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**SME Policy Index**

**Western Balkans and Turkey 2022**

**ASSESSING THE IMPLEMENTATION OF THE SMALL BUSINESS ACT FOR EUROPE**

**DIMENSION 3 - Institutional and regulatory framework for SME policy making**

**Qualitative indicators government questionnaire**

# Institutional and regulatory framework for SME policy making assessment framework

**Institutional and regulatory framework for SME policy making** assesses the quality of policy-making frameworks for small and medium-sized enterprises (SMEs) in the Western Balkans and Turkey.

This dimension is structured around three sub-dimensions:

* Sub-dimension 1: **Institutional framework**, which looks at the quality of the institutional framework as a basis for SME policy making;
* Sub-dimension 2: **Legislative simplification and regulatory impact assessment (RIA)**, which examines whether regulatory review mechanisms are in place to assess the impact of regulations on SMEs; and
* Sub – dimension 3: **Public-private consultations (PPCs)**, which evaluates how frequent and transparent PPCs are for SME policy making and the extent of the private sector involvement.

Figure 1. Institutional and regulatory framework for SME policy making assessment framework

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| **Sub-dimension 3.1:**  Institutional framework | | | **Sub-dimension 3.2:**  Legislative simplification and regulatory impact assessment (RIA) | | | **Sub-dimension 3.3:**  Public-private consultations (PPCs) | | |
| **Thematic block 1:**  Planning and design | **Thematic block 2:**  Implementation | **Thematic block 3:**  Monitoring and evaluation | **Thematic block 1:**  Planning and design | **Thematic block 2:**  Implementation | **Thematic block 3:**  Monitoring and evaluation | **Thematic block 1:**  Frequency and transparency of PPCs | **Thematic block 2:**  Private sector involvement in PPCs | **Thematic block 3:**  Monitoring and evaluation |
| **Quantitative indicators:**  Number of actions/activities implemented under SME strategies | | | **Quantitative indicators:**  Number of laws/regulations that have passed through the regulatory guillotine | | | **Quantitative indicators:**  Number of public-private consultation meetings held | | |
| **Outcome indicators**  Regulatory quality perception  Burden of government regulation | | | | | | | | |

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## Sub-dimension 1: Institutional framework

