



OVERVIEW OF SMEPI QUESTIONNAIRE

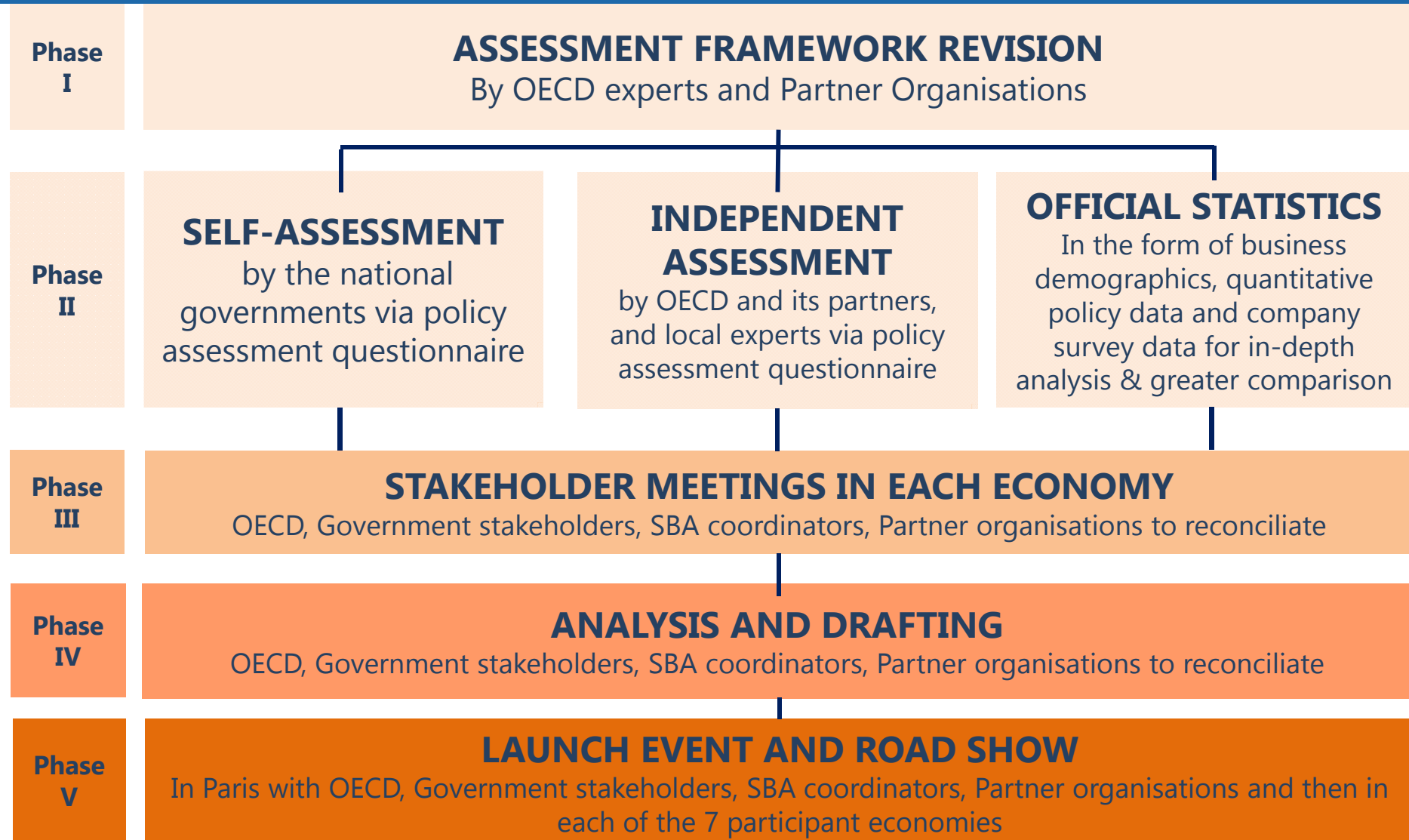


What is the “SME Policy Index”?

- ✓ The Assessment is **based on a comprehensive policy framework** which allows for **benchmarking** not only among participating countries but also with international practices.
- ✓ The purpose of the assessment is to **improve SME policy-making** in participating countries and to enhance the **capacity of policy-makers**.
- ✓ Its objective is to improve the **business environment** 'on the ground' and to foster **entrepreneurship and competitiveness**.



