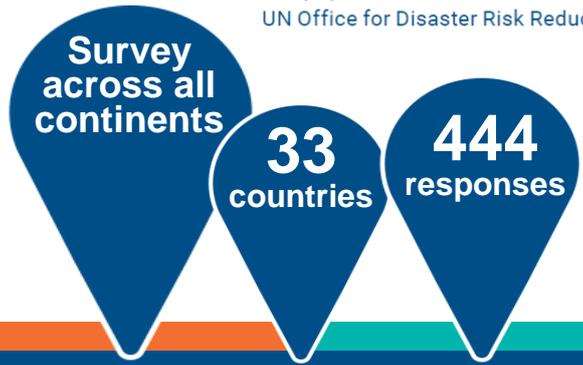


Building the resilience of SMEs in the Philippines

Best positioned to support their local communities to build resilience

UNDRR Global Survey carried out from November 2019 through March 2020¹

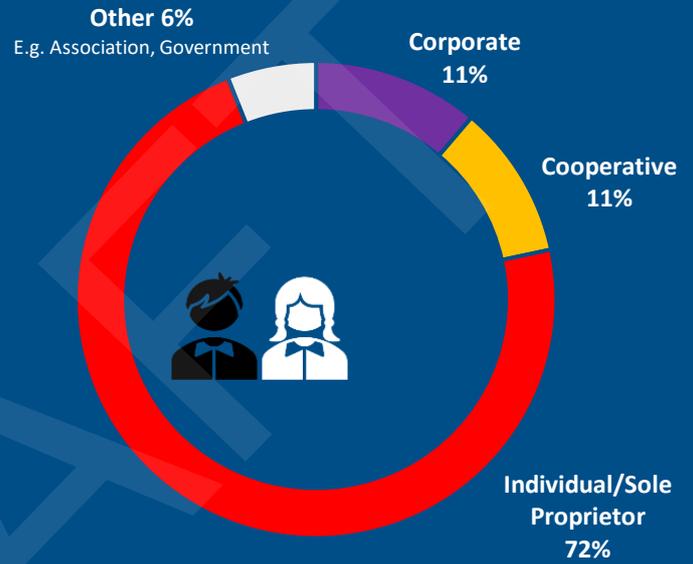


SMEs comprise more than **90%** of all businesses in most Asia-Pacific countries²

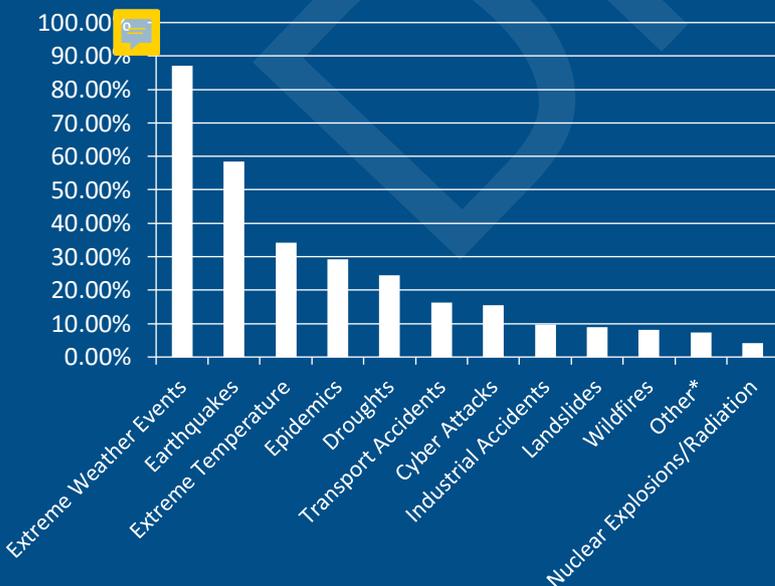
50% of companies in the Philippines are aware of tools that can be used to understand the risk

Building the resilience of SMEs

Survey responders (PHL) by category



Significant Risks Identified by SMEs Responses in the Philippines



55% of companies in the Philippines have a risk reduction strategy in place

56% of companies in the Philippines carry out risk assessments prior to new investments

*Other: E.g. typhoons, Taal volcano eruption, brownouts, power outages, climate change impacts on banana production, shortage of raw materials, politics

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 support³

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



480m jobs lost globally

Structural policies to strengthen longer-term resilience of SMEs?



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

Top cited bottlenecks that delay business recovery (PHL)

30% of companies in the Philippines participate in initiatives that can protect them from disasters

Lack of regulatory framework for recovery initiatives

34%



29%



Uncertainty and lengthy bureaucratic procedures

72%



Lack of financial resources

Top cited bottlenecks that prevent investing in SME Resilience (PHL)

Lack of capacity and resources	39%
Lack of awareness of risks and potential impacts on business	18%
Difficulty identifying effective measure	18%
Not considered an immediate priority	13%

Critical Success factors that strengthen SME Resilience⁵

- 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

SENDAI FRAMEWORK
FOR DISASTER RISK REDUCTION 2015-2030



UNDRR

UN Office for Disaster Risk Reduction

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.

²Business Resilience in the Face of COVID-19, UNDRR Asia Pacific COVID-19 Brief 2020.

³OECD 2020.

⁴UN Monitor 2020.

⁵Recommendations in UNDRR Guidance: Reducing Risk and Building Resilience of SMEs to Disasters, 2020.