



**SMEs and the Rule of Law in Africa: Legal Developments, Regulatory Challenges, and  
Prospective Solutions**

**2017 Annual Global Rule of Law Exchange Conference**

Thursday, 12 October 2017

Panel: Challenges of Regulation in Africa

10:15 – 11:15 AM

**Chair:** Katrin Kuhlmann, President, New Markets Lab ([www.newmarketslab.org](http://www.newmarketslab.org), a non-profit center focused on the intersection between law, economic development, entrepreneurship, and social issues that gives small enterprises and the economically disadvantaged a more direct role in shaping regulatory systems while providing hands-on training for lawyers from developing and developed countries alike)

**Panelists:**

- Timothy Kakuru, mSME Garage (Uganda)
- Affiong Williams, Founder/CEO, Reelfruit (Nigeria)
- Brian Milder, Root Capital
- Oulimata Fall Sarr, Advisor, Office of the Executive Director, International Trade Centre, and Mo Ibrahim Leadership Fellow

**Description:** Good, clear and accessible laws and regulations are necessary for SMEs to thrive. The session will discuss what hampers the development of good laws and regulations, the impact this can have on SMEs and development in Africa, and how legal and regulatory challenges facing SMEs operating in different sectors can be addressed.

**Objective:** The main idea objective of this panel, which opens the conference after the keynote address, is to **identify challenges that impact the enabling environment for SMEs and development in Africa**. Although the participants will focus mainly on challenges in order to set the stage for the day's discussion, they will also share some approaches that can help address these challenges.

**Key Themes:**

- Common legal and regulatory challenges facing entrepreneurs and SMEs;
- Gender aspect of the enabling environment;
- Informal vs. formal markets and the implications for rule of law;
- National law vs. regional and international legal frameworks;
- Differences in common law and civil law approaches; and
- Possible solutions to improve the enabling environment for SMEs.

**Illustrative Questions for the Group:**

- What are some of the most pressing legal/regulatory challenges you have encountered working with entrepreneurs and SMEs?
- Given that a great deal of trade is informal, how do you see the distinction between informal and the formal markets in light of these challenges and efforts to improve rule of law?
- Could you briefly touch upon the differences between Civil Code and Common Law legal systems as they relate to in the enabling environment for SMEs?
- What approaches have you seen that have helped to address issues in the enabling environment for SMEs?

**Questions for Specific Panelists:**

- **Oulimata:** Do you think that women entrepreneurs face different challenges than other SMEs when seeking to engage in trade, and, if so, how? How does your work with the International Trade Centre in Geneva help address challenges in the enabling environment and build capacity for entrepreneurs to engage in trade?
- **Timothy:** How can legal services be best tailored to SMEs? Do you see differences in legal issues facing SMEs, perhaps speaking specifically to women and foreign participants in the market? Have regional harmonization efforts under COMESA or the EAC resolved some of the legal challenges faced by SMEs in the region (or how could they)?
- **Affiong:** How do regulations in Nigeria impact entrepreneurs in the agricultural sector? Do you think that high-level legal frameworks like the WTO's Trade Facilitation Agreement or regional harmonization efforts under ECOWAS could help unleash market opportunities for entrepreneurs in Nigeria? If so, in what ways?
- **Brian:** What are some of the most pressing legal challenges that impact access to finance? How has the enabling environment in Africa impacted Root Capital's work, and can you offer any comparison with other regions in which Root Capital is active? Do you think good practices could be drawn from other countries and tailored to the African context in order to address some of the issues faced by SMEs?