SMEPI assessment: methodology and process



Proposed IPPALC Dimensions

PROPOSED IPPALC DIMENSIONS

1. **Institutional and Regulatory Framework**
2. **Access to Financing**
3. **Operating Environment /Simplification of Procedures**
4. **Entrepreneurship Education**
5. **Training and Capacity Building**
6. Innovation, Technology Adaptation and Technology Transfer
7. **Entrepreneurial Development Services**
8. Partnership and Productive Articulation
9. Internationalization of SMEs



Western Balkans and Turkey

- ✓ The Assessment is **based on the Small Business Act for Europe** which allows for **benchmarking** not only between Partner Countries but also with EU Member States.
- ✓ The dedicated methodology – **the SME Policy Index** – has been specifically developed by the partner organisations for the application of the SBA in enlargement and neighbourhood countries.
- ✓ **This study is also the first to use the revised methodological approach for the Index.**



Original Methodology

Table 2: Five levels of the indicator

Level 1	Level 2	Level 3	Level 4	Level 5
There is no law, institution, tool or (information) service in place to cover the area concerned	There is a draft law, institution, tool or (information) service and there are some signs of government activity to address the area concerned	A solid legal and/or institutional framework is in place for this specific policy area, tool or (information) service	Level 3 + some concrete indications of effective policy implementation of the law, institution or tool	Level 3 + some significant record of concrete and effective policy implementation of the law, institution, tool or service. This level comes closest to good practices identified for OECD countries

