INTERNATIONAL BENCHMARK ON DEVELOPMENT BANKS' INTERVENTIONS IN SUPPORT OF MSMES DURING COVID-19

Updated July, 2020
INTRODUCTION

MESSAGE FROM THE MONTREAL GROUP SECRETARIAT

The Montreal Group would like to hereby share high level Benchmark of COVID-19 Intervention Plans developed by its members and other MSME-focused Development Banks. Events are moving very fast and material is constantly evolving. Nevertheless, as all of you are leading discussions locally at this crucial time to come up with impactful offerings for your entrepreneurs, we believe this high-level benchmark may be resourceful.

CONTEXT

The COVID-19 presents a serious challenge for our societies. We are slowly but surely starting to identify the effects that the pandemic will have on the global economy. Most businesses have suffered the impact of the outbreak and some are already stepping into their recovery process. Governments are facing these problems with fiscal policy measures, and in many cases, MSME Development Banks become imperative players in supporting entrepreneurs and businesses.

DISCLAIMER

This publication has been prepared by The Montreal Group and aims at summarizing the information that was made available. It may not include all the information pertaining to every organization listed. To note that there are several areas where the Secretariat is expecting further clarification from contributors in the coming days as schemes and interventions are in constant evolution.

To get details on the overview of policy responses towards SMEs in the context of the COVID-19 virus outbreak per country, we invite you to refer to the Benchmark conducted by the Delegates of the Working Party on SMEs and Entrepreneurship of the OECD.

CONTACT

To share updates regarding your organization or for any query:
secretariat@themontrealgroup.org

The Montreal Group is a global forum for development banks focused on micro, small and medium-sized enterprises (MSME). It is a not-for-profit organization that was founded in 2012 to promote international cooperation, mutual learning and exchange of technical expertise among its members. The Group’s name is derived from the city in which it was founded, Montréal, Canada. As of May 2020, members are: BDC (Canada), BNDES (Brazil), Bpi (France), CCG (Morocco), CDB (China), Finnvera (Finland), Nafinsa (Mexico), SIDF (Kingdom of Saudi Arabia) and SOWALFIN (Belgium).
## Profiles Collected

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The Business Development Bank of Canada is the only financial institution devoted exclusively to entrepreneurs. It offers to more than 60,000 Canadian businesses financing, advisory services and capital, with a focus on SMEs. As a financially sustainable Crown corporation which operates at arm’s length from its sole shareholder, the Government of Canada, BDC complements the role played by private-sector financial institutions.

**COVID-19 INTERVENTIONS / PRACTICES**

**BDC Financial Services Specific** - Business Credit Availability Program (BCAP)

- **Canada Emergency Business Account (CEBA),** established by the Government of Canada for Small businesses and not-for profits, with a 2019 payroll between $20,000 and $1.5 million. To resume or continue operations, they can access resources for up to $40,000 with 0% interest until December 31, 2022. If the loan is paid off by December 31, 2022, a quarter of the loan will be forgiven.

- **BDC Co-Lending Program for SMEs:** Up to $12.5 million for entrepreneurs to get a boost in liquidity to cover critical business expenses, maximum finance amounts differ based on business’ revenues. While 80% of the financed amount is backed by BDC, the remaining 20% is provided by the entrepreneurs financial institution. The measure is available until or before September 30, 2020 through dozens of financial institutions.

- **The Mid-Market Financing Program:** For medium-sized businesses with annual revenues in excess of about $100 million to $500 million, from any sector or industry. As of July, Mid-Market and Oil & Gas Financing Programs were merged to facilitate the processing of loan requests. Through this program, BDC makes available junior loans, ranging in size between $12.5M and $60M each. Spanning on four years, after which principal is to be repaid as a balloon payment. Interest payments for the first 12 months will be capitalized and due at maturity.

- **Capital Bridge Financing Program for VC-backed start-ups:** targeted measure by BDC Capital, BDC’s investment arm. It is intended to match a current financing round, raised through qualified existing and/or new investors made into eligible Canadian VC-backed companies.
COVID-19 INTERVENTIONS / PRACTICES

BDC Advisory Services Specific

BDC has launched three new advisory services solutions, available remotely, to help businesses plan for recovery. These three measure offer expert advice to guide businesses through uncertain times:

• **1) Online sales optimization**, BDC’s E-commerce and digital marketing consulting. Understanding that social distancing has forever changed our relationship with technology, taking it from a convenience to a necessity, BDC advises businesses who must quickly adapt their capabilities to meet shifting demands and purchasing behavior. The main benefits from this advisory service are: knowledge on digitalization strategies and support from BDC advisors who conduct a thorough but speedy review of your company's digital environment.

• **2) Operations and cash flow resiliency plan**, BDC's Operational and financial crisis-management consulting. Keeping in mind that surviving an economic shutdown depends on making changes that minimize disruption to your business. This advisory service assesses your company's financial situation and operations vis-à-vis the current reality, to provide you with a plan to mitigate risks, which includes cash flow requirements and potential sources, so you can sustain essential operations in disruptive circumstances.

• **3) Workplace Health Risk Mitigation**, BDC's Health and safety consulting. Following predictions by Public health experts that hygiene and physical distancing guidelines won’t be lifted any time soon, this advisory service can quickly help you define the right measures to prevent and control health risks in your workplace, adapted to the company’s unique work environment.

Measures are being continuously adapted to the needs of the entrepreneurs.

More information can be found here: https://www.bdc.ca/en/pages/special-support.aspx
COVID-19 INTERVENTIONS / PRACTICES

EDC (Canada's Export Credit Agency) Specific

As several MSME public Banks are also acting as ECA (Export Credit Agency), BDC is including below an overview of EDC's COVID-19 measures:

- **Providing timely and relevant information through insights, tools and advice like Export Help Hub.** It can help your business navigate this pandemic. Learn about financial support options, risk management strategies, operational best practices, and the support and resources available to companies in each province. Can also submit questions to expert trade advisors.

- **EDC Oil and Gas Sector Support.** To address the need for additional liquidity and working capital, EDC has financial solutions including a risk-sharing guarantee for loans obtained through financial institutions and guaranteed by EDC, as well as bonding and insurance products.

- **EDC Business Credit Availability Program (BCAP) Guarantee:** EDC works with financial institutions and guarantees a new loan or operating line of credit for 80% of its value, up to $6.25 million, ensuring entrepreneurs can cover rent, payroll and operating costs and enabling financial institutions to take on less risk. Available to both exporting and non-exporting companies.

- **Export Guarantee Programme (EGP):** This guarantee helps financial institutions provide entrepreneurs with additional access to financing by sharing the risk and providing a guarantee on the money borrowed. EDC’s total exposure cannot exceed US$10 million. Until September 2020, the EGP fees will be deferred six months.

- **Account Performance Security Guarantee:** Provides a 100% guarantee to financial institutions for any bonds it posts on behalf of entrepreneurs, so they don’t have to put up cash or credit as collateral. As a result of the pandemic and Until the end of 2021, EDC will be offering this solution to companies that do not export too.

- **Foreign Exchange Facility Guarantee (FXG):** Protects against foreign exchange fluctuations so entrepreneurs don’t tie up your cash flow. Until September 2020, FXC fees will be paused for six months.

- **EDC Credit Insurance:** With EDC Credit Insurance, 90% of insured losses are covered against the risk of non-payment caused by a variety of events. For next 3 months, claims waiting period will be waved under the Portfolio Credit Insurance product providing immediate liquidity. Increasing flexibility in situations where a buyer’s credit deteriorates; and for SELECT INSURANCE ONLY, expanding maximum coverage to insure up to CA $1M.


