How governments and IFIs are supporting SMEs through the lockdown:

For a detailed summary of mitigation actions being taken by national governments, see this page produced and updated by the IMF.

✓ The European Commission announced a package of temporary measures labelled “quick fixes” aimed at easing financial conditions for SMEs and households across the Union. The package includes US$490 B of capital relief, easing of accounting rules – including those on loss provisioning. The Commission also advised banks to cut dividends, end share buy-backs and avoid paying executive bonuses.

✓ Both, the United Kingdom and Germany, rolled out stimulus programs for private equity and venture capital financed start-up firms. In Germany, the measures will allow public investment funds to take over the equity stakes of defaulting private investors.

✓ The Indonesian Central Bank injected US$32.7 B into the banking sector in order to ease liquidity and help banks meet their capital ratio requirements.

✓ The European Union mobilized EUR36 M of support for mitigation efforts in Kyrgyzstan.

✓ In Chile, the government announced US$24 B in credit guarantees for SMEs as well as a revenue protection scheme covering 1.2 M self-employed workers.

✓ As part of a US$2 B package, the government of Myanmar expanded concessionary loan program aimed at SMEs in the most vulnerable sectors, including tourism.

How financial institutions are joining forces to assist SMEs in Africa:

✓ Ecobank Group and the African Union Development Agency have actively collaborated to design a new continental platform that aims to adequately support SMEs in their recovery process.

✓ The African Development Bank and the African Growing Together Fund have jointly unlocked a US$40 M financial package for Banco Millennium Atlantico, which will allow the Angolan bank to keep addressing the vital needs of its SME clients affected by the pandemic.

How tech and FinTech players continue to propose innovative approaches:

✓ Nigerian FinTech Flutterwave launched an online service allowing African SMEs to operate as small scale merchants online. Described as more “Ebay than Amazon,” the new service requires little capacity from merchants and will operate through existing delivery services.

✓ The online payments platform Stripe has announced three major updates to help its clients generate more revenue. In particular, the firm can now process transactions globally via direct integrations with all six major card networks - Visa, Mastercard, American Express, Discover, JCB, and China Union Pay.

✓ Tide, which provides mobile-first financial services for SMEs, has partnered with Mambu in order to overhaul its lending options. The UK-based fintech company will now offer overdrafts, credit cards, and invoice financing to its 150,000 small business clients.