Public procurement due to the COVID-19 pandemic. MSMEs in the informal sector, including the majority of women-led MSMEs, are at higher risk of loss of incomes and may be less able to access government support. Countries are implementing various measures to encourage business operations, safeguard jobs and increase domestic investment. Some of the countries have applied two main phases in their policy responses.

HOW COVID-19 AFFECTS MSMEs

**LOSS OF SALES**

- For those with online presence: Inventory, in need of frequent supplies of new goods, and limited ability to sell new goods.

- For those with little to no online presence: Limited/no online presence.

**LOSS OF STAFF AVAILABILITY**

- For those with home office: Unable to work from home.
- For those with little to no online presence: Employees away due to movement restrictions.

**DISRUPTION OF SUPPLY CHAIN**

- For those with online presence: Limited ability to sell new goods.

**LOSSES OF AVAILABILITY**

- For those with home office: Unable to work from home.

**FINANCIAL MARKETS**

- Financial markets are also being affected with reduced levels of trading, shortages and restricting the overall ability to do business. The halt in demand is resulting in liquidity challenges, reduce access to credit, reduce cash reserves, and/or dependent supply chain.

**MONETARY AND MACRO-FINANCIAL**

- Implementing monetary and macro-financial policies that address immediate liquidity challenges.

- Offshore assets, foreign reserves, and liquidity in domestic financial markets.

**FISCAL PACKAGES**

- Protecting the Financial Market to reduce excess volatility arising from fluctuations in global capital markets.

- Conduct interventions in the foreign exchange market to reduce excess volatility arising from fluctuations in global capital markets.

**FISCAL MITIGATION**

- Budget allocated to cover immediate costs of operations.

- Reduced contributions for MSMEs.

- Moratorium on monthly payments of loans from banks.

**FISCAL RECOVERY**

- Increased measures for existing markets aimed at reducing cash transactions and facilitate use of mobile money.

- Encourage the use of digital channels and mobile money.

**SME FINANCE**

- Credit guarantee schemes for MSMEs.

- Reduced contributions of lenders' deposit and Cash Reservation Ratio (CRR).

**RESPONSES TO COVID-19**

- Hold discussions with money service providers to change the use of mobile money.

- Increase measures for existing markets aimed at reducing cash transactions and facilitate use of mobile money.

- Use of mobile money.

**LESSONS AND EXPERIENCES**

- Financial markets.

- Cash reserves.

-able to access government support. Countries are implementing various measures to encourage business operations, safeguard jobs and increase domestic investment. Some of the countries have applied two main phases in their policy responses.

**PHASE I - MITIGATION**

- Provide cash transfers and补贴, non-interest-bearing and non-amortizing for limited periods.

- Reduce withholding tax on wages and income.

- Decrease taxes and reduce obligations.

**PHASE II - RECOVERY**

- Support green MSMEs, or the greening of the activities of MSMEs.

- Investment in digital banking and onboarding of women-led MSMEs.

**MORATORIUM ON MONTHLY PAYMENTS OF LOANS**

- From banks.

- buffer rates for limited period, that support banks.

- Reduced compulsory reserve for commercial banks.

- Special Incentive Reinsurance to boost liquidity.

- Reduced contributions of lenders’ deposit and Cash Reservation Ratio (CRR).

**EXCHANGE RATE BAND AND BALANCE OF PAYMENTS**

- Asymmetrical bands.

- Buffer bands.

- Within parity equally.

**ADDITIONAL MEASURES**

- Support additional measures for targeting vulnerable MSMEs.

- Additional measures for MSMEs.

- Credit guarantee schemes for MSMEs.

**LESSONS AND EXPERIENCES**

- Encourage the use of digital channels and mobile money.

- Increase measures for existing markets aimed at reducing cash transactions and facilitate use of mobile money.

- Support green MSMEs, or the greening of the activities of MSMEs.

- Investment in digital banking and onboarding of women-led MSMEs.