About EDC: Has been Canada’s export credit agency since 1944. It is a self-financing Crown corporation, that operates at arm’s length from the government. Their mandate is to support and develop Canada’s export trade by helping Canadian companies to respond to international business opportunities. They are currently working to bring relief to Canadian businesses through the BCAP.
ABOUT BNDES

The Brazilian Development Bank (BNDES) is the main financing agent for development in Brazil. Since its foundation, BNDES has played a fundamental role in stimulating the expansion of industry and infrastructure in the country. Over the course of the Bank’s history, its operations have evolved in accordance with the Brazilian socio-economic challenges, and now they include support for exports, technological innovation, sustainable socio-environmental development and the modernization of public administration. The Bank offers several financial support mechanisms to Brazilian companies of all sizes as well as public administration entities.

COVID-19 INTERVENTIONS / PRACTICES

BNDES Specific

Here are the emergency measures offered by BNDES to reduce the impacts of the Covid-19 crisis:

• **BNDES Credit Small Business line** Widening the scope of the existing “BNDES small business credit line”, which is now extended to micro-enterprises and those whose annual sales do not exceed R $ 300 million (€ 54M). The credit limit per beneficiary per year

• was raised to R $ 70 million (€ 12.5 million). Companies will have a grace period of 24 months and a total of five years to pay for this new financing

• **BNDES Crédito Cadeias Produtivas** helps to overcome current challenges with working capital financing aimed at the production chain of large companies, formed by small and medium-sized companies, suppliers or distributors in the chain. How it works: the large company acts as an anchor company, passing on credit to smaller companies, ensuring the maintenance of jobs and income of its network. As a result, the final interest rate for the anchored company becomes low. Available until July 30th.

• **BNDES Support Program for the Sugar and Alcohol Sector - BNDES PASS**: This program is directly targeting companies in the suco-alcohol sector that carry out storage activities for fuel ethanol and have revenues of over R $ 300 million. It is an integrated action with other banks, through co-financing, to support these companies in the need for liquidity. With this, BNDES seeks to minimize the risk of energy shortages in the post-pandemic period. The program encourages the maintenance of jobs and replacement of jobs in the sector. In addition, it preserves environmental sustainability, since ethanol is a source of clean and renewable energy. Effective until July 30th.
**COVID-19 INTERVENTIONS / PRACTICES**

**BNDES Specific**

- **Emergency Employment Support Program - PESE**: R $ 40 billion will be made available for the 2-month financing of the payroll of small and medium-sized companies, of which R $ 34 billion will come from the National Treasury and R $ 6 billion in resources from retail banks. All financial institutions under the supervision of the Central Bank may operate the Emergency Employment Support Program, with the exception of Fintechs.

- **Credit funds for MSMEs**: BNDES will invest, through its equity holding company BNDESPAR, up to R $ 4 billion in ten credit funds for micro, small and medium-sized companies, structured as Credit Rights Investment Funds or Investment Funds in Investment Fund Quotas. Investment in Credit Rights, in two modalities: a) Funds structured by originators and b) Funds structured by asset managers.

- **Emergency Credit Access Program**: Granting of guarantees for financial agents to expand access to credit for small and medium-sized companies. This program reduces the risk assumed by the FIs & improves credit conditions, with lower interest rates and longer grace periods for SMEs.

- **PIS-PASEP Fund**: to deal with the state of public calamity, the PIS-Pasep Fund will transfer its resources to the Fund for Guarantee of Service (FGTS). The measure aims to allow the withdrawal of up to R $ 1,045 per worker holding an account linked to the FGTS, in the period between June 15 and December 31, 2020.

- **Emergency Support to Combat Coronavirus Pandemic**: aims to immediately expand the supply of emergency beds, as well as medical and hospital materials and equipment. Companies from other sectors that seek to convert their production into equipment and supplies for health can also be contemplated. Total budget of R $ 2 billion. Effective until July 30th.

- **Matchfunding Salvando vidas**: BNDES will double the cash value of contributions from civil society and companies to the amount of R $ 50 million. The amount collected will be applied on the front line of fighting against Covid-19, i.e., in the acquisition of material, supplies and protective equipment for health professionals.

- **Credit funds for MSMEs**: BNDES will invest, through its shareholding company - BNDESPAR, up to R $ 4 billion in ten credit funds for MSMEs, structured as Credit Rights Investment Funds or Investment Funds in Investment Fund Quotas.

- **BNDES Audiovisual (FSA) - Emergency Line**: is an initiative to support the coping with the economic effects of the coronavirus pandemic. Financing requests for the emergency line will be received between 20 July and 30 September 2020.

**More information can be found here:** https://www.bndes.gov.br

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**THE MONTREAL GROUP**

- **50%** Direct Products
- **US$272.1B** Total Assets (2016)
- **+2,000** Employees
Bpifrance

FOUNDED IN 2012

LAST UPDATED: 27.07.2020

(1/3)

**ABOUT bpifrance**

Bpifrance is a French investment bank. A joint venture of two public entities: Caisse des dépôts et consignations and “EPIC BPI-Groupe”. (ex- “EPIC OSEO”). Former subsidiary of “EPIC OSEO”, “OSEO S.A.”, became the subsidiary of Bpifrance as Bpifrance Financement.

**COVId-19 INTERVENTIONS / PRACTICES**

**Bpi Specific**

The objective is that together with its banking partners, Bpifrance aims at building a massive working capital bridge for the French economy. Actively seeking to maintain levels of innovation and creativity for startups by building an equity capital bridge.

New measures adopted:

**Guarantees:**
- Bpifrance is mobilizing its regional partners to increase the guaranteed quotas, and launch “rebound loans” without guarantee up to €500,000.
- The Government is implementing an exceptional guarantee scheme up to €300 Bn (called PCE “Loan guaranteed by the State”) to support bank loans for businesses (all sizes). This guarantee is provided by Bpifrance to banks that grant those 90% state-guaranteed loans and also to its clients (potentially 80,000) with the same State guarantee.

**Direct and Indirect Cash measures:**
- Bpifrance returns security deposits to its clients and offers a 30% “top-up” to its short-term clients (unsecured). The bank confirmed credit lines at 90%.
- Bpifrance can mobilize the invoices on public and private markets for customers holding an Advance + line (treasury advance) plus an additional cash credit of up to 30% of the Advance (unsecured) + credit authorization already open.
- Bpifrance suspends the payment of the installments of its loans granted as of March 16.

**Innovation**
- Bpifrance will manage the €80 million envelope to finance the bridge between two fundraising events. Equally, an envelope of nearly 1.3 billion euros of innovation aid (grants).
- repayable advances, loans, etc.) planned for 2020, which is being maintained.
- Loan Guaranteed by the State : start-ups and innovative enterprises may also benefit from the general support measures of the state-guaranteed loan where appropriate.
- Bpifrance and Ademe automatically accelerate the payment of PIA (Investment for the future European Program) innovation aid, by paying in advance the installments not yet distributed for applications that have already been validated.
Loans
- 2 Unsecured loans are offered: Prêt Rebond and Pret Atout, from €10,000 to €5 million for SMEs, and up to €30 million for mid-caps, over 3 to 5 years, with a significant delay in repayment. The Prêt Rebond is available in the Regions were guaranteed directly by them, and Bpifrance makes it accessible via a digital platform together with the fintech company Younited.
- Bpifrance also adapted its Creative Industries Loan from €50,000 to €2 million to strengthen companies of this sector’s (fashion, luxury goods, culture, music, publishing, audiovisual, design…) and the exceptional increase in working capital requirement.
- The Tourism Loan is intended for the tourism sector as a whole (hotel, catering, museum, entertainment facilities…). It finances from €50,000 to €1 million and up to 10 years, tangible and intangible assets and cash requirements or exceptional increases in working capital requirements due to the crisis.
- Bpifrance had already a dedicated fund “avenir automobile” Automotive Future Fund. A second Fund will be created and will mobilize €600 million in the form of an equity investment fund. The shareholders of this fund will be the State, Bpifrance, the two manufacturers Renault and PSA (up to €100 million each).

