a necessary policy measures for future pandemic preparedness?

THANK YOU

For your Attention



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