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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**

# Introduction

The SME Policy Index is a benchmarking tool for emerging economies, including the Western Balkans and Turkey (WBT), to monitor and evaluate progress in policies that support small and medium-sized enterprises (SMEs). The tool is structured around the ten principles of the Small Business Act for Europe (SBA), translated into 12 policy dimensions, which provide a wide-range of pro-enterprise measures to guide the design and implementation of SME policies.

The sixth, 2022 edition of the SME Policy Index for Western Balkans and Turkey aims to:

* + independently and rigorously assess SME policy settings and reforms against international best practice,
	+ support governments in setting targets for SME policy developments and strategic priorities to further improve the business environment,
	+ engage governments in policy dialogue and exchange of experiences, within the region and with OECD and EU member countries,
	+ facilitate the prioritisation of government and donor activities in support of SME development,
	+ assess and show progress in implementation of recommendations provided in the previous editions.

The new cycle of the SME Policy Index for Western Balkans and Turkey 2022 will be conducted in extraordinary circumstances caused by the COVID-19 pandemic. Its impact on local economies will also be taken into account in order to better inform policy-making in the region.

# Assessment framework process and design

The SME Policy Index is based on the results of two parallel assessments **government self-assessment**, conducted by WBT economies’ governments and **independent assessment**, conducted by the OECD and its partner organisations and supported by the input collected from economy-based consultants with demonstrated expertise in relevant policy areas. The **final scores** are the result of a highly collaborative and consultative consolidation of these two assessments, enhanced by further desk research by the OECD and the partner organisations, as well as consultations with government representatives and with key stakeholders (e.g. private sector, business associations, academia & civil society) in the participating economies.

# The questionnaire is structured around 12 policy dimensions each comprising up to 5 sub-dimensions that capture the critical elements of policy development. It proposes a scoring approach to transform qualitative information into numerical information and thus facilitating cross-economy comparison and allowing for systematic monitoring of policy developments. The questionnaire is intended to be used by government authorities and statistical agencies in charge of co-ordinating the SME Policy Index assessment process.

**Guidance to fill out the qualitative assessment**

The qualitative assessment is organised around thematic blocks each structured around a certain number of questions. For each of these questions, please:

* Provide an answer, as fully as possible, citing all key sources in the foreseen grid.
* Assign a score, by using the scoring levels described in Table 1:

 Description of score levels

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Level 1** | **Level 2** | **Level 3** | **Level 4** | **Level 5** |
| No framework (e.g. law, institution) exists to address the policy topic concerned  | A draft or pilot framework exists, with some signs of government activity to address the policy area concerned | A solid framework, addressing the policy area concerned is in place and officially adopted | Level 3 plus evidence of a concrete record of effective policy implementation | Level 4 plus results of monitoring and evaluation inform policy framework design and implementation  |

* Match the highest performance score level characteristics that are fully described by your question responses and assign an according score of 1 to 5. If all requirements in one score level are met and at least half the requirements are met for the next score level, assign a half number score between the two levels.
* Provide a brief justification based on matching your question responses with the best corresponding level or half-level.

This questionnaire provides links to access the responses of the previous SME Policy Index 2019 questionnaire. If relevant for a given policy dimension, this questionnaire is complemented by a Statistic sheet. The assessment framework is accompanied by the Glossary of key terms – please refer systematically to it when answering the questionnaire.

Please **complete and return this assessment by 15 September 2021 to the OECD.**

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| Thank you for your time in completing this assessment. Your efforts are contributing towards removing barriers to SME development and unleashing their potential for driving inclusive economic growth in the Western Balkans and Turkey. Should you have any questions regarding this assessment framework, please contact jovana.pavlovicdjukic@oecd.org and marijana.petrovic@oecd.org.  |

# Assessor information

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| --- | --- | --- | --- | --- | --- | --- |
| **Mr. / Ms.** | **Name** | **Institution / Department** | **Title / Position** | **Email** | **Phone** | **Address** |
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| **Questionnaire submission date:** | 15/09/2021 |

