

WB supports Govt's initiative to revitalize the MSME sector

The World Bank has approved a \$500 million program to support the Government of India's nationwide initiative to revitalize the MSME sector, which has been heavily impacted by the COVID-19 crisis. The program targets improvements in the performance of 555,000 MSMEs and is expected to mobilize financing of \$15.5 billion, as part of the government's \$3.4 billion *MSME Competitiveness – A Post-COVID Resilience and Recovery Programme (MCRRP)*.

The \$500 million Raising and Accelerating Micro, Small and Medium Enterprise (MSME) Performance (RAMP) Program is the World Bank's second intervention in this sector, the first being the \$750 million MSME Emergency Response Program, approved in July 2020 to address the immediate liquidity and credit needs of millions of viable MSMEs severely impacted by the ongoing COVID-19 pandemic. To date, 5 million firms have accessed finance from the government program.

Along with strengthening institutional capacity and coordination, the RAMP program will provide better access to finance and working capital for MSMEs by strengthening the receivable financing markets; and scale-up online dispute resolution mechanisms to address the problem of delayed payments. Such efforts are expected to improve the cost-effectiveness, quality, accessibility, impact, and outreach of such schemes.

The program will promote technology-based solutions, green investments, and access to services for women-headed businesses. It will also build partnerships with the private sector as service providers to reach greater scale.

In addition to national level activities, the program will initiate targeted activities in five "first mover" states – Gujarat, Maharashtra, Punjab, Rajasthan, and Tamil Nadu with the potential of additional states joining the Program going forward. The \$500 million loan from the International Bank for Reconstruction and Development (IBRD), has a maturity of 18.5 years including a 5.5-year grace period.

In a whitepaper 'Impact of COVID-19 on Small Businesses in India and the Way Ahead', released by Dun & Bradstreet in April 2021, based on a survey conducted on 250 Small Businesses with annual revenue between INR 1 bn and INR 3 bn across 7 big cities in India in the last quarter of 2020, the company notes that, more than 82% of surveyed Small Businesses were negatively impacted by COVID-19, with manufacturing sector at 87% and services sector at 78%. The three top challenges that might impede them to scale up their businesses included Market Access, Improving the Overall Productivity and Having Access to More Finance. Three most important support measures that are needed to revive their businesses include Better Credit Facility, Better Marketing Support and Adoption of Technology.

Ref: worldbank.org, dnb.co.in

Notifications

PIB

Mangoes including GI certified varieties exported from West Bengal & Bihar

<https://pib.gov.in/PressReleasePage.aspx?PRID=1725434>

24 MT of groundnuts exported to Nepal from West Bengal

<https://pib.gov.in/PressReleasePage.aspx?PRID=1725242>

India Post Payments Bank, Mahindra Rural Housing Finance Partner

<https://pib.gov.in/PressReleasePage.aspx?PRID=1725405>

MNRE to conduct series of webinars on achievements in New & Renewable Energy

<https://pib.gov.in/PressReleasePage.aspx?PRID=1725352>

Powergrid Fully Commissions India's first VSC based HVDC System

<https://pib.gov.in/PressReleasePage.aspx?PRID=1725340>