

7. COVID WORKPLACE MEASURES & FINANCING

The global outbreak of the COVID-19 virus is having a major impact on businesses, including MSMEs. The coffee and cocoa market and the supply chains are being affected like any other commodities. It is, therefore, important that MSME managers take practical steps to deal with the immediate effects of COVID-19. Financing providers and investors may ask applicants to explain the measures they are taking in relation to working with COVID for their personnel, customers and for ensuring the long-term resilience of their business.

Examples of COVID-safe procedures are provided in sub-section 1.1 below and at: [COVID-19 Safe Supplier Operating Standard from State of Flux](#)

Table 1: COVID 19 Business Resilience

Area of focus	Consideration	Response options and considerations
1. Market price fluctuations	Global commodity prices are highly volatile due to uncertainties in the commodities markets, changes to shipping timetables, sudden order cancellations, and the impact of lockdown on the availability of farming, picking, and processing staff.	<ul style="list-style-type: none"> • Be price-competitive and flexible in preparations. • Conclude contracts pro-actively to protect your market share with the current price. • If you consider storing your products e.g., beans, consider the time it may take for markets to return to normal, costs associated, and loss of value
2. Demand shocks	Sales volumes have fallen by as much as 50% in Europe and an estimated 25% in the United States ¹ in September 2020.	<ul style="list-style-type: none"> • Research your buyers and find out how solvent their business is. • Sell your best quality first to increase your quality control efforts; buyers will have the best impression of your product. • Research other markets and buyers for products but avoid making a sudden change from a reliable buyer to a new one, just for a few cents / Kg. • Borrow what you can comfortably repay from a third of your contracted sales revenues. • Ensure you have sure sales contracts before ordering supplies. • Consider the impact of reducing product purchases and discuss the circumstances with suppliers so they understand why you will not buy so much from them and when things might return to normal.
3. Delays in documentation	During lockdown, many services operators such as transport, insurance and shipping agents have not been in their usual offices and may be working from home, if not working at all. This has caused delays in financing paper documents transmission and physical signatures and/or seals required for transactions.	<ul style="list-style-type: none"> • Be prepared for delays or work-around solutions, for all stages of financing and shipment documentation. • Expect delays and manage their impact by backing up the supply chain to suppliers. • Go digital in as many ways as you can, especially by using internet conferencing and meeting services. • In October 2020, digitally signed electronic Bills of Exchange finally became legally acceptable in G7 countries. Acceptance for normal trading is not expected before end-2021 at the earliest.

¹ How to respond to COVID19 in the Coffee Sector. <https://www.cbi.eu/market-information/coffee>

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4. Additional requirements for financing	Financing providers will need to be assured of both your business continuity plans and the safety of your work force. Practices to ensure this include mask wearing, hand and external clothing washing, disinfecting work surfaces, equipment and meeting, toilets, staff rest rooms and kitchens, controlling who is where and when and keeping their contact details to inform others in case of reported infection.	<ul style="list-style-type: none"> • At least enact the minimum required precautions to control transmission of the disease in your place of business and with your suppliers. • Take photographs or a short video of your work force employing safety precautions, in case needed for proof of business compliance with COVID-safe measures.
5. Supplier support	Some buyers concerned about the negative effects of COVID 19 on the well-being of your producers will want to trace what your business is doing to help suppliers.	<ul style="list-style-type: none"> • Establish ways to support your suppliers. Such measures could include family training, providing sanitary kits, or community education if schools are closed.
6. Information accuracy	Global news reports can often sound ominously pessimistic. The general situation may not apply to every one of your buyers or suppliers. For example, some sectors and destination markets are registering higher sales than at the same time in 2019. Conversely, tourism, passenger transport, hotel and events sectors face immense difficulties.	<ul style="list-style-type: none"> • Contact your buyers and suppliers, their agents, importers, retailers in the destination country and any other directly implicated people to improve the accuracy of your decision-making information. • You may find hidden opportunities and it will show that you are taking every step to make the best business decisions.
7. Keeping financing providers informed	If your business faces disruptions, inform your financing providers or investors as soon as you are aware of the implications and have a plan to address them.	<ul style="list-style-type: none"> • Be honest and direct with financing providers to avoid premature foreclosure. • It is in everyone's interest to find a solution to work out of repayment difficulties that are beyond the control of a business. • Good businesses will bounce back. Full repayment and clearance of non-performing loan status is the best outcome as lenders hardly ever fully recover funds if they need to sell business assets quickly.

Country and sector Insights, links, and references

The hyperlinks and references below show where you can find more information on COVID measures, enterprise advice and assistance:

Country	Link or reference
Burundi, Rwanda, Uganda, Kenya	The World Bank Group's Response to the COVID-19 (coronavirus) Pandemic
Uganda	Small business grants launched to mitigate COVID-19 impacts on enterprises in Uganda
Tanzania	Tanzania: Barrick Gold launches \$1.7 million Covid-19 support program
Rwanda	IFC Loan to I&M Bank Rwanda to Support SMEs, Economic Activity, and Jobs During COVID-19
Kenya	New Program to Help 28,000 Kenyan Micro-Enterprises Respond to the COVID-19 Crisis
Global	COVID Safe Supplier Operating Standard



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