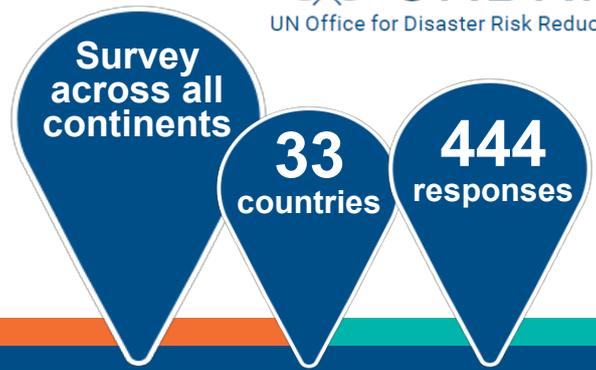


# Building the resilience of SMEs in the Caribbean

Best positioned to support their local communities to build resilience

UNDRR Global Survey carried out from November 2019 through March 2020<sup>1</sup>

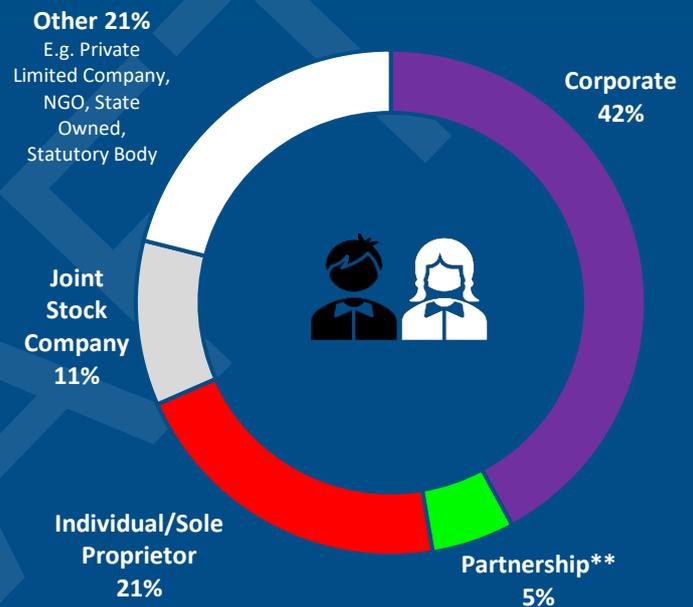


**99.5%**  
of firms in Latin America and the Caribbean region are SMEs and they generate 60% of productive employment<sup>2</sup>

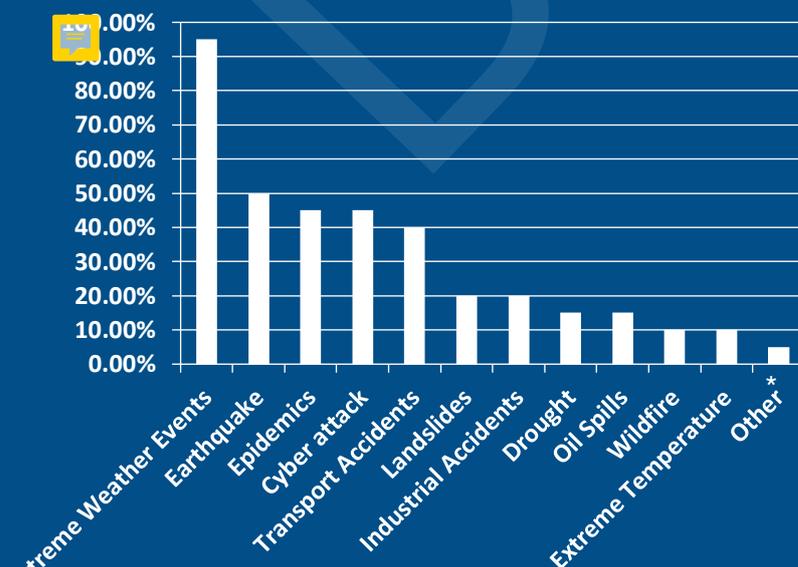
**52%**  
of companies in the Caribbean are aware of tools that can be used to understand the risk

## Building the resilience of SMEs

Survey responders (CARIB) by category



## Significant Risks Identified by SMEs Responses in the Caribbean



**74%**  
of companies in the Caribbean have a risk reduction strategy in place

**84%**  
of companies in the Caribbean carry out risk assessments prior to new investments

\*Other: flooding

\*\*Partnership: an association of two or more persons to carry on as co-owners a business for profit

# Global impacts of COVID-19 amplify urgency to build SME resilience

Global statistics:



1/2 of SMEs surveyed globally fear to be out of business within 3 months without further support<sup>3</sup>

Working-hours losses due to the COVID-19 pandemic in the 2<sup>nd</sup> quarter of 2020



**480m** jobs lost globally

Structural policies to strengthen longer-term resilience of SMEs<sup>2</sup>



Only **15%** of the measures implemented by OECD countries



## Top cited bottlenecks that delay business recovery (CARIB)

**17%** of companies in the Caribbean participate in initiatives that can protect them from disasters

Uncertainty and lengthy bureaucratic procedures

**25%**



**25%**



**Other**

E.g. Infrastructure repair, potential impact on employees

**67%**



Lack of financial resources

## Top cited bottlenecks that prevent investing in SME Resilience (CARIB)

Lack of capacity and resources	33%
Lack of incentives	17%
Not considered an immediate priority	17%
Other e.g. no obstacles, mitigation measures	17%

## Critical Success factors that strengthen SME Resilience<sup>5</sup>

- Supporting and developing international and national policy frameworks that address the specific needs of SMEs
- Providing access to finance and financial products tailored to SMEs
- Combining Enterprise Risk Management and Business Continuity Management mechanisms to better incorporate and increase the focus on prevention
- Addressing interdependencies and inequities across value and supply chains

**SEDAI FRAMEWORK**  
FOR DISASTER RISK REDUCTION 2015-2030

 **UNDRR**  
UN Office for Disaster Risk Reduction

<sup>1</sup>Out of 444 responses from 33 countries, 394 responses from 12 countries were utilized. Note that it is likely that respondents to the UNDRR 2020 survey are interested and engaged in risk prevention, or could be part of the ARISE, the Private Sector Alliance for Disaster Resilient Societies. This might have led to certain bias in response for the questions.

<sup>2</sup>OECD/CAF Latin America and the Caribbean 2019: Policies for Competitive SMEs in the Pacific and Participating South American countries. Economies in the Americas and the Caribbean region are diverse. Statistics are recent estimates for the region.

<sup>3</sup>OECD 2020.

<sup>4</sup>ILO Monitor 2020.

<sup>5</sup>Recommendations in UNDRR Guidance: Reducing Risk and Building Resilience of SMEs to Disasters, 2020