# 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

*[To access the responses of the previous SME Policy Index 2019 questionnaire click* [*here*](https://oecd-my.sharepoint.com/personal/marijana_petrovic_oecd_org/Documents/SME%20PI%202022%20Assessment/Turkey/Dimension%203/2019%20Turkey%20-%20SBA%20Questionnaire%20filled%20out%20.xlsx) *(ctrl+left click)]]*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **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 [x] 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?**  | [x] 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). | Strategic Plan of SME Development Organization 2019 – 2023 (process of adoption)The Strategic Plan builds upon several top policy documents such as• 11th Development Plan (2019-2023)• Medium Term Program (2020-2022)• Industry and Technology Strategy (2023)• 2023 Turkey Export Strategy Action Plan• National Strategy Documents4 objectives and 19 targets were determined in the strategic plan covering the period of 2019-2023. | [https://www.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/KOSGEB\_Stratejik\_Plan%C4%B1\_(2019-2023).pdf](https://www.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/KOSGEB_Stratejik_Plan%C4%B1_%282019-2023%29.pdf) Stakeholder Analysis is on pages 16-21Objective-Target-Budget Table is on pages 63-69 |
| 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).**  | [x] Yes [ ] No | p. 106<https://www.gib.gov.tr/sites/default/files/fileadmin/faaliyetraporlari/2020/2020_faaliyet_raporu.pdf>  |
| 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.**  | [X] Yes [ ] No | Analyzes and reports are being prepared within the scope of Strategy and Action Plan for Tackling the Informal Economy (2019-2021), but they are not public available |
| 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.**  | [x] Yes [ ] NoThe 39 actions included in the Action Plan consist of 5 main components listed below.* Raising Volunteer Compliance Level
* Making Audit Capacity Stronger
* Reviewing Legislation and Making Arrangements
* Development of Inter-Institutional Data Sharing
* Raising Awareness for All Sections of the Society
 | Strategy and Action Plan for Tackling the Informal Economy (2019-2021)<https://www.gib.gov.tr/sites/default/files/fileadmin/user_upload/Kayit_Disi_Ekonomiyle_Mucadele_Stratejisi_Eylem_Plani_2019_2021.pdf>  |
| 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.**  | SME Development Organization (KOSGEB) is the main body for SME policy implementation.KOSGEB is a public institution with a legal personality and a special budget, related to the Ministry of Industry and Technology, and is subject to private law provisions in all its transactions. | Every year, KOSGEB Budget is submitted to the Parliamentary Plan and Budget Committee and approval is obtained. The presented budget and its items are prepared and determined by KOSGEB. |
|  | a) | Are other ministries represented on the governance board or equivalent of the implementation body? If so, please specify which ones.  | [x] Yes [ ] No**General Assembly*** Minister of Industry and Technology
* Council of Higher Education
* Other ministries to be determined by the Presidency, taking into account the agenda of the General Assembly

**Executive Committee*** Ministry of Industry and Technology
* Ministry of Treasury and Finance
* Presidency of the Presidential Strategy and Budget
* The Scientific and Technological Research Council of Turkey
 | <https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul>  |
|  | b) | Is the private sector represented on the governance board or equivalent of the implementation body? If so, please specify which private sector representatives. | [x] Yes [ ] No**General Assembly*** Union of Chambers and Commodity Exchanges of Turkey
* Turkish Confederation of Tradesmen and Craftsmen
* Central Union of Turkish Tradesmen and Craftsmen Bail Cooperatives Unions
* Association of Chambers of Certified Public Accountants and Certified Public Accountants of Turkey
* Banks Association of Turkey
* Association of Participation Banks of Turkey
* Halk Bank of Turkey
* Development and Investment Bank of Turkey
* Other banks deemed appropriate by the Minister
* Chamber of Industry, Chamber of Commerce and Chambers of Commerce and Industry to be elected by the General Assembly of the Union of Chambers and Commodity Exchanges of Turkey
* Organized Industrial Zones Supreme Organization
* Two Unions to be determined by the General Assembly of the Confederation of Turkish Tradesmen and Craftsmen
* Turkish Hardware Craftsmen Federation
* Federation of Turkish Electric-Electronics and Similar Technicians, Tradesmen and Craftsmen
* President of Turkish Woodworking Tradesmen and Craftsmen Federation
* Association of Turkish Travel Agencies
* Turkish Small and Medium Enterprises Self Employed and Executives Foundation

