



Weekly Update on Mitigation of COVID-19 Crisis - #7 - 05/04/20

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.