

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.