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| --- | --- | --- | --- | --- | --- |
|  | **Question** | | | **Response *[expand box as necessary]*** | **Source/evidence/links** |
| **Thematic block 1. Planning and design** | | | | | |
| 1.1.1. | **Since the last assessment (January 2019), have there been any changes in the legal definition of SMEs?** | | | [ ] Yes  [ ] No |  |
|  | If yes | | Please specify: date of adoption, amendments and dates, to what extent it is conformed with the [EU definition](https://ec.europa.eu/growth/smes/sme-definition_en)[[1]](#footnote-2) and the institution responsible for legislation enforcement. |  |  |
| 1.1.2. | **Since the last assessment (January 2019), has any new SME strategy and/or action plan been adopted?** | | | [ ] Yes  [ ] No |  |
|  | If yes | | Please specify: title, status (adopted, process of adoption, drafting, no activity), if the strategy builds upon previous SME strategy, its timeline, main objectives, targets, if the strategy includes specific measures for certain sectors/industries, whether a corresponding budget exists and how stakeholder feedback was taken into account (i.e. at what stages and through what means). |  |  |
| 1.1.3. | **Have any calculations/estimates been done regarding the size of informal economy, i.e. the share of businesses operating in the informal sector[[2]](#footnote-3)? If so, please specify this share and a body/sector in charge of this work (the government, academia, NGOs, business associations).** | | | [ ] Yes  [ ] No |  |
| 1.1.4. | **Is there a background analysis done regarding the effect of the informal sector to the economy? If so, please share the relevant reports in the “Source/evidence/links” column.** | | | [ ] Yes  [ ] No |  |
| 1.1.5. | **Does the SME strategy address the informal economy (i.e. are there specific targets to encourage SMEs transition to the formal sector)? If so, please specify.** | | | [ ] Yes  [ ] No |  |
| 1.1.6. | **What is the leading SME policy implementation body or equivalent? Please specify if the implementation agency/body is operationally independent, i.e. independent from the policy making institution, and has control of the use of its budget and the hiring of its staff to carry out its mandate.** | | |  |  |
|  | a) | Are other ministries represented on the governance board or equivalent of the implementation body? If so, please specify which ones. | | [ ] Yes  [ ] No |  |
|  | b) | Is the private sector represented on the governance board or equivalent of the implementation body? If so, please specify which private sector representatives. | | [ ] Yes  [ ] No |  |
|  | c) | How long has the SME implementation agency been operational? | |  |  |
|  | d) | How much budget is allocated to the SME agency? Have there been any changes since the last assessment (January 2019)? Please specify. | |  |  |
|  | e) | How many staff is dedicated to the SME agency? Have there been any changes since the last assessment (January 2019)? Please specify. | |  |  |
| **Thematic block 2. Implementation** | | | | | |
| 1.2.1. | **Has a budget been allocated for the SME strategy action plan?** | | | [ ] Yes  [ ] No |  |
| 1.2.2. | **What is the current status of the implementation of the SME strategy?** | | | [ ] On track.  [ ] With certain delays.  [ ] Implementation has not started yet. Please specify the reasons: |  |
|  | If “On track”: | | Could you provide us examples of 3 key activities/measures that were implemented since the last assessment? |  |  |
| 1.2.3. | **Have there been any delays in the implementation due to COVID-19 pandemic? If so, how was the implementation affected and were there any mitigation measures introduced? Please elaborate.** | | | [ ] Yes  [ ] No |  |