**Executive Committee*** Union of Chambers and Commodity Exchanges of Turkey
* Confederation of Turkish Tradesmen and Craftsmen
* Turkey Exporters Assembly
* Development and Investment Bank of Turkey
 | <https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul>  |
|  | c) | How long has the SME implementation agency been operational? | It was established with the Law No. 3624 on the Establishment of the Small and Medium-Sized Enterprises Development Organization (KOSGEB) published in the Official Gazette dated April 20, 1990 and numbered 20498. |  |
|  | d) | How much budget is allocated to the SME agency? Have there been any changes since the last assessment (January 2019)? Please specify.  | 2018 2.176.369.758,04 TRY2019 2.718.805.094.,53 TRY2020 2.099.806.819,46 TRY | KOSGEB Financial Tables 2018 p.11<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/2018/KOSGEB_2018_YILI_MALI%CC%87_TABLOLARI.PDF>KOSGEB Financial Tables 2019 p.12<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/2019/KOSGEB_2019_YILI_MALI%CC%87_TABLOLARI.PDF>KOSGEB Financial Tables 2020 p.15https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/2020/KOSGEB\_2020\_mali\_tablolar\_ve\_dip\_not\_ac%CC%A7%C4%B1klamalar%C4%B1.pdf |
|  | e) | How many staff is dedicated to the SME agency? Have there been any changes since the last assessment (January 2019)? Please specify. | 2018 1941 personnel2019 1912 personnel2020 1943 personnel | KOSGEB Activity Report 2018p.12<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2018_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf>KOSGEB Activity Report 2019p.11https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB\_2019\_Y%C4%B1l%C4%B1\_Faaliyet\_Raporu.pdfKOSGEB Activity Report 2020p.10https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB\_2020\_Y%C4%B1l%C4%B1\_Faaliyet\_Raporu.pdf |
| **Thematic block 2. Implementation**  |
| 1.2.1. | **Has a budget been allocated for the SME strategy action plan?** | [x] Yes [ ] No  | [https://www.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/KOSGEB\_Stratejik\_Plan%C4%B1\_(2019-2023).pdf](https://www.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/KOSGEB_Stratejik_Plan%C4%B1_%282019-2023%29.pdf) Objective-Target-Budget Table is on pages 63-69 |
| 1.2.2. | **What is the current status of the implementation of the SME strategy?**  | [x] 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. **Target (H3.1): It will be ensured that SMEs will be supported with regional, sectoral, scale and enterprise-specific support models, especially in value-added and advanced technology areas, digitalization and access to financial resources at low costs.**

<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/KOB%C4%B0GEL/2021/1_2021.01_Proje_Teklif_Cagrisi.pdf> <https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/KOB%C4%B0GEL/2021/1_2021.02_Proje_Teklif_Cagrisi.pdf>1. **Target (H3.2): SME Guidance and Technical Consultancy System will be established and the supports to be provided within this scope will primarily encourage the institutionalization and branding of SMEs.**

KOSGEB Activity Report 2020<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf> 1. **Target (H3.3): Cooperation between SMEs and large enterprises will be supported.**

KOSGEB Activity Report 2020<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf> | 1. Target (H3.1):

Call for proposals was published for the improving level of the digitalization1. Target (H3.2):