Direct and Indirect Investments
- Bpifrance will strengthen the equity capital of Start-ups and SMEs with the launch of two vehicles: the “Fund for reinforcement of SMEs” endowed with nearly €100 million, and the “French Tech Bridge”, a €80 million pocket for Start-ups expected to raise funds in the coming months.
- This financing, which may range from €100,000 to €5 million, takes the form of Convertible Bonds, with possible access to capital, and must be co-financed by private investors.
- Indirect investments: Concerning Fund of Funds’ investments: no more Fund size requirement, and possibility to increase the control ratios.

Accompaniment (Consulting - Advisory)
- Bpifrance clients to be called directly by business developers.
- Accelerated companies: support teams will help 1,500 companies to manage the crisis and in particular the cash position.
- Creation of a hotline plus a website as a backup in case of saturation of telephone lines.
- Bpifrance and the Automobile Platform (PFA) have set up a support offer consisting of modules to meet the different needs of companies: cash management, strategic diagnosis, operational performance, etc. There will also be strong accompaniment measures for up to 1500 entrepreneurs in the tourism sector (coaching, acceleration).

“Bpifrance contributes to the airlift of cash to businesses, by ensuring the infrastructure of the guarantee granted by the State to loans from banks to the French economy, as well as by granting unsecured loans to very small businesses, SMEs and intermediate size businesses of the country.”

Nicolas Dufourcq, President and CEO at Bpifrance
Launch of 2 calls for proposals concerning COVID19 topics:

- **Collaborative R&D project and therapeutics development.** Find the call description, and its requirements on: https://presse.bpifrance.fr/programmedinvestissements-davenir-un-appel-a-projets-pourdevelopper-des-solutions-therapeutiquespreventives-ou-curatives-contre-le-covid-19nbsp/

- **Emergency technologies.** This is a wider call related to health topics. It is accessible through: https://www.bpifrance.fr/A-la-une/Appels-a-projets-concours/Appel-a-projets-Concours-dinnovation-i-Nov-38041

**French Export Credit Agency Specific**

Bpifrance Assurance Export will act as the French Export Credit Agency. Supported by the “Team France Export”, the Regions and the network of Private Partners dedicated to Export activities. Through 4 exceptional measures:

- **Strengthen the export guarantee and pre-financing system.** Bpifrance will cover for both SMEs and mid-caps, up to 90% of the guarantees issued and declared (export guarantee insurance) or the pre-financing set up (pre-financing guarantee) required by credit institutions. For the other companies, the insurance may be covered up to 70%.

- **Enlargement of the short-term export credit reinsurance scheme.** Bpifrance will reinsure private insurers, to support the credit insurance market, on short-term export receivables (less than 2 years). It acts as either a second layer over the existing private insurance, or it may enable customers with difficulties of accessing insurance, to do so. It will cover many export destinations (beyond the current 17), including European Union States and OECD members.

- **Extension of the prospecting period covered by prospecting insurance by one year.** Companies with a current prospecting insurance policy will benefit from an additional year of insured prospecting (3 years of prospecting for 2-year contracts, 4 years of prospecting for 3-year contracts).

- **Inform and support SMEs and midcaps in the context of the Covid-19 epidemic.** The operators of Team France Export, the regions and the network of foreign trade advisors, are launching a new free informative tool accessible on www.teamfrance-export.fr and www.businessfrance.fr. This offering is available to all companies interested or engaged in the development of foreign markets. A series of geographical, sectoral and thematic information webinars will also continue to be offered to bring together the public and private partners of TFE.

“"Our offerings for guarantees, insurance and loans, have enabled dozens of thousands to secure deals not just in France, but also all around the world, including Europe, America, Asia and Africa".

**Pedro Novo**, Executive Director of Exports at Bpifrance
CCG Morocco complements the private sector by supporting start-ups, development and modernization of SMEs (especially in Tourism). It also supports social development through a housing loan guarantee. Since 1996, CCG is the main state instrument to facilitate financing and investment. More specifically since 2007, CCG is at the very center as the unique actor identified by the state, to develop guarantee programs. This a put an end to dilution of efforts and multiplicity of actors in Morocco. CCG reports to the Ministry of Economy and Finance.

**COVID-19 INTERVENTIONS / PRACTICES**

**CCG Specific**

As part of the implementation of the measures decided by the Economic Watch Committee (CVE) of Morocco, aimed at mitigating the effects of the COVID-19 crisis and its impacts on businesses, CCG has deployed on June 15, 2020, two new guarantee mechanisms: "Relance TPE" and "Damane Relance". The purpose of this system is to revive the activity of companies through the guarantee of credits intended to finance their working capital needs, repayable over a period of 7 years, with 2 years of deferral. Companies can benefit from these mechanisms only once:

- **Damane Relance** product is offered to small, medium and large companies with a turnover of more than DH 10 million. The amount of the guaranteed credit is fixed at 1.5 months of turnover for companies in the industrial sector, and at 1 month of turnover for companies in other sectors. The guarantee ratio of this new mechanism varies from 80 to 90%. Note that the guaranteed credits must be intended, at least 50% of their amount, for the payment of suppliers, thus favoring inter-company financing.

- **Relance TPE**: designed for very small businesses (TPE), including traders, artisans, cooperatives and liberal professions, intended to guarantee, up to 95%, loans from companies with a turnover not exceeding DH 10 million. Without collateral required, this financing line is capped at 10% of turnover with a minimum of 10,000 DH.

Other measures announced at the beginning of the crisis:

- A guarantee mechanism called "DAMANE OXYGENE". This new guarantee product aims to mobilize financing resources for companies whose cash flow has deteriorated due to the decline in their activity. It covers 95% of the credit amount and thus allows banks to quickly set up exceptional overdrafts to finance the working capital needs of target companies.

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**THE MONTREAL GROUP**

- **91%** Indirect Products
- **US$600M** Total Assets
- **+130** Employees
**COVID-19 INTERVENTIONS / PRACTICES**

**CCG Specific**

- The DAMANE OXYGÈNE product is primarily intended for MSMEs (turnover not exceeding 200 Million DH) impacted by the crisis. However, mid-sized companies with a turnover between 200 and 500 million Dirhams and whose activity has been affected by the crisis, can also benefit from this guarantee product.

- A guarantee mechanism (85% of principal) for bank loans entrepreneurs called "Garantie Auto-Entrepreneurs Covid-19" for entrepreneurs who are sole proprietors and have not benefited from the Damane Oxygène guarantee and who meet the following conditions: i) Be registered in the register of entrepreneurs; ii) Not be in default of payment (with reference to book V of the French Commercial Code); iii) Have made a tax declaration dated less than a year and no later than April 30, 2020.

*More information can be found here: https://www.ccg.ma/*
China Development Bank (CDB)

FOUNDED IN 1994

LAST UPDATED: 27.07.2020

ABOUT

China Development Bank (CDB) was founded in 1994 as a policy financial institution under the direct leadership of the State Council. It was incorporated as China Development Bank Corporation in December 2008, and officially defined by the State Council as a development finance institution in March 2015. CDB has a registered capital of RMB 421.248 billion. Its shareholders include the Ministry of Finance of the People’s Republic of China (36.54%), Central Huijin Investment Ltd. (34.68%), Buttonwood Investment Holding Co., Ltd. (27.19%) and the National Council for Social Security Fund (1.59%). CDB provides medium- to long-term financing facilities that serve China’s major long-term economic and social development strategies. CDB is the world’s largest development finance institution, and the largest Chinese bank for financing cooperation, long-term lending and bond issuance.

