Weekly Update #6 on Mitigation of COVID-19 Crisis (04/27/20)

How governments and IFIs are building SME resilience as the economic crisis deepens:
For a detailed summary of mitigation actions being taken by national governments, see this page produced and updated by the IMF.

- **US legislators** approved a second COVID-19 mitigation package. The US$484 B of new funding includes a $US 321 B top-up to PPP, the program of forgivable loans to SMEs.
- **France’s state development bank BPI** has emerged as an early leader in SME support disbursement, pre-approving 90% guarantees for 150,000 small business loans. The enormous volume is partly explained by BPI’s embrace of support for the self-employed.
- The **European Commission** continued to relax rules on the provision of state aid by member states. Both France and Spain had new SME support schemes approved this week, amounting to more than EUR 7 B.
- The **Monetary Authority of Singapore** cut bank lending rates down to 0.1%, allowing local banks to begin a program of low interest lending to local SMEs.

How banks of all sizes continue to support SMEs globally:

- **ING Group** implemented a series of relief measures to support impacted SMEs worldwide, including the extension of business loan repayments, three-month renewals of working capital facilities, and increased limits for contactless payments.
- In Indonesia, state-owned **Bank Mandiri** deployed a new online banking solution for MSMEs. The electronic platform will allow businesses to remotely manage their cash flows and monitor their digital transactions on a real time basis.
- Small banks can also play a leading role amid the COVID-19 crisis. The family-owned **Union Bank & Trust** in Nebraska efficiently and quickly distributed loans to its community under the Paycheck Protection Program; find out more about how they did it here.

How tech and fintech players have accelerated their mitigation and outreach efforts:

- **Crif Realtime** launched a set of open banking-based products that will allow SMEs to better assess their financial situation before, during, and post-COVID-19. Credit providers will also benefit from a real time credit scoring tool to accelerate their lending decision-making process.
- In Nigeria, the mobile payment startup **PalmPay** took several initiatives to support its customers affected by the crisis. The fintech company will not only waive its transfer fees, but it will also offer individual payouts of 100,000 Naira (around $200) to clients who have contracted the coronavirus.
- Amid severe supply chain disruption, Chinese e-commerce firm **Pinduoduo** helped agricultural SMEs in China to increase online produce marketing and online purchasing of fertilizer, equipment and other inputs. This podcast gives an overview of recent financial innovations in the agriculture sector.
- E-commerce giant **Alibaba** has been reaching out to Indian SME associations in a bid to encourage digitization in the sector. The US$30 M program includes training, software and advertising credits. It comes as local economist urge state intervention to support SMEs in the region.