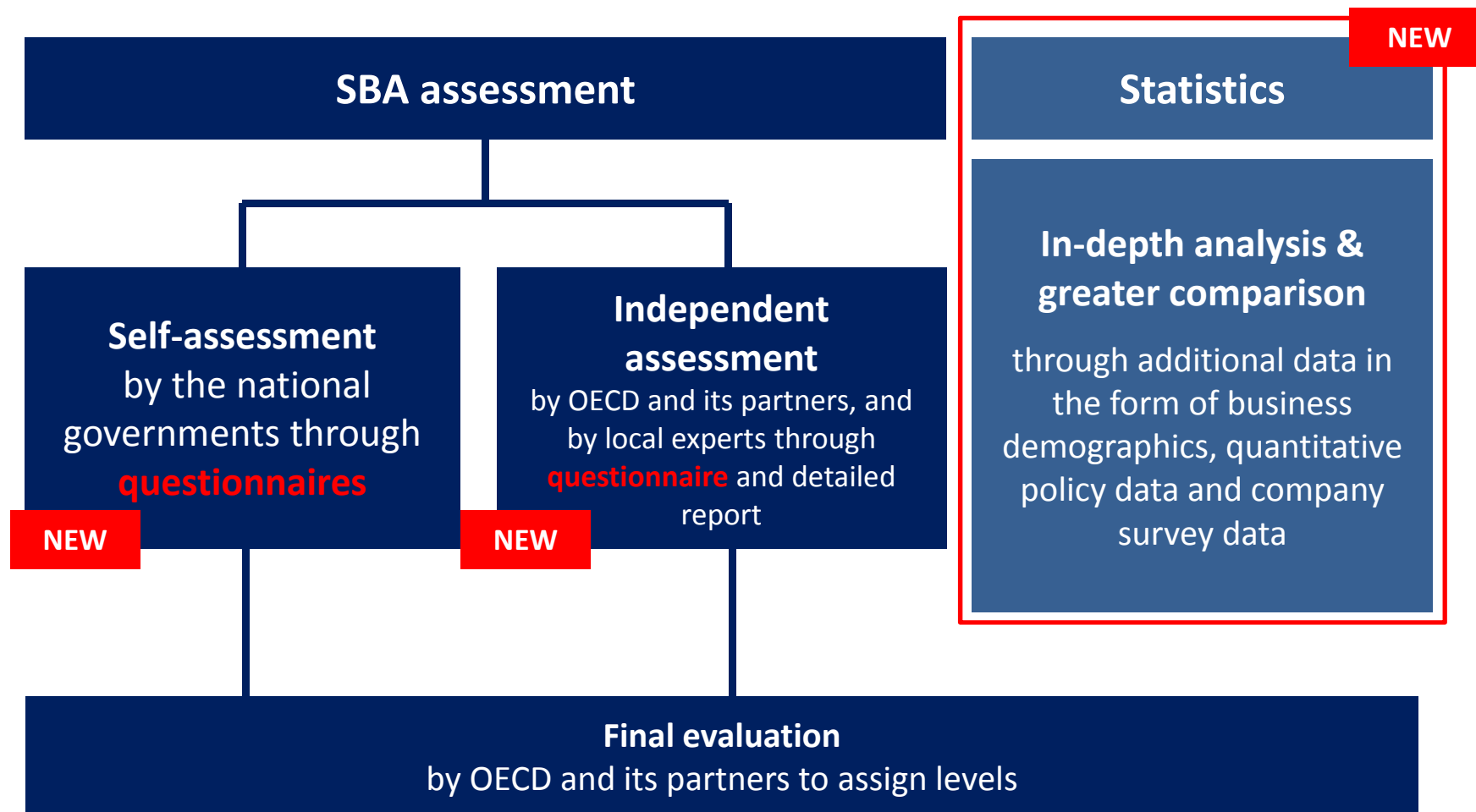


Original Methodology

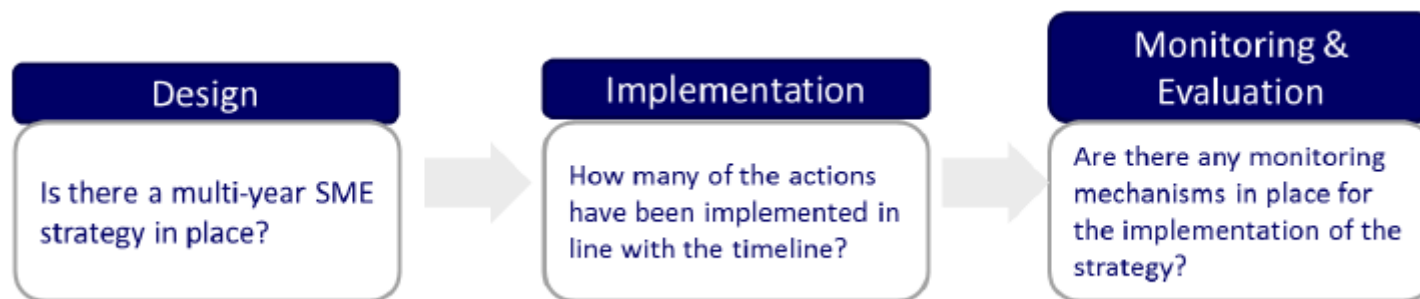
	Scores		Weights
	ALB	BIH	
III) Design rules according to the “think small first” principle			
3. Regulatory framework for SME policy making	3.55	2.16	
3.1. Institutional framework			3
SME definition	4.0	3.0	1
Inter-governmental co-ordination in policy elaboration	4.0	2.0	3
SME development strategy	4.0	2.5	3
SME policy implementation agency or equivalent	3.0	2.0	3
Measures to tackle the informal economy	4.0	1.5	2
3.2. Legislative simplification and regulatory impact analysis (RIA)			2
Review and simplification of current legislation	4.0	3.0	3
Legislative gullotine	4.0	2.5	3
Use of RIA	2.5	1.5	3
The SME test	1.5	1.0	1
3.3. Public-private consultations (PPCs)			2
Frequency and transparency of PPCs	4.0	2.0	1
Formal influence of PPCs	3.5	2.5	1
Representativeness of PPCs	3.0	2.0	1



