World Bank and the Government of India signed an agreement for the MSME Emergency Response Programme. It involves $750 million loan from the International Bank for Reconstruction and Development (IBRD).

The loan has a maturity of 19 years including a 5-year grace period. The programme aims to support increased flow of finance into the hands of MSMEs severely impacted by the COVID-19 crisis.

It will support the government in providing targeted guarantees to incentivize NBFCs and banks to continue lending to viable MSMEs to help sustain them through the crisis. It will address the immediate liquidity and credit needs of some 1.5 million viable MSMEs to help them withstand the impact and protect millions of jobs.