| 1.2.4. | **Is the SME implementation body operational, i.e. are activities and measures taking place, and are they receiving funding?** | | | [ ] Yes  [ ] No |  |
|  | a) | | Is the SME implementation body able to mobilise funds? | [ ] Yes  [ ] No |  |
| 1.2.4. | **Have any measures (incentives, penalties) been put into place to encourage informal SMEs to transition to the formal sector? If so, please specify which ones.** | | |  |  |
| 1.2.5. | **Has a budget been mobilised for the measures that facilitate SMEs' transition from informal to formal sector? If so, what share of the overall budget is dedicated to implement these measures?** | | |  |  |
| 1.2.7. | **Have any measures been put in place to improve inter-institutional co-ordination on SME-specific (on innovation, digitalisation, public procurement, SME greening or access to finance) data collection (e.g. by creating a unit or appointing a co-ordinator within the national statistical office)? If so, please elaborate.** | | |  |  |
| **Thematic block 3: Monitoring and evaluation** | | | | | |
| 1.3.1. | **Are there any monitoring mechanisms in place for the implementation of the SME strategy? If so, please share the latest available implementation report in the “Source/evidence/links” column.** | | | [ ] Yes  [ ] No |  |
| 1.3.2. | **Are there any monitoring mechanisms in place for the implementation agency/body? If so, please share the latest available implementation report in the “Source/evidence/links” column.** | | | [ ] Yes  [ ] No |  |
| 1.3.3. | **Are there any monitoring mechanisms in place for the programmes for transition from informal to formal sector? If so, please specify.** | | |  |  |
| 1.3.4. | **Does the implementation body regularly produce a publicly available report?** | | | [ ] Yes  [ ] No |  |
| 1.3.5. | **Have any adjustments to the SME strategy been made based on the results of the monitoring and evaluation? If so, please specify.** | | | [ ] Yes  [ ] No |  |
| 1.3.6. | **Is there an SME strategy indicators’ database that is publically available online?** | | | [ ] Yes  [ ] No |  |
| 1.3.7. | **Since the last assessment (January 2019), have there been any changes in the publicly available key SME statistics that you collect (**[**here**](https://oecd-my.sharepoint.com/personal/marijana_petrovic_oecd_org/Documents/SME%20PI%202022%20Assessment/Turkey/Dimension%203/Table.docx) **is the summary table from the 2019 assessment)? If yes, please specify.** | | |  |  |
|  | a) | | Are key SME-specific data on innovation, access to finance, public procurement or SME greening collected? Please specify. | [ ] Yes  [ ] No |  |
| **Questions related to the impact of the COVID-19 pandemic:** | | | | | |
| 1.4.1. | **Prior or at the beginning of the COVID-19 pandemic, was there a contingency plan established by the SME implementation body which laid down appropriate procedures? If so, please specify.** | | | [ ] Yes  [ ] No |  |
| 1.4.2. | **To what extent were the services offered by the SME implementation body available during the COVID-19 pandemic?** | | | [ ] COVID-19 pandemic had no effect on these services.  [ ] Only limited number of services were offered.  [ ] Very limited number of services were offered. |  |
| 1.4.3. | **To what extent was the work of the SME implementation body impaired by the COVID-19 pandemic?** | | |  |  |
| 1.4.4. | **What lessons have been learnt in this area regarding the COVID-19 pandemic and are there any strategic changes planned (in the SME strategy and the related action plan) due to this experience? If so, please elaborate.** | | |  |  |
| *Optional - Please provide any further information on* ***institutional framework*** *in your economy that you deem relevant for the assessment* | | | |  |  |

