

Building the resilience of SMEs in Central and South America

Best positioned to support their local communities to build resilience

UNDRR Global Survey carried out from November 2019 through March 2020¹

Survey across all continents

33 countries

444 responses

99.5%

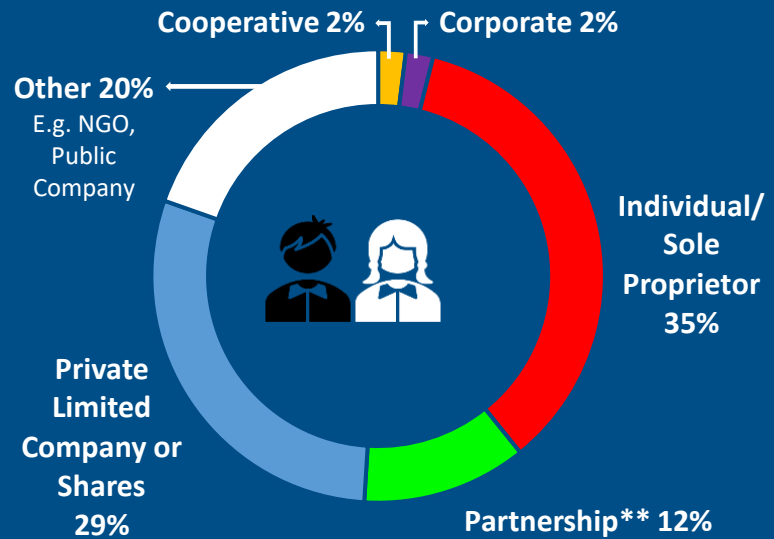
of firms in Latin America and the Caribbean region are SMEs and they generate 60% of productive employment²

65%

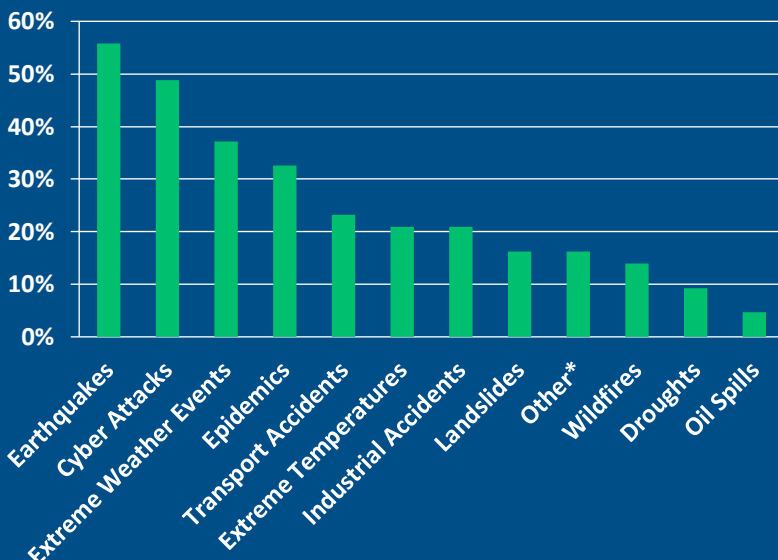
of companies in Central and South America are aware of tools that can be used to understand the risk

Building the resilience of SMEs

Survey responders (CA & SA) by category



Significant Risks Identified by SMEs Responses in CA & SA



70%

of companies in Central and South America have a risk reduction strategy in place

72%

of companies in Central and South America carry out risk assessments prior to new investments

*Other: E.g. social conflicts, disturbance of public order, food, and environmental pollution

**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 support³

Working-hours losses due to the COVID-19 pandemic in the 2nd quarter of 2020³



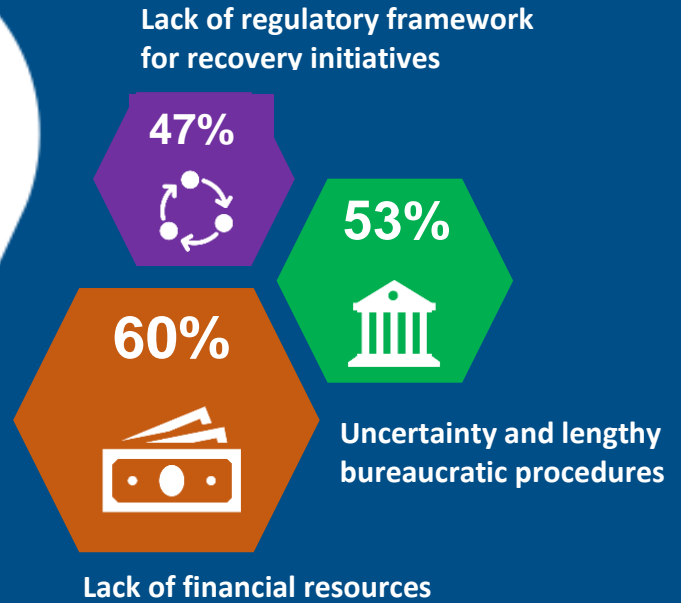
480m jobs lost globally

Structural policies to strengthen longer-term resilience of SMEs⁴



Only **15%** of the measures implemented by OECD countries⁵

Top cited bottlenecks that delay business recovery (CA & SA)



Top cited bottlenecks that prevent investing in SME Resilience (CA & SA)

Lack of capacity and resources	35%
Lack of incentives	23%
Lack of awareness of risks and potential impacts on business	16%

Critical Success factors that strengthen SME Resilience⁶

- 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



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/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.

³ILO Monitor 2020.

⁴OECD 2020.

⁵UNDRR estimate.

⁶Recommendations in UNDRR Guidance: Reducing Risk and Building Resilience of SMEs to Disasters, 2020.

Note that with regard to all references to the 2020 UNDRR survey, 'Central and South America' refers only to those countries from which survey responses were received: Colombia, Dominican Republic, Argentina, Chile, Costa Rica, Peru, Ecuador, Guatemala, Venezuela, El Salvador, Honduras, and Panama. Responses from this region were grouped, as disaggregation to country level would not have been representative.