COVID-19 INTERVENTIONS / PRACTICES

CDB Specific

As an immediate response to the coronavirus epidemic since its outbreak, The CDB Epidemic Prevention and Control Leadership Group was soon established, with Zhao Huan and Ouyang Weimin respectively serving as its director and deputy director.

• **CDB Emergency financing service mechanism** i) CBD must not demand early repayment or cut off or delay delivery of loans for enterprises greatly affected by the epidemic; ii) it should provide favorable loan rates for micro and small-sized enterprises in Hubei Province.

• **CDB special working capital loan facility** of 130 billion RMB loans and 5 billion USD loans, to help epidemic-affected enterprises resume work and production as soon as possible. As of February 20, 2020, 69.9 billion RMB loans under the facility had been granted. Use of loans:
  1. to support work and production resumption of enterprises engaged in epidemic prevention and control, air transportation, logistics, energy supply, urban and rural operation, and production and distribution of and daily like food;
  2. helping major projects to resume construction as soon as possible; and
  3. helping epidemic-affected enterprises engaged in foreign trade and global expansion.

100% Direct products  US$2.4T Total Assets (2019)  +9,000 Employees
• **The role of development finance in their counter-cyclical adjustment.** to minimize the effects of the epidemic, and supporting the recovery of the economy, CDB decided to:
  - Invest more efforts in supporting private businesses and MSMEs with sub-loans, while guiding its partners to gradually reduce the financing costs of these companies.
  - Develop innovative long-term financing instruments to support the development of major industries (like infrastructure construction, advanced manufacturing, strategic emerging industries, and the high-tech industry).
  - Enhance support for enterprises greatly affected by the epidemic by separately specifying Credit limits for epidemic-stricken regions.
  - Accelerate efforts in overcoming poverty by providing loans and donations and by promoting consumption, strengthen financing support for projects related to all-round environmental protection, and speed up disposal of existing non-performing loans.
  - Focus in stabilizing foreign trade and foreign investment, and provide more support for foreign investment projects and trade financing.

• **Development Finances to Support the “Belt and Road Initiative.** CDB offers financial support for high-quality Belt and Road projects and enterprises affected by the epidemic. They a) Provide low-cost loans and foreign exchange working capital loans. b) Overseas RMB loans have interest rate cuts; c) Providing local and foreign currency loans; d) Extending loan repayment periods; e) Accelerating the opening up of ‘green channels’ for foreign exchange and overseas RMB business affected by the epidemic; and, f) Providing diversified financial support.

• “Since the beginning of 2020.CDB has granted more than 370 billion RMB loans to the real economy, providing timely, effective and high-quality financial services for achieving the economic and social development goals for 2020 and completing the building of a moderately prosperous society in all respects.” CDB News (February 21st)

More information can be found here: http://www.cdb.com.cn/English/
Finnvera - Finland

FOUNDED IN 1999

LAST UPDATED: 27.07.2020

ABOUT FINNVERA

Finnvera provides financing for the start growth and internationalisation of enterprises and guarantees against risks arising from exports. The bank strengthens the operating potential and competitiveness of Finnish enterprises by offering loans, domestic guarantees, export credit guarantees and other services associated with the financing of exports. Finnvera is a specialised financing company owned by the State of Finland and it is the official Export Credit Agency (ECA) of Finland. Finnvera gives guarantees against political or commercial risks associated with the financing of exports. Political risks are risks that arise from the economic or political situation in a country where a Finnish export company has customers. Commercial risks pertain either to the buyer or to the buyer’s bank.

COVID-19 INTERVENTIONS / PRACTICES

Finnvera Specific

Finnvera takes a flexible approach towards all reorganization needs of financing caused by the COVID-19. The company must have the potential to operate profitably in the long term.

- The Start Guarantee is directed at companies which have been operating for a maximum of three years. The guarantee coverage can be up to 80%.

- The SME Guarantee is directed at companies which have been in operation for more than three years and it can be used to cover a loan of maximum EUR 150,000.

- The Finnvera Guarantee can also be used for the increased working capital needs due to the coronavirus in cases where Finnvera’s Start Guarantee or SME Guarantee is not suitable in the company’s situation for example due to the amount of loan needed.

- Since May, Finnvera can grant new short-term guarantees for the marketable risk countries (including EU countries and certain western industrialized countries), as a response to the covid-19 crisis. Finnvera’s role will be to complement the existing market composed by private credit insurance companies. Guarantees coverage in credit insurance is 90 percent and it can be applied through Finnvera’s Online Service

- Finnvera has taken into operation a hastened and a simplified procedure to deal with applications and to validate guarantees for a EUR 150,000-1,000,000 corporate debt bond granted by a bank and in which Finnvera’s guarantee coverage has been raised to 80% and no collateral is required. The company must negotiate about the loan first with bank and only after that apply for the Finnvera Guarantee from Finnvera.

- Financing for large corporates affected by the Covid-19 is also available. The maximum guarantee can be 80% and the total liability EUR 30 million at the most. However, Finnvera cannot become the main financier. Large projects are handle case-specific.

More information can be found here: https://www.finnvera.fi/eng

71% INDIRECT PRODUCTS

€8B TOTAL ASSETS

+390 EMPLOYEES
Nacional Financiera de México

FOUNDED IN 1934

LAST UPDATED: 27.07.2020

ABOUT

Nacional Financiera ("Nafin" or "Nafinsa") is the Mexican development bank created to promote savings and investment through project management, the establishment of financing programs, the coordination of investments of capital and increased productivity. Since 1989, Nafin grants financial resources and guarantees, mainly as the National Bank, in addition to being a financial agent of the Federal Government in relation to the negotiation, contracting and handling of domestic loans. Its objective is to promote economic development as well as to offer fiduciary services to the private sector.

COVID-19 INTERVENTIONS / PRACTICES

NAFIN Specific

- NAFIN established the Apoyo PYME, in alliance with Banca Mifel. This scheme will offer loans of up to 5 Million MXN to reanimate the economy. It began with restaurant sectors. The term of loans is up to 60 months, with a fixed interest rate with a period of grace of 6 months. To reactivate the activities of SMEs in the restaurant sphere, they will help with the liquidity concerns and the implementation of online payment to help these small enterprises increase their outreach and inflow of cash.
- Nafin increased the guarantees for all the banks that participate in the implementation of programs to support MSMEs in their reactivation period.
- Nafin te Capacita: To support MSMEs in a rapid recovery. NAFIN has intensified their training and technical support for its clients. This is a free advisory service to help MSMEs access expert advice and training to help business flourish and support on how to relaunch their economic activities. The most recent conference focused on the Tourism sector reactivation of operations (July 23rd). All their online training is accessible through www.nafintecapacita.com.
- Programa de impulso al sector hotelero: This program is managed by NAFIN and Bancomext. It intends to relaunch the tourism sector by providing liquidity to MSMEs that offer hospitality services, are travel agencies and those of touristic transportation. Credits range between 200,000 MXN pesos up to 30 millions MXN pesos. Repayment begins six months after its starting date and has a term of 60 months with an interest rate capped at 13.5%.
Programa Impulso para el Desarrollo Industrial y Regional: alongside the head of the governor of “Estado de México”, one central Mexican state. Similar to Programa Impulso Económico y Fomento al empleo in Tlaxcala, another state from Central Mexico, NAFIN will offer credits up to 5 million MXN pesos to local MSMEs, so that they can reactivate their businesses by buying raw material, pay its employees and its suppliers.

More regional-focused initiatives are expected to follow.

