

## Weekly Update #5 on Mitigation of COVID-19 Crisis (04/20/20)

### How governments and IFIs are preparing for the long-term in SME support:

For a detailed summary of mitigation actions being taken by national governments see [this page](#) produced and updated by the **IMF**.

- After a month in which EU Institutions have principally focused on internal policy, the EIB announced its first major **COVID-19 mitigation package for SMEs outside the EU**. The EUR 5.2 B package is primarily aimed at African economies, with a particular emphasis on funding [loans to women-owned SMEs](#).
- With the aim of developing greater long-term resilience, the **Central Bank of Jordan and the IFC** launched a [new partnership](#), including a US\$2 M credit facility funding the development of a pipeline of new public-private partnerships in Jordan.
- The **government of Chile** announced that all businesses with annual sales of less than UF25,000 (US\$852,960) will be eligible for state-guaranteed loans of an amount equal to three months of sales. Banks will be prohibited from offering these loans at a rate exceeding 300bp over the base rate. For a detailed summary of financial mitigation policy in Latin America, see [here](#).
- The **US Congress debated** the addition of another [US \\$250 B in funding](#) for the country's exhausted SME support funds through the Paycheck Protection Program (PPP). US\$349 B was allocated through this program in less than two weeks.

### How banks continue to respond around the world:

- **Banco Santander México** will participate in a [federal program](#) aiming to support small businesses across the country. The bank has also launched a Debtor Relief Program for individuals and SMEs, including a 4-month deferral on loan installments.
- **Twenty Romanian banks** will join forces to lend up to 3.7bn euros to SMEs under the [IMM Invest Romania program](#). Participating banks will sign guarantee agreements with the government, which will cover 90% of the loans granted to SMEs.

### How tech and fintech players are facilitating financial aid programs:

- Following the approval of PayPal last week, **Square, Intuit and Funding Circle** were [approved as lenders](#) in the US government's Paycheck Protection Program.
- **Temenos** has delivered [a digital omnichannel solution](#) to help US banks and credit unions speed up loan application procedures for SMEs under the Paycheck Protection Program.
- **Modern Bank** [has partnered with OakNorth](#) to manage the influx of online Paycheck Protection Program applications and accelerate its screening process.
- **The US is not the only country that is leveraging its fintech sector:**
  - In Australia, fintech **Prospra** will be distributing [US\\$223 M](#) in state-backed loans to SMEs.
  - In the Netherlands, **Ebury** was [approved to participate](#) in the state's SME loan guarantee scheme.
  - In the UK, **Appian** has deployed its [Low-Code Automation Platform](#) to enable UK lenders to better manage applications under the Coronavirus Business Interruption Loan Scheme, using automation to accelerate eligibility assessment and document verification.