Towards a policy framework for enhancing pandemic preparedness among MSMEs

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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.
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 polices for resilience such as providing a strong focus on the digitalization of MSMEs and providing new markets for MSMEs.
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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