Revised Methodology



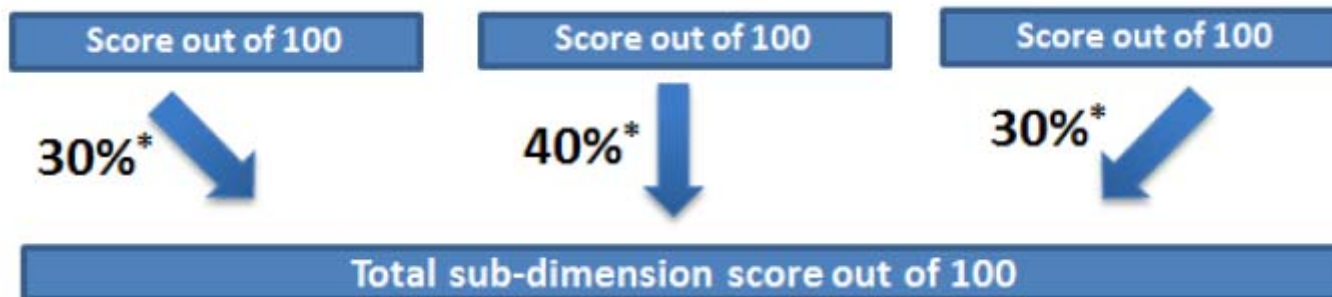
Revised Methodology



- **Core Questions**
 - Binary
 - Multiple Choice
- **Open Questions**

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 - Binary
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 - Binary
 - Multiple Choice
- **Open Questions**





DIMENSION 1 – Institutional and Regulatory Framework



Dimension 1 – Institutional and Regulatory Framework

✓ This dimension has a clear match in the SEE Index – in the SEE Index, they call this Dimension *“Design rule according to the “think small first” principle.”*

CHART 1



Structure of the dimension: Institutional and Regulatory Framework

Source: Prepared by the author, based on SELA 2015.



Sub-Dimension 1.1 – Institutional Framework

- ✓ The proposed IPPPALC sub-dimension 1.1 Institutional Framework has a clear match in the SEE version of this dimension – in the SEE Index, there is also an Institutional Framework sub-dimension.
- ✓ All of the proposed indicators for the LAC study are covered in the SEE questionnaire for this sub-dimension:

- | | |
|------------|---|
| 1.1 | Institutional Framework |
| 1.1.1. | Definition of SMEs |
| 1.1.2. | Government coordination for formulation of policies aimed at SMEs |
| 1.2.3 | Agency for the implementation of public policies aimed at SMEs |
| 1.1.4 | Development strategy for SMEs |
| 1.1.5 | Policies to support the migration of SMEs to the formal sector |



Sub-dimension 1.1: Institutional Framework

THEMATIC BLOCK 1: PLANNING AND DESIGN

Does a legal definition of SMEs exist in your country?

If yes | Definition includes employment size criteria
| Definition includes turnover criteria
| Definition includes a balance sheet criterion

Is the SME definition used consistently throughout legislation?

Is there a multi-year SME strategy in place?

Is the SME strategy embedded into a national development strategy?

Does the strategy build upon previous SME strategies?

Does the strategy include the following elements?

Measurable targets
Action plan
Descriptive part about monitoring and evaluation of the strategy and action plan

Are there measurable and time-bound targets attached to the action plan?

Does the SME strategy address the informal economy (i.e. are there specific targets to encourage SMEs to transition to

Is one central institution in charge of leading and coordinating SME strategy?

Has an inter-ministerial **consultation** process taken place in developing of the strategy?

Has the private sector been consulted in the developing of the strategy?

Have the other relevant stakeholders (e.g. civil society, regular citizens etc.) been consulted in the developing of the

Does a leading SME policy implementation body or equivalent exist?

If yes | Does the SME policy implementation body have **operational autonomy**?

Are other ministries represented on the governance board or equivalent of the implementation body?

Is the private sector represented on the governance board or equivalent of the implementation body?

THEMATIC BLOCK 2: IMPLEMENTATION

Has a **budget been mobilised** for the action plan?

If an SME implementation body exists, is it **operational**?

Have any measures been put into place to encourage SMEs to transition to the formal sector?

THEMATIC BLOCK 3: MONITORING AND EVALUATION

Are there any monitoring mechanisms in place for the implementation of the strategy?

Are there any monitoring mechanisms in place for the implementation agency/body?

Does the implementation body regularly produce a publicly available report?

Is information about the beneficiaries of SME support services offered by the implementation body open to the public?

Has an **independent review** of the action plan implementation been conducted?

Have any adjustments been made based on the results of the monitoring and evaluation?

