Building the resilience of SMEs

Best positioned to support their local communities to build resilience

UNDRR Global Survey carried out from November 2019 through March 2020

SMEs account for 99% of all businesses and 1 out of 3 people work in an SME

55% of companies are aware of tools that can be used to understand the risk

Significant Risks Identified by SMEs

Cyber attack 14%
Transport Accidents 10%
Epidemics 15%
Extreme Temperature 10%
Other Weather Events 28%
Earthquake 23%

57% of companies have a risk reduction strategy in place

61% of companies carry out risk assessments prior to new investments

*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:

- ½ of SMEs surveyed globally fear to be out of business within 3 months without further support
- 480m jobs lost globally
- Only 15% of the measures implemented by OECD countries

Critical Success factors that strengthen SME Resilience

- 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

Top cited bottlenecks that delay business recovery

- Lack of regulatory framework for recovery initiatives: 38%
- Uncertainty and lengthy bureaucratic procedures: 42%
- Lack of financial resources: 65%
- Lack of capacity and resources: 34%
- Lack of incentives: 12%
- Lack of awareness: 16%
- Difficulty identifying effective measures: 14%

1Out 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.
2OECD SME and Entrepreneurship Outlook 2019. Policy Highlights (statistic is across the OECD).
3OECD 2020.
4ILO Monitor 2020.
5Recommendations in UNDRR Guidance: Reducing Risk and Building Resilience of SMEs to Disasters, 202