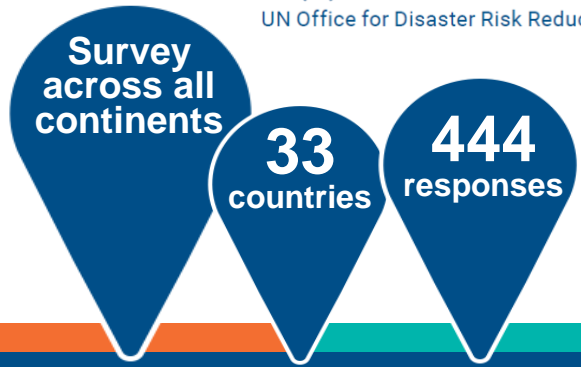


# Building the resilience of SMEs in the Philippines

Best positioned to support their local communities to build resilience

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

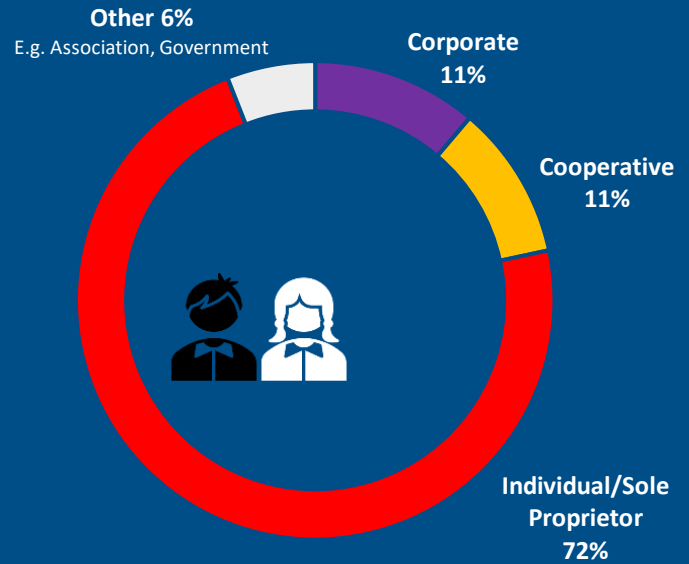


SMEs comprise more than **90%** of all businesses in most Asia-Pacific countries<sup>2</sup>

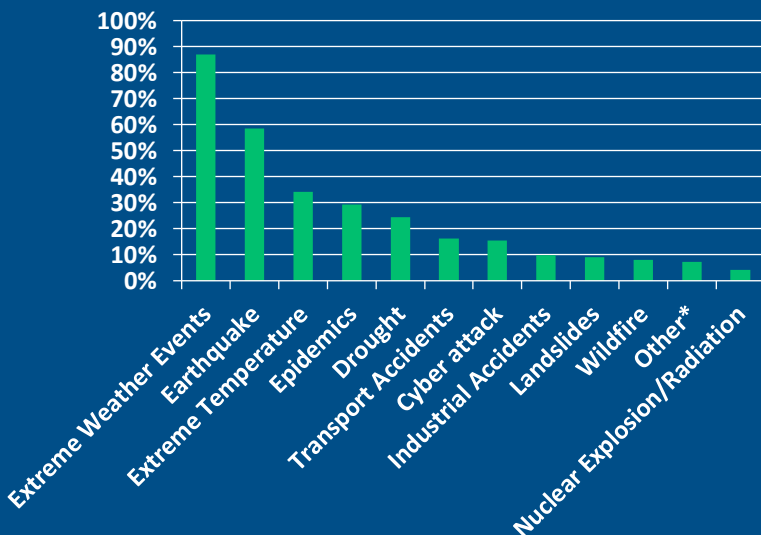
**50%** of companies in the Philippines are aware of tools that can be used to understand the risk

## 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:



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<sup>3</sup>



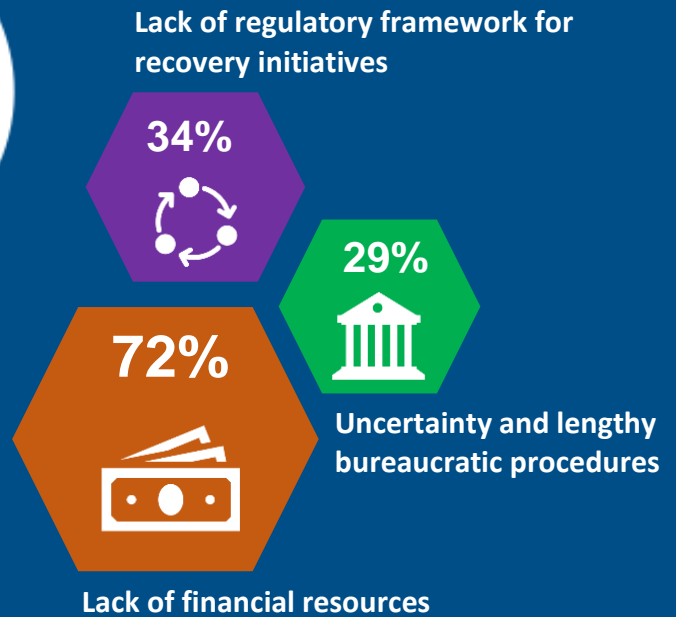
**480m**  
jobs lost globally

Structural policies to strengthen longer-term resilience of SMEs<sup>4</sup>



Only **15%** of the measures implemented by OECD countries<sup>5</sup>

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



## 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 Resilience<sup>6</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



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

<sup>3</sup>ILO Monitor 2020.

<sup>4</sup>OECD 2020.

<sup>5</sup>UNDRR estimate.

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