Is the government collecting the following data on SMEs:

Number of SMEs
Employment by SMEs
Value added by SMEs to the GDP

OPEN QUESTIONS:

Does your current SME strategy follow on from a previous one? When did the previous strategy come to an end?

What is the timeframe of your SME strategy?

What are the actions specified in the strategy?

Which agencies are responsible for implementation? Which is the leading agency (if one exists)? How many in total?

Which actions of the action plan have been implemented?

Which targets of the action plan have been achieved?

How long has the SME implementation agency been operational?

Is the SME implementation agency able to mobilise funds?



Sub-Dimension 1.2 – Effective legislation and administrative simplification

- ✓ The proposed IPPPALC sub-dimension 1.2 Effective legislation and administrative simplification has a clear match in the SEE version of this dimension – in the SEE Index, there is also an Legislative simplification sub-dimension
- ✓ All of the proposed indicators for the LAC study are covered in the SEE questionnaire for this sub-dimension:

1.2	Effective legislation and administrative simplification
1.2.1	Delegation of responsibilities for the regulatory reform and administrative simplification
1.2.2	Strategy for administrative simplification
1.2.3	Simplification of the current regulatory framework
1.2.4	Elimination of redundant regulations
1.2.5	Application of analysis of regulations impact



Sub-dimension 1.2: Effective legislation and administrative simplification

THEMATIC BLOCK 1: PLANNING AND DESIGN

Is there a plan in place to review and simplify business related legislation with an impact on SMEs?

Is there a plan in place to reduce legislation related to SMEs?

Is there a requirement to conduct **Regulatory Impact Analysis (RIA) for business-related legislation**?

Is there a formal requirement to examine SME aspects in RIA?

If yes, how is it ensured that SME aspects are considered:

Checklist of impacts which must be completed

Written statement that each of the required impacts have been considered, including when they have been identified as zero or very

The analysis of these impacts are reviewed by a body outside the ministry sponsoring the regulation

THEMATIC BLOCK 2: IMPLEMENTATION

Have **primary** and **subordinate** business related legislation been identified as part of a legislative review process?

Is the review and simplification of business related legislation with an impact on SMEs ongoing?

If yes, What proportion of **primary** business related legislation has been reviewed?

What proportion of **subordinate** business related legislation has been reviewed?

Are licensing and permit procedures included in the screening process?

Is systematic elimination of redundant business related legislation with an impact on SMEs ongoing?

If yes, What proportion of **primary** business related legislation has been reviewed?

What proportion of **subordinate** business related legislation has been reviewed?

In practice, is **Regulatory Impact Analysis (RIA)** conducted to inform the development of regulations?

If yes, Is written guidance on the preparation of RIA provided?

Are regulators required to identify the costs of a new regulation?

Are regulators required to identify the benefits of a new regulation?

If a RIA does not take place, is a post-implementation review required?

In practice, are SME aspects examined in RIA?

How are SMEs informed about outcomes of RIA and business legislation?

THEMATIC BLOCK 3: MONITORING

Is there a body responsible for reviewing the decision made by officials about whether a RIA is required?

Are RIAs made publicly available online?

Have assessments been undertaken of the effectiveness of RIA in leading to modifications of regulatory proposals?

OPEN QUESTIONS:

What proportion of redundant business related legislation has been eliminated?

Please specify what is the dedicated body (or bodies) responsible for promoting the regulatory policy as well as monitoring and reporting on regulatory reform and regulatory quality in the national administration from a whole-of-government perspective?

Does the government publish online a list of business-related **primary laws** to be prepared, modified, reformed or repealed in the next six months or more? If yes, where can that list be found?

Does the government publish online a list of business-related **subordinate regulations** to be prepared, modified, reformed or repealed in the next six months or more? If yes, where can that list be found?

What proportion of SME-related legislation has been changed or cancelled because of RIA results?

When did RIA start being applied?

When did the process to simplify business legislation start?

How often does monitoring and evaluation take place?