More information in https://www.nafin.com/portalnf/content/home/home.html
The Saudi Industrial Development Fund (SIDF) recently kickstarted the online loan approval service, as part of its efforts to improve client experience by delivering optimal service and a record processing time. With this newly inaugurated service SIDF is aiming to support industrial enterprises that have been negatively impacted by COVID-19. The service is provided in association with Absher platform.

- **Loan Rescheduling and Restructuring Scheme**: a) All small and medium enterprises' loans will be rescheduled and restructured until year end 2020. b) All medical enterprises’ loans will be rescheduled and restructured until year end 2020. c) Medium and large corporations will be assessed on a case by case basis to be either restructured or rescheduled.

- **Pre-approved Working Capital New Product**: Revolving line of credit for existing customers to finance operating expenses over 3 months - without making a request by the companies.

- **Line of credit supporting operating expenses for SMEs, payroll and services bills.** Credit facility for spending on raw materials over 6 months for the pharmaceutical sector and medical equipment manufacturers. Instrument managed in coordination with Saudi Food and the Drug Authority (SFDA). Companies must make their requests via the SIDF website.
SOWALFIN is a public interest limited company set up by the Walloon Government in 2002 in order to facilitate access to finance for businesses. The constitution of our company reflects the desire for coherence and coordination of Wallonia's financial tools for SMEs.

COVID-19 INTERVENTIONS / PRACTICES

SOWALFIN GUARANTEES

- Guarantee 50%, with a maximum commitment of EUR 500,000, of the existing short-term credit lines, granted by banks without SOWALFIN guarantee, in order to allow these resources to remain available to impacted companies;
- Guarantee 75% of new short-term credit lines that would be granted to companies to help them get through this period of crisis;
- Guarantee 50% of investment credits initially not guaranteed by SOWALFIN on the condition that the bank grants a moratorium of minimum 3 months to the company. The guarantee could relate to the residual term of the credit (or a shorter term depending on the wishes of the bank);

These guarantees are granted in compliance with the overall ceiling of €1,500,000 outstanding per beneficiary, subject to payment of the agreed commission

SOWALFIN TERM LOANS

- Postpone at the end of the loan the quarterly maturity until March 31, 2020 of the 2,774 loans made available by SOWALFIN and its subsidiaries SOFINEX, SOCAMUT and NOVALLIA without any cost for the companies. Regarding the loans granted by SA SOWALFIN, this decision will have an impact on the bank guarantee of 1/3 or 1/4 granted.
COVID-19 INTERVENTIONS / PRACTICES

SOWALFIN Non-financial offering

- "La relance de mon entreprise dans un contexte de grande incertitude" is a newly launched Youtube campaign to help entrepreneurs to relaunch their businesses. The campaign is composed of 10 strong messages given by entrepreneurs and experts. There is one video per message. The ten video capsules will offer key advice from its experts to help MSMEs to navigate this period of uncertainty. You can find more about this initiative in their Youtube page.

- SOWALFIN has been appointed as the official single contact point for Wallonian companies having questions about the impact of the COVID-19 on their business. The communication is assured through the "1890" both, including: i) a website (www.1890.be) providing information, tips and news to Walloon entrepreneurs but also directing them to the right support organizations at local level; ii) a dedicated team of advisors who are available by phone (1890) to answer the questions of entrepreneurs by telephone and/or e-mail; iii) a 1890 team WhatsApp group (with a top-down approach) where 1890 advisors post their questions before providing an answer to an entrepreneur and iv) individual discussions between 1890 advisors separately and the 1890 Management.

- Regarding non-financial support to SMESs, Sowalfin either acts directly or in partnership with local operators. Measures such as a quick scan to detect problems companies are facing are being used by local operators. Also, a platform where entrepreneurs can access to information about all the trainings and workshops available and offered by local operators and the different departments of Sowalfin.

- Finally, through its subsidiary, SOWACCESS ("Société Wallonne d’Acquisition et de Cession d’Entreprises"), SOWALFIN is facilitating the transfer and acquisition of businesses. It provides information and raises awareness about the sale and acquisition of businesses among potential sellers and buyers. Furthermore, it facilitates contact between both parties in the most confidential manner, through the management of various matching platforms, combined with cross-border partnerships and initiatives. In collaboration with a wide network of private advisors (certified by an independent Ethics Committee), SOWACCESS guarantees that all buyers and sellers receive the required support, while maintaining the highest standards in terms of quality, neutrality and independence.
Austria Wirtschaftsservice GmbH (AWS)

FOUNDED IN 1954

LAST UPDATED: 27.07.2020

ABOUT

The AWS’ mission is to support young innovative start-ups, founders, as well as growth and internationalisation projects of Austrian companies. AWS supports companies in Austria with grants, loans, guarantees and consulting services in the following areas: i) Promotion schemes for start-up companies; ii) Support programs for the growth of established companies, with focus on regional growth, strengthening of competitiveness and creation and iii) Special financing schemes for innovation and technology commercialization, particularly in the high-tech fields IT and communication, life sciences, physical sciences and the creative industries.

COVID-19 INTERVENTIONS / PRACTICES

AWS Specific

• **AWS bridging guarantee**, to help Austrian Commercial and industrial SMEs negatively affected by the COVID-19. Offers operating capital financing and financing for the deferral of existing credit line. It includes a 100% guarantee rate for loans up to EUR 500,000 and a 90% guarantee rate for loan amounts up to EUR 27.7 million. The term is 5 years for all the three available guarantee schemes who aim to strengthen liquidity.

• **Fixed cost subsidy within the Corona Aid Fund**: The Federal Government announced on April 3, a fixed-cost grant as a further aid measure. This supports companies that have had a drop in sales of at least 40% due to the crisis and that take all reasonable measures to achieve sales, reduce fixed costs and preserve jobs in Austria. The subsidy can replace up to 75% of the fixed costs and the perishable goods lost. Understanding the urgent need of entrepreneurs, a prepayment application is now open since May 20th, where SMEs can access the first payment within 10 days, which can already flow up to a third of the total costs.

• **Startups Aid Fund**: This fund provides innovative start-ups with a subsidy for private investments that have been made since the outbreak of the COVID crisis. Start-up companies that receive fresh equity or equity-like deposits from investors of at least EUR 10,000 are eligible to apply for a grant to double these funds. In the event of success, this grant must be repaid. The AWS grants EUR 50 million combined with private capital from an investor to offer a total of EUR 100 million is available for Start-ups.
COVID-19 INTERVENTIONS / PRACTICES

AWS Specific

- **Venture Capital Aid Fund**: Used to mobilize additional risk capital from investors who have been providing money for these funds since the outbreak of the COVID crisis. AWS provides a capital guarantee of up to 50% of the fund's volume. The total amount of the capital guarantees is set at EUR 25 million. This Fund invests in start-ups to facilitate their delayed implementation of business models due to the crisis. An investment amount of EUR 200,000 to EUR 1 million is planned for each start-up.

- **Comeback grant for film and TV productions**: Recognizing the importance of this industry for international competitiveness, job creation and identity creation. This non-repayable grant seeks to help independent production companies to resume interrupted or postponed filmings, caused by COVID. It covers 75% of the original total manufacturing cost and is limited to a maximum of EUR 2.5 millions for an individual project.

More information can be found here: [https://www.aws.at](https://www.aws.at)
Finance Wales was set up to help Welsh businesses realise their potential for innovation, growth and economic impact. Over the last 16 years, it invested £0.5 billion in Welsh businesses and attracted £0.6 billion more from private sector investors. In 2016, the First Minister announced the creation of the Development Bank of Wales as a key government priority. Banc support Welsh businesses as follow:

- Loans from £1,000 - £5 million to start, strengthen or grow your business
- Equity investment from £50,000 to £5 million for established businesses
- Seed finance for pre-revenue tech start-ups
- Equity investment for early stage and mature technology-based businesses
- Finance up to £5 million to buy a business (business owners and management teams)
- Property development loans for projects in Wales and other products and services.