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| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

## Sub-dimension 2: Legislative simplification and regulatory impact assessment (RIA)

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|  | **Question** | | | | **Response *[expand box as necessary]*** | **Source/evidence/links** |
| **Thematic block 1. Planning and design** | | | | | | |
| 2.1.1. | **Since the last assessment (January 2019), have there been any changes in a plan/strategy to review, simplify and reduce business related legislation with an impact on SMEs? If yes, please specify.** | | | | [ ] Yes  [ ] No |  |
| 2.1.2. | **Since the last assessment (January 2019), have there been any changes in the procedures related to conducting Regulatory Impact Analysis (RIA) for business-related legislation? If so, please specify.** | | | | [ ] Yes  [ ] No |  |
| 2.1.3. | **Does the institution in charge of RIA quality control have the formal right to return RIAs to line ministries if the analysis does not meet the requirements and/or require from the line ministries that they improve their justification for and analysis of a proposal? If yes, please illustrate with a few examples of when this right was used.** | | | | [ ] Yes  [ ] No |  |
| 2.1.4. | **Is there a legal obligation for the institution that proposed legislation (in particular regarding major regulatory proposals) to comply with the RIA and introduce mitigating measures?** | | | | [ ]Yes  [ ]No |  |
| 2.1.5. | **Is there a formal requirement to examine SME aspects in RIA?** | | | | [ ] Yes  [ ] No |  |
|  | 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 low.  [ ] The analysis of these impacts is reviewed by a body outside the ministry sponsoring the regulation. |  |
| **Thematic block 2. Implementation** | | | | | | |
| 2.2.1. | **Is the review and simplification of business related legislation with an impact on SMEs systematically and continuously implemented (following an annual plan and programme)?** | | | | [ ] Yes  [ ] No |  |
|  | If yes | | | a) What proportion of primary[[3]](#footnote-4) business related legislation has been reviewed and simplified or eliminated so far (and in particular since the last assessment, i.e. January 2019)? |  |  |
|  |  | | | b) What proportion of subordinate[[4]](#footnote-5) business related legislation has been reviewed and simplified or eliminated so far (and in particular since the last assessment, i.e. January 2019)? |  |  |
|  |  | | | c) Are licensing and permit procedures included in the screening process? | [ ] Yes  [ ] No |  |
| 2.2.2. | Does the government publish online a list of business-related primary and/or subordinate laws to be prepared, modified, reformed or repealed in the next six months or more? If yes, where can that list be found? Please share a link. | | | | [ ] Yes  [ ] No |  |
| 2.2.3. | In practice, is RIA conducted to inform the development of regulations? | | | | [ ] Yes  [ ] No |  |
|  | If yes | | Is written guidance on the preparation of RIA provided? | | [ ] Yes  [ ] No |  |
| Are regulators required to identify the costs of a new regulation? | | [ ] Yes  [ ] No |  |
| Are regulators required to identify the benefits of a new regulation? | | [ ] Yes  [ ] No |  |
| 2.2.4. | **Is the consultation on RIA held with the SME representatives?** | | | | [ ] Yes, RIA is disclosed for consultation and during legislative development.  [ ] Yes, RIA is disclosed only in the case of major regulations or in selected cases.  [ ] Yes, RIA is disclosed only when regulation is submitted to the Parliament or Council of Ministers.  [ ] No, RIA is not disclosed. |  |
|  | If yes, | | | What channels are used? | [ ] Round table discussions with stakeholders  [ ] Specific committees  [ ] Use of IT tools (on-line consultations, forum)  [ ] Other (please specify): |  |
| 2.2.5. | **In practice, are SME aspects examined in RIA?** | | | | [ ] Yes they are examined in 75% or more of legislation  [ ] Yes they are examined in more than 50% but less than 75% of legislation  [ ] Yes they are examined in 25% to 50% of legislation  [ ] No, they are examined in less than 25% of legislation |  |
| 2.2.6. | **How are SMEs informed about outcomes of RIA and business legislation?** | | | | [ ] Business associations  [ ] Government/Ministry’s website  [ ] Both  [ ] None of the above  [ ] Other (please specify): |  |
| **Thematic block 3: Monitoring and evaluation** | | | | | | |
| 2.3.1. | **Are data on the proportion of business-related legislation that has been reviewed/simplified/reduced collected in a systematic manner?** | | | | [ ] Yes  [ ] No |  |
| 2.3.2. | **Is regular monitoring of the effects of the legislative simplification conducted, and is corrective action introduced if needed? If so, how regularly? Please share the relevant reports in the “Source/evidence/links” column.** | | | | [ ] Yes  [ ] No |  |
| 2.3.3. | **Are RIAs made publicly available online?** | | | | [ ] Yes, all RIAs.  [ ] Yes, but only RIAs regarding major regulations.  [ ] Only some RIAs.  [ ] No. |  |
| 2.3.4. | **Have assessments been undertaken of the effectiveness of RIA in leading to modifications of regulatory proposals? If so, how regularly?** | | | | [ ] Yes  [ ] No |  |
| 2.3.5. | **Is there a body responsible for overseeing the RIA implementation/ performing quality control of RIA? If so, what is the responsible body?** | | | | [ ] Yes  [ ] No |  |
| 2.3.6. | **Is a quality control of RIAs being conducted?** | | | | [ ] Yes, for all RIAs.  [ ] Yes, but for RIAs regarding major regulations.  [ ] Only for some RIAs.  [ ] No. |  |
|  | If yes | Are the conclusions of the quality control fed back into RIA guidance? | | | [ ] Yes  [ ] No |  |
| *Optional - Please provide any further information on* ***legislative simplification and regulatory impact analysis (RIA)*** *in your economy that you deem relevant for the assessment* | | | | |  |  |