Sub-Dimension 1.3 – Public-private consultations

- ✓ The proposed IPPPALC sub-dimension 1.3 Public-private consultations has a clear match in the SEE version of this dimension – in the SEE Index, there is also a Public-private consultations sub-dimension
- ✓ All of the proposed indicators for the LAC study are covered in the SEE questionnaire for this sub-dimension:

1.3	Public-private consultations	2
1.3.1	Frequency and transparency of the private-public consultations	3
1.3.2	Influence and representativeness of the public-private consultations	2



Sub-dimension 1.3: Public-private consultations (PPCs)

THEMATIC BLOCK 1: FREQUENCY AND TRANSPARENCY OF PUBLIC-PRIVATE CONSULTATIONS

- Is there a requirement to conduct public-private consultations to inform the development of business-related regulation?
- Is written guidance available on how to conduct public-private consultations?
- Is there a formal requirement for a minimum period for consultations with the public, including citizens, business and civil society?
- Are ongoing consultations listed on a single central government website?
- What forms of public-private consultations are used prior to and during the drafting of regulations:
 - Physical public meetings
 - Virtual public meetings
 - Informal consultations
 - Formal consultations
 - Advisory group or preparatory committee
 - Broad circulation for comment
 - Public consultation over the Internet with invitation to comment
- How often do private-public consultations take place?
- How frequently does the government share the relevant documents on business-related legislative proposals with the public?
- Are the views of participants in the consultation process made public?

THEMATIC BLOCK 2: PRIVATE SECTOR INVOLVEMENT IN PPCs

- Are SMEs involved in public-private consultations?
- Are invitations for PPCs sent to companies/organisations covering a wide range of business sectors?
- Is registration to PPCs open to all interested participants?
- Is the public systematically informed in advance that a PPC is planned to take place (e.g. through a website)?
- Can the private sector contribute to the agenda of PPC meetings?
- Can the private sector call for exceptional meetings when deemed necessary?
- Is the private sector able to formally comment on draft SME-related legislation?
- Are regulators formally required to consider consultation comments when developing the final regulation?
- Are own initiative draft laws on SME-related legislation suggested by the private sector taken into official consideration?
- Is there an assigned body in charge of dealing with formal recommendations from the private sector?

THEMATIC BLOCK 3: MONITORING & EVALUATION

- Is there an **independent review** of PPCs?
- Have adjustments been made to the formal structure of PPCs based on feedback?
- Are SMEs able to give formal feedback on their level of inclusion in decision-making process of PPCs?

OPEN QUESTIONS:

- How many meetings have taken place during the last 12 months?
- How many exceptional meetings have taken place during the last 12 months?
- How many associations have participated on average during the consultations in the last 12 months?
- What % of all draft primary laws have been opened to public-private consultation?
- What % of all draft subordinate laws have been opened to public-private consultation?
- Do you have information on the number of draft regulations that have been revised as a result of information received during consultations?
- For how many sectors have PPPs been conducted?
- Is there a team in charge of disseminating information on PPCs to the private sector?
- Do you have information on the average number of respondents to consultations? Are they publicly available?



Sub-Dimension 1.4 – Think small first

- ! The proposed IPPPALC sub-dimension 1.4 Think small first does **NOT** have a clear match in the SEE version of this dimension:
 - In the SEE Index, the Dimension itself is entitled "*Design rules according to the "think small first principle"*", and, accordingly, all of the sub-dimensions previously discussed take the "think small first" idea into account.
- We would thus propose that this sub-dimension be deleted from the LAC proposal, and, instead, that the idea of thinking small first is integrated into the dimension title.
 - Rename the dimension to: "*Designing an institutional and regulatory framework according to the 'think small first' principle*".

1.4	Think small first	1
1.4.1	The design of public policies and regulations explicitly considers the interests of SMEs	1



Discussion of Remaining Gaps/Questions

- **Proposed IPPPALC sub-dimension 1.1 Institutional Framework**
 - SEE example only has one question referring to policies to support the migration of SMEs to the formal sector – this could be developed further in the open questions.
 - A question could also be added to see if these measures are included in the overall SME development strategy and/or if there is any monitoring and evaluation of these measures in place.
- **Proposed IPPPALC sub-dimension 1.2 Effective legislation and administrative simplification**
 - Additional questions on the delegation of responsibilities for the regulatory reform and administrative simplification could be added to Thematic Block 1 (Planning and Design).
 - Administrative simplification is not explicitly mentioned in the SEE questionnaire (most of the focus is on legislative simplification) – could include questions that more specifically target this.