**COVID-19 INTERVENTIONS / PRACTICES**

**BANC Specific**

- **3-month repayment holiday:** The Development Bank of Wales’ immediate response was to offer a three month capital holiday (and monitoring fee holiday) on all investments. This was launched on the 17th March with positive uptake (ca. 10% of the customers requested on the first day). This arrangement ended on June 30th.
- **Covid-19 Wales Business Loan Scheme:** The Welsh Government and the Development Bank of Wales announced the £100m loan scheme to support businesses experiencing cash flow difficulties as a result of the pandemic. It is now fully subscribed after more than 1,500 applications received in just over a week.
- **Economic Resilience Fund:** Businesses can benefit from a £400 million emergency pot providing: i) Grants of £10,000 for micro-businesses employing up to nine people, including sole traders employing staff; ii) Grants of up to £100,000 for small and medium sized firms with between 10 and 249 employees; and iii) Support for larger Welsh companies, which are of critical social or economic importance to Wales.
- **Bounce Back Loan Scheme (BBLS)** where small and medium-sized businesses can borrow from £2,000 up to 25% of their turnover, with a maximum loan of £50,000. The provides a 100% guarantee for the first 12 months of interest payments, after the first year, the interest rate is set at 2.5% annually
- **Job retention scheme** The government will pay grants to cover 80% of salaries (up to £2,500 a month) for those who are kept on by their employers but unable to work.
- **Business Wales Advising** through a phone line: 03000 6 03000.

More information can be found here: https://developmentbank.wales
Bancoldex - Colombia

FOUNDED IN 1991

LAST UPDATED: 27.07.2020

ABOUT BANCOLDEX

Bancoldex is the Colombian development bank focused on promoting business growth and foreign trade. Its role is to offer entrepreneurs financial and non-financial services according to the needs of Colombian companies. The bank promotes strong business dynamics in regions in order to develop more competitive environments.

COVID-19 INTERVENTIONS / PRACTICES

**Bancoldex specific**

- **Colombia Responde**: Preferential credit solution directed to maintain the liquidity of companies from the following sectors: tourism, aviation and entertainment: i) To be used for: working capital, raw materials, and other operating costs and expenses; ii) Payment term: Up to three (3) years; iii) Up to six (6) months of grace period.

- **LÍNEA TRANSPORTE RESPONDE**: Young companies of the Orange sector, special credit line,

- **LÍNEA REACTÍVATE BANCÓLDEX**: Loans of up to COP 80,000,000 to be used to reactivate the economic activities of SMEs by financing the implementation of sanitary and health measures in order to guarantee a safe return for employees and activities.

- **Colombia Responde for all**: For companies of all sectors and sizes (except for the agricultural sector: i) To be used for: working capital, raw materials, and other operating costs and expenses; ii) Payment term: Re-discount mechanism up to three (3) years; iii) Re-discount mechanism up to six (6) months of grace period. Financial entities may access these resources, through the direct credit mechanism, only to finance micro-enterprises, financing up to COP 10,000,000, for up to 2 years, with up to 3 months grace period.

- **Tourism special credit line**: Credits for tourism MSMEs to help with their working capital (to be repaid in 3 years) and modernization (to be repaid in 4 years) needs.

- **Orange sector special credit line**: For the creative sector MSME industry (IP, design, culture, arts) there is a limit of COP 400,000,000,000 that has to be repaid in a maximum of 7 years.

- **Local Special credit lines**: Offered by regional schemes at city level for micro, small and medium-sized companies in all sectors. They are intended to provide working capital. Most credits are available for up to 3 years.

- **Línea Colombia Emprende e innova**: in association with iINnpulsa Colombia, these credits seek to benefit young enterprises (from 6 months to 8 years). It offers the same financial conditions as Colombia Responde.

- **LÍNEA TRANSPORTE RESPONDE**: This working capital program aims to help companies in the transportation sector. The loan should be repaid within the first three years and the maximum amount is dependent on the company size. Money should be used to pay employees salaries and operation costs.

More information can be found here: [https://www.bancoldex.com/](https://www.bancoldex.com/)
The BBB aim is to make finance markets work better for small businesses in the UK at all stages of their development: starting up, scaling up and staying ahead. Among its objectives are: i) Increase the supply of finance available to smaller businesses where markets don’t work well; ii) Help to create a more diverse finance market for smaller businesses, with a greater choice of options and providers; iii) Encourage and enable SMEs to seek the finance best suited to their needs; iv) Achieve this whilst managing taxpayer resources efficiently and within a robust risk management framework; v) Be the center of expertise on smaller business finance in the UK, providing advice and support to Government and vi) Identify and help to reduce imbalances in access to finance for smaller businesses.

**COVID-19 INTERVENTIONS / PRACTICES**

**BBB specific: Financial Interventions**

The Coronavirus Business Interruption Loan Schemes and Fund are designed to support UK businesses that are losing revenue and seeing their cashflow disrupted as a result of the COVID-19 outbreak.

- **Bounce Back Loan Scheme:** i) For SMEs, micro businesses and other businesses requiring smaller loans; ii) Looking for up to £2,000 and £50,000 Term loan repaid over six years; iii) No set-up fees and first 12 months of interest payments covered by government and iv) No repayments during the first 12 months.

- **Coronavirus Business Interruption Loan Scheme:** i) For smaller businesses with a turnover of less than £45m; ii) Looking for up to £5m in finance; iii) Business loans, overdrafts, invoice finance & asset finance available and iv) First 12 months of interest and lender-levied fees covered.

- **Coronavirus Large Business Interruption Loan Scheme:** i) For larger businesses with a turnover of more than £45m; ii) Looking for up to £50m in finance (depending on turnover); iii) Business loans, overdrafts, invoice finance & asset finance available and iv) Repayment terms of up to three years.

- **The Future Fund** provides convertible government loans from £250,000 to innovative UK-based companies that are currently being impacted by the coronavirus. The Future Fund loan amount provided to the company ranges from £25,000 to £5 million. Amounts of Future Fund loans must be at least matched by co-investment from private investors. Companies need to have previously raised £250,000 or more in equity investment. The loans will convert into shares in the company in certain circumstances, including an exit or a new funding round.
COVID-19 INTERVENTIONS / PRACTICES

BBB specific: Non financial offering

- Alongside new schemes and changes introduced on the product side, the Bank has also adapted its demand side activities to support businesses struggling as a consequence of Covid-19.
- The Bank’s Business Finance Guide site was repurposed and updated to provide information to SMEs impacted by Covid-19 and looking for information about working capital options, covering Bank and Government schemes as well as other relevant information and resources. (HUB)
- The Bank has also amended the focus of its demand strategy from one of demand generation towards demand responsiveness and launched an SME survival campaign in July that will see the Bank directly engaging with those UK businesses that need support to survive the impact of the pandemic.
- The Bank’s Finance Hub also provides SMEs with information and options on the finance available for their business and the finance options in their region. This has been updated to include information on all of the Covid finance schemes.

More information can be found here: https://www.british-business-bank.co.uk/
ABOUT CDP

CDP supports the innovation, growth and internationalisation of SMEs and large companies; finances infrastructure; investments in public administrations and in the country and supports policies to enhance the real estate assets of local authorities. It also invests in social and educational buildings and supports energy efficiency policies as well as provides financial and technical consultancy supports for public administrations, during project planning/design phases. Since 2016, the CDP is also the Italian DFI and in this role CDP aims to become key players in the strategy to promote sustainable development on a global scale.