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| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

## Sub-dimension 3: Public-private consultations (PPCs)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Question** | | | **Response *[expand box as necessary]*** | **Source/evidence/links** |
| **Thematic block 1. Frequency and transparency of PPCs** | | | | | |
| 3.1.1. | **Is there a requirement to conduct public-private consultations (PPCs) to inform the development of business-related regulation?** | | | [ ] Yes, for all regulations.  [ ] Yes, for major regulations.  [ ] Only for some regulations. Please specify:  [ ] No. |  |
| 3.1.2. | If yes, | Is written guidance available on how to conduct public-private consultations? | | [ ] Yes  [ ] No |  |
| 3.1.3. | **Is there a formal requirement for a minimum period for consultations with the public, including citizens, business and civil society organisations? If so, what is this period?** | | | [ ] Yes  [ ] No |  |
| 3.1.4. | **Are ongoing consultations listed on a single central government website? If so, please provide a link to the website in the “Source/evidence/links” column.** | | | [ ] Yes, all ongoing consultations.  [ ] Yes, but only some consultations. Please specify:  [ ] No. |  |
| 3.1.5. | **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. |  |
| 3.1.6. | **How frequently does the government share the relevant documents on business-related legislative proposals with the private sector?** | | | [ ] Prior to any business-related legislative proposal.  [ ] Prior to most business-related legislative proposal.  [ ] Prior to some business-related legislative proposal.  [ ] No documents on business-related legislative proposals are shared. |  |
| 3.1.7. | **Are the views of participants in the consultation process made public?** | | | [ ] Yes  [ ] No |  |
| 3.1.8. | **What share of all draft primary laws have been opened to PPCs in 2020 or the latest available calendar year?** | | |  |  |
| 3.1.9. | **What is the share of laws adopted through a shortened/urgent procedure for 2020 or the latest available calendar year?** | | |  |  |
| **Thematic block 2: Private sector involvement in PPCs** | | | | | |
| 3.2.1 | **Are SMEs involved in public-private consultations?** | | | [ ] Yes  [ ] No |  |
| 3.2.2. | **Are invitations for PPCs sent to companies/organisations covering a wide range of business sectors?** | | | [ ] Yes  [ ] No |  |
| 3.2.3. | **Is the public systematically informed in advance that a PPC is planned to take place?** | | | [ ] For all consultations.  [ ] For consultations regarding major regulations.  [ ] For some consultations. Please specify.  [ ] Never. |  |
|  | If yes | | How is the public informed? | [ ] Through an announcement on a website.  [ ] Before the consultation is started through a road map or similar type of early warning document.  [ ] Other. Please specify: |  |
| 3.2.4. | **Can the private sector call for exceptional meetings when deemed necessary? If yes, please share one (few) example(s) when this happened.** | | | [ ] Yes  [ ] No |  |
| 3.2.5. | **Is the private sector able to formally comment on draft SME-related legislation?** | | | [ ] Yes  [ ] No |  |
| 3.2.6. | **Is there an assigned body in charge of dealing with formal recommendations from the private sector? If so, please specify which one.** | | | [ ] Yes  [ ] No |  |
| **Thematic block 3: Monitoring and evaluation** | | | | | |
| 3.3.1. | **Are PPCs regularly monitored? If so, by which institution and how regularly? If so, please share the most recent report on this in the “Source/evidence/links” column.** | | | [ ] Yes  [ ] No |  |
| 3.3.2. | **Is there an independent review of PPCs? If so, what entity is in charge of this review?** | | | [ ] Yes  [ ] No |  |
| 3.3.3. | **Have adjustments been made to the formal structure of PPCs based on feedback? If so, please illustrate with one (few) example(s).** | | | [ ] Yes  [ ] No |  |
| 3.3.4. | **Are SMEs able to give formal feedback on their level of inclusion in decision-making process of PPCs?** | | | [ ] Yes  [ ] No |  |
| 3.3.5. | **Are there control mechanisms or co-ordinating institutions to ensure regular updates and consistent use of PPC government portals? If so, please specify.** | | | [ ] Yes  [ ] No |  |
| *Optional - Please provide any further information on* ***public-private consultations (PPCs)*** *in your economy that you deem relevant for the assessment* | | | |  |  |

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| --- | --- |
| **Question** | **Response** |
| Self-assessed level  (1 through 5, whole and half numbers) |  |
| Brief justification |  |
| Assessor name and institution |  |

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| --- | --- |
| **Self-assessed level (1 through 5, whole and half numbers) for the overall dimension - Institutional and regulatory framework for SME policy making:** |  |

1. EU definition: Micro < 10 employees, turnover or balance sheet total ≤ € 2 m, Small < 50 employees, turnover or balance sheet total ≤ € 10 m, Medium < 250, turnover ≤ € 50 m or balance sheet total ≤ € 43 m. [↑](#footnote-ref-2)
2. The informal sector is broadly characterised as consisting of units engaged in the production of goods or services with the primary objective of generating employment and incomes to the persons concerned. These units typically operate at a low level of organisation, with little or no division between labour and capital as factors of production and on a small scale. Labour relations - where they exist - are based on casual employment, kinship or personal and social relations rather than contractual arrangements with formal guarantees. [↑](#footnote-ref-3)
3. Regulations which must be approved by the parliament or congress. Also referred to as “principal legislation” or “primary law”. [↑](#footnote-ref-4)
4. Regulations that can be approved by the head of government, by an individual minister or by the cabinet - that is, by an authority other than the parliament/congress. Please note that many subordinate regulations are subject to disallowance by the parliament/congress. Subordinate regulations are also referred to as “secondary legislation” or “subordinate legislation” or “delegated legislation”. [↑](#footnote-ref-5)