Global Initiative towards post-COVID-19 Resurgence of the Micro, Small and Medium Enterprise (MSME) Sector

Objective: To develop and implement capacity building tools for governments and micro, small and medium enterprises (MSMEs) to facilitate the resurgence and strengthen the resilience of MSMEs in developing countries and economies in transition. These capacity building tools will seek to mitigate the economic and social impact of the global COVID-19 crisis and to facilitate the contribution of MSMEs to the SDGs implementation.

Challenges posed to MSMEs by COVID-19: The COVID-19 crisis is plunging the global economy into a deep recession and micro, small and medium enterprises – which play a major role in emerging economies – are amongst the hardest hit. Trapped in economic stagnation due to large scale lockdowns, millions of MSMEs have become the most vulnerable to COVID-19 within the private sector. Compared with large firms, small businesses have fewer resources and lower capacities to cope with the abrupt economic shocks economies are currently facing. With more than two-thirds of the global population employed by MSMEs, the unprecedented outbreak has vividly shown how tightly their activities are woven into the economic and social fabric of the world, as well as their critical role in social and economic resurgence.

Demand from Member States: The project was designed based on the request for assistance for MSMEs from more than 50 Member States, including countries in Latin America and the Caribbean, Asia and the Pacific, Africa, Europe and the Arab regions, as well as intergovernmental demands and resolutions on COVID-19.

Project components: The 18-month project, jointly implemented by UNCTAD, DESA, ECA, ECE, ECLAC, ESCAP and ESCWA, will build on the comparative advantages of the participating agencies to provide immediate advice, capacity building and support to governments and MSMEs during the ongoing global pandemic. The project will be structured in five clusters that address the most critical areas of the MSME recovery:

1) *Mobilize entrepreneurial ecosystem and strengthen business skills*
2) *Simplify business registration and facilitate formalization*
3) *Improve access to finance/financial literacy*
4) *Increase access to technology and innovation*
5) *Enhance access to markets*

Project activities will include:
•UNCTAD will leverage its Entrepreneurship Policy Framework (EPF) work to incorporate policy responses related to the MSME resurgence and will develop an online training platform jointly with UNITAR.

•Impact assessment surveys will be conducted by ECA, ECE and ECLAC at the regional level to identify gaps and priorities on the MSMEs resurgence-related measures. These surveys will ensure that the project responds to critical societal needs, facilitates inclusive business and empowers the most vulnerable groups of population, such as youth, women, and the poor.

•ECA will produce two reports on how MSMEs and the private sector in Southern Africa and in African Small Island Developing States can harness opportunities from the blue and green-economies to build back better post-COVID.

•UNCTAD will deliver activities on capacity building of entrepreneurship skills to MSMEs through its established network of Empretec centres in over 40 developing countries and economies in transition.

•ECA, as part of the component on technology and innovation, will be mapping of existing technologies that are being deployed in Africa and elsewhere to help curb the spread of the virus and mitigate economic shocks, as well as creating of a digital platform to form a digital Community of Practice where MSMEs, government, technology specialists, start-ups and STI institutions can exchange ideas.

•DESA will prepare policy toolkits for developing country governments on streamlining MSME formalization and digitized delivery of formalization services. DESA will also organize capacity building workshops for national government officials and informal MSME entrepreneurs, especially youth and women, on the use of information and communications technologies.