COVID-19 INTERVENTIONS / PRACTICES

CDP specific

- **COVID-19 liquidity for SMEs** and large Italian companies affected by the epidemiological emergency COVID-19. CDP provides €3 billion to help with the rapid disbursement of new financing for liquidity and working capital needs. Resources are made available through: a) Medium-long term liquidity guaranteed, with a maximum duration of 6 years assisted by the Italian Guarantee to support personnel costs, investments or working capital used in production plants and business activities. Or b) Short Term Liquidity, preferably in partnership with the banking system with a duration of up to 18 months, to support your financial needs for investments, initiatives for growth or for the realization of public utility works.

- To support export activity, the Italian export credit agency (SACE) has announced a €4 Bn package to help SMEs address cash flow needs and diversify export markets. In addition, the Italian Agency for the promotion of business internationalization (ICE) has cancelled the costs already incurred by companies for participation in fairs and events.

- Loan renegotiation for local authorities. This is the largest loan renegotiation operation carried out by CDP in recent years, intended for over 7,200 local authorities. It includes an almost total reduction in capital to be repaid in 2020. In addition, there is a series of regional webinars on the renegotiation process.

- The Italian School of Hospitality, joint initiative with The Resorts and the advanced training faculty of the University of Venice. This June, a series of free, interactive digital events for tourism operators to discuss scenarios and come up with viable solutions in relation to the new social interaction rules for dealing with Covid-19 and the changes that Italian and international tourism markets face in the future.

- More information can be found here: https://www.cdp.net/
KfW - Germany
FOUNDED IN 1948
LAST UPDATED: 27.07.2020

ABOUT KfW

The KfW, formerly KfW Bankengruppe (banking group), is a German state-owned development bank. Its name originally comes from Kreditanstalt für Wiederaufbau (“Credit Institute for Reconstruction”). It was formed in 1948 after World War II as part of the Marshall Plan. As of 2018, it is Germany’s third largest bank by balance sheet. KfW is owned by the Federal Republic of Germany (80 percent) and the States of Germany (20 percent). The Chair and Deputy Chair of the Board of Supervisory Directors are the German Federal Ministers of Finance and of Economic Affairs, with the positions alternating annually between them. The chairman as of March 2018 is the Federal Minister for Economic Affairs and Energy.

COVID-19 INTERVENTIONS / PRACTICES

KfW Specific

- **Post-crisis stimulus**: Measures for startups and young companies in high growth and who need funding following the Covid crisis (€ 2bn); if these companies have a venture capital fund in their capital, they can call on the 'Corona matching facility' (CMF) which allows KfW capital or the FEI to invest in this fund, otherwise they use structures regional.

- **KfW Loan for Growth**, aimed at larger companies. The current turnover threshold of €2 Bn raised to €5 Bn. These loans will take the form of syndicated loans and will not be restricted to projects in one particular field. Risk assumption will be increased to up to 70% (from 50%) to improve larger companies’ access to syndicated loans. For companies with a turnover of more than €5 billion, support will continue to be provided.

- **KfW instant loans for medium-sized enterprises**: Loans provided to enterprises that showed profits in 2019 or on average over the last 3 years, with more than ten employees. The credit volume per company is up to 3 monthly turnovers, with a max. of €800,000 euros for companies with more than 50 employees, and a max. of €500,000 euros for companies with staffs of up to 50 people. Interest rate of 3% with a term of ten years. The bank is released from 100% liability by KfW, hedged by a guarantee from the Government.

- **KfW Special Programme** – syndicate financing from €25 million. KfW participates in syndicate financing for investments and working capital for medium-sized enterprises and large companies. In this case KfW assumes up to 80% of the risk, but no more than 50% of the total debt. The KfW risk share amounts to at least EUR 25 million and is limited to 25% of the annual turnover in 2019 or double the wage costs in 2019 or the current financing requirements for the next 12 months.

More information can be found here: https://www.kfw.de
**COVID-19 INTERVENTIONS / PRACTICES**

- **ERP Start-Up Loan–Universal** for companies active for at least three years, and **KfW Entrepreneur Loan** for companies on the market for longer than 5 years. Both mechanisms are for investments and working capital. KfW assumes part of the bank’s risk. 80% of the risk is assumed for large companies and up to 90% of the risk is assumed for SMEs. Up to €1 Bn per company group. The loan amount is limited to a max. of 25% of the annual turnover in 2019 or double the wage costs in 2019 or the current financing requirements for the next 18 months for small and medium-sized enterprises or 12 months for large companies, or 50% of your company’s total debt in the case of loans exceeding EUR 25 million.
- For guarantee banks, the guarantee limit will be doubled, to €2.5 million. The Federation will increase its risk share in guarantee banks by 10% and the upper limit of 35% of operating resources in guarantee banks’ total exposure will be increased to 50%. To accelerate liquidity provision, guarantee banks have the freedom to make guarantee decisions up to €250,000 independently and within a period of three days.
- **The large guarantee program** (parallel guarantees from the Federation and the Länder), previously limited to companies in structurally weak regions, will be opened up to companies in other regions. The Federation covers operating loans and investments with a surety requirement upwards of €50 million and a guarantee rate of up to 80%.
- For companies that have temporarily got into serious financial difficulties because of the crisis and therefore do not have easy access to existing support programs, additional special KfW programs will be launched. Risk assumptions for investment funds (indemnity) will be improved significantly and will total up to 80% in the case of operating resources and up to 90% in the case of investments. In addition, consortium structures will be offered for these companies. The German government will put the KfW in a position to fund these programmes by making the necessary guarantee volumes available. This is not a problem, because the federal budget includes a guarantee framework of approximately €460 billion. If necessary, this can be increased by up to €93 billion at short notice.
- **KfW program for the refinancing of export business.** If there is a need for additional export cover and refinancing, the authorised amount can be increased very quickly.
Advisory to help SMEs take advantage of new USMCA agreement. Free business mentoring and training by phone, email and video.


The SBA has Interim Guidance to Plan and Respond to Coronavirus, on common issues small businesses might encounter, such as, i) capital access, ii) workforce capacity, iii) inventory and supply chain shortfalls, iv) facility remediation/clean-up costs, v) insurance coverage issues, vi) changing market demand, vii) marketing and business plan.

Paycheck Protection Program (PPP): Loan forgiveness for retaining employees by temporarily expanding the traditional SBA loan

Economic Injury Disaster Loan (EIDL): Low-interest loan for SMEs, including agri-businesses + non-profit organizations.

SBA Express Bridge Loans: For existing SBA clients – Can access up to $25K quickly

SBA Debt relief: Financial reprieve – SBA will pay 6 months of principal and interest for all current regular loans. The SBA has rolled out an Economic Injury Disaster Loan Program, aimed at SMEs and non-profit organizations to deal with the epidemic, with loans at reduced rates and up to $2M (subject to eligibility).

Export Express loan program allows access to capital quickly for businesses that need financing up to $500,000. Businesses can apply for a line of credit or term note prior to finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.

More information can be found here: https://www.sba.gov/
Singapore Development Bank (DBS)

FOUNDED IN 1968

LAST UPDATED: 27.07.2020

ABOUT DBS

DBS Bank is a Singaporean multinational banking and financial services corporation. The company was known as The Development Bank of Singapore Limited, before the present name was adopted to reflect its changing role as a regional bank. The bank was set up by the Government of Singapore to take over the industrial financing activities from the Economic Development Board. Today, DBS Bank is the largest bank in South East Asia by assets. DBS Bank's largest, and controlling, shareholder is Temasek Holdings, Singapore's second-largest sovereign wealth fund. The Bank was also awarded the Best Digital Bank in the World in the year 2016 by Euromoney.

COVID-19 INTERVENTIONS / PRACTICES

DBS Specific

- **Digital Business Loan.** Small business can access up to S$200,000 as part of the new relief assistance with the Digital Business Loan.
- **Enhanced SME Working Capital Loan.** SMEs can access collateral-free funding of up to S$1,000,000 with competitive rates. What’s more, SMEs need only to service interest for the first 12 months.
- **Principal Moratorium on Secured Term Loans.** DBS Customers may opt in to defer principal payments on their secured terms loans up to 31 December 2020 as well as extend tenure of their loans by up to the corresponding principal deferment period if they wish.
- **Online small loan** (up to S$200 K; no FS needed; no fee; no collateral; 12 month moratorium; 5 year term)
- **Online WC loan** (up to S$1M; no collateral; 12 month moratorium; competitive rates, 5 year term)
- **Online Bridge Loan** (up to S$5M; no collateral; 12 month moratorium; competitive rates, 5yr term)
- **Extension of import facilities** up to 60 days (for clients coping with supply chain disruption – inventory financing – insurance premium up to 80% (before 50%)
- **Export free trade rebate** (Rebates on operating costs such as courier fee or letters of credit)
- **Upskilling business capabilities** via Online SME Academy - New Online SME Academy platform: About 12 short videos of insights shared by industry practitioners.

More information can be found here: https://www.dbs.com/
Bootcamp webinars, designed to equip you with the know-how on different digital solutions available. From streamlining business operations to specific solutions that can help tide through this challenging period.

- **Savings on Digital Trade Transaction.** To help customers transition to digital trade financing, SDB offers cost savings for highly transacted trade products like Letter of Credit Issuance, Purchase and Sales Invoice Financing, and Bankers Guarantee / Standby Letter of Credit Issuance.
- **Covid-19 SME Business Resource Guide** To help owners navigate the Covid’s far-reaching effects on their businesses.
- **0% Interest Payment Plans on DBS Commercial Credit Cards,** To help ease their cashflow, customers with a DBS World Business Card or Platinum Business Card can opt to spread their payments at 0% interest through monthly installments.

**Offered via Partners**

- Transaction fee rebate
- Partnering with FAST & PayNow – reduce handling of physical cash by increasing number of free transactions (50 instead of 30)
- **F&B Digital Relief Package** – Partnering with Tech Startups
- **Exclusive Covid-19 cover by Chubb** (Insurance co) - Complementary protection for work injury compensation for employees
- **Manulife:** Additional $1M protection coverage - Extra protection against business disruption: $1.5K for clients catching Covid-19 + $3K if hospitalized + $30K if death due to Covid-19.

More information can be found here: https://www.dbs.com/
BNDE is a Senegalese Bank devoted to the economic development of its nation, via the financial support of SMEs/SMIs. The bank was created on January 27th, 2014, by the Government of Senegal to tackle the financing problems of the country. Through a focus in assisting with the development of strategic sectors, BNDE envisions becoming the Financial Institution of Reference nationwide. Under the leadership of Mr. Thiem Seydou Nourou SY, the bank is actively contributing to the creation and acceleration of Senegalese enterprises, in particular the SMEs/SMIs. BNDE takes pride in being an institution that fights for the economic inclusion and the eradication of existing levels of poverty and unemployment in Senegal.

**COVID-19 INTERVENTIONS / PRACTICES**

**Internal Measures**
- Designation of a special COVID19 committee, to focus on the re-adaptation of financing strategies to build resiliency of key sectors of their economic tissue like Imports and Agriculture.
- Digitalization of its services to allow for a free all-encompassing digital bank offering to its clients.
- Creation of Task Force Covid19, to centralize decision-making in order to accelerate their credit granting.

**BNDE Specific**

**Cashew Value Chain:** sectoral specific financing to inject in the development of the production chain for cashews (mainly exported to India). This financing offered in partnership with DER/FJ, CMS and PAMECAS will serve to reactivate the production, collection, transformation and export of this product.
- Early preparation to relaunch their financing schemes, focusing in the upcoming demand of credits from highly affected sectors like transport and tourism.
- 3-month suspension of repayable terms for affected clients (non-entrepreneurs also). With the possibility for renewing the suspension.
- Restructuring of their financing mechanisms through the use of funds created by diverse Ministries (Finance, Tourism and Air Transport) and from the campaign of Cashew commercialization in the Southern region: These funds are intended to help affected enterprises become more resilient, by financing their working capital needs, over a 3-month period, this financing is 1-time renewable. Eligible enterprises are required to have at least 5 fixed-term or permanent employees, and have suffered from a 50% loss as a result of the pandemic. Preference is given to industry sectors including Transport, Tourism, Commerce, Agriculture, Fisheries, Breeding, Education, Culture and Youth.

*More information can be found here: [https://www.bnde.sn/en](https://www.bnde.sn/en)*
ABOUT VÆKSTFONDEN

The Danish Growth Fund: Vækstfonden is Denmark’s investment fund, a fund governed by an independent legal act and an independent board of directors. The act concerning The Danish Growth Fund stipulates that the fund must promote growth and renewal for small and medium-sized enterprises in order to achieve a greater socio-economic return. The Fund contributes to the creation of new companies by providing capital and expertise and supports businesses on their entire journey, from start-up to establishment as a long-term investor. Its mission is to create a return on the investment and also to contribute to developing the Danish ecosystem and expanding industries to strengthen the Danish position. The Danish Growth Fund has co-financed growth in more than 5,400 companies with a total commitment of more than DKK 15 billion.

COVID-19 INTERVENTIONS / PRACTICES

Vækstfonden Specific

- **Covid-19 Guarantee SMEs:** Danish, Faroese and Greenlandic SMEs in all industries employing less than 250 people, with an annual turnover capped at DKK 372 million, who can prove they have suffered an operating loss of more than 50%. The guarantee covers 80 per cent of any losses on the part of the lessor. It can have a maturity of up to 6 years and is written down linearly over the term on an annual basis. The price consists of a commitment fee of DKK 2,500 and an annual fee of 1 per cent of the guarantee sum.

- **Covid-19 Guarantee for Danish, Faroese and Greenlandic large companies:** to cover losses or anticipated losses in revenue of at least 30 per cent as a result of the COVID-19 outbreak. The guarantee covers 80 per cent of the bank’s losses, and can have a maturity of up to 6 years and is, as a starting point, written down linearly over the term on an annual basis. It is however possible to create a COVID-19 guarantee with a maturity of up to 6 months, and as a standing guarantee for up to 24 months. The schemes are valid until 31 December 2020.

- **Covid-19 Start Loans,** targeting young companies at start-up phase, that are commercially ready to launch a fully developed product and who have promising indications of sales possibilities. The loans amount are from DKK 0.4 million – DKK 2 million. There is a requirement of co-financing from other players at a ratio of up till 1:3. The interest rate is based on CIBOR 3 + 5 per cent. The maturity is up to 6 years.

- **Covid-19 Investor Loans,** companies that have suffered from lost revenue, the withdrawal of commitments by investors, delay in the raising of capital, or delayed sales. The Investor loan is designed to secure the operations of the company for 12 months ahead.

More information can be found on: https://vaekstfonden.com/
The Montreal Group’s focus is helping MSMEs in all corners of the world through Development banks’ cooperation. We trust that we can all emerge stronger by collaborating with counterparts and would like to thank everyone for their contribution to this benchmark document.

While everyone should continue to focus on the health of their loved ones, the health of entrepreneurs and MSMEs will remain top of mind for all our respective organizations.

To note that this document will be updated on a regular basis.

We encourage you to share with us any initiatives that you are putting in place for entrepreneurs so that we may also continue spread the word.

Sandra D. Péloquin  
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