Legislation studies on the procedures and principles regarding the authorization of technical consultants and technical consultancy services were completed in 2020, but due to BAMS studies (reducing bureaucracy, simplifying legislation), a need for revision arose. In this context, the work of the software according to the new legislation was completed at the beginning of 2021.1. As of 2020, within the scope of the Cooperation Support Program; A total of 164 project applications, 113 in the operating organization model and 51 in the project partnership model, were evaluated by the "Evaluation and Decision Board" and it was decided to support 47 of these projects. In 2021, it is envisaged that support payments will be made to the projects in question and that the planned targets of the performance indicators will be achieved in this way.
 |
| 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 [x] No |  |
| 1.2.4. | **Is the SME implementation body operational, i.e. are activities and measures taking place, and are they receiving funding?** | [x] Yes [ ] No  | Since all application and request processes at KOSGEB can be done online, there were no delays or disruptions in the application and support phase. |
|  | a)  | Is the SME implementation body able to mobilise funds?  | [x] 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.** |  Yes, Activities are carried out by **the Revenue Administration** within the scope of the Strategy Action Plan to Against the Informal Economy (2019-2021) | **Activity Report of the Revenue Administration for 2020** Tackling the informal economy p.100-102<https://www.gib.gov.tr/sites/default/files/fileadmin/faaliyetraporlari/2020/2020_faaliyet_raporu.pdf>  |
| 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?**  |  YesRatio of the budget allocated to tackle the informal economy to the total budget of the Revenue Administration2020 8,69%2021 8,75%2022 8,76% | **Performance Programme of the Revenue Administration for 2020** Tackling the informal economy p.79-80p.100-102(Kayıt Dışı Ekonomiyle Mücadele)<https://www.gib.gov.tr/sites/default/files/fileadmin/yayinlar/Gib_2020_Performans_Programi.pdf>  |
| 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.**  |  In KOSGEB, Information Management and Decision Support Department has been built for to carry out cooperation studies with relevant institutions and organizations in order to provide the data needed in the studies of the system, and to carry out joint studies with national and international institutions and organizations. | **Regulation on Working Procedures and Principles of Kosgeb Bodies**Article 36[https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/Te%C5%9Fkilat\_Y%C3%B6netmeli%C4%9Fi\_(G%C3%BCncel).pdf](https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/Te%C5%9Fkilat_Y%C3%B6netmeli%C4%9Fi_%28G%C3%BCncel%29.pdf)  |
| **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.** | [x] Yes [ ] No  | **KOSGEB’s annual report** p. 54-91<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf>  |
| 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.** | [x] Yes [ ] No  | Because SME strategy and implementation is conducted by the same organization, KOSGEB, it is monitored by the same organization. **KOSGEB’s annual report** p. 54-91<https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/Faaliyet%20Raporlar%C4%B1/KOSGEB_2020_Y%C4%B1l%C4%B1_Faaliyet_Raporu.pdf> |
| 1.3.3. | **Are there any monitoring mechanisms in place for the programmes for transition from informal to formal sector? If so, please specify.**  |  Strategy and Action Plan for Tackling the Informal Economy is monitored by the Revenue Administration in **the annual report** at end of each year. | **Activity Report of the Revenue Administration for 2020** Performance Indicator Results Formp.54 <https://www.gib.gov.tr/sites/default/files/fileadmin/faaliyetraporlari/2020/2020_faaliyet_raporu.pdf>  |
| 1.3.4. | **Does the implementation body regularly produce a publicly available report?** | [x] Yes [ ] No  | <https://www.kosgeb.gov.tr/site/tr/genel/detay/349/rapor-ve-istatistikler>  |
| 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.**  | [x] Yes [ ] No | **Activity Report of the Revenue Administration for 2020** Target Risks and Control Activitiesp.93- 102 <https://www.gib.gov.tr/sites/default/files/fileadmin/faaliyetraporlari/2020/2020_faaliyet_raporu.pdf> |
| 1.3.6. | **Is there an SME strategy indicators’ database that is publically available online?** | [x] Yes [ ] No | <https://www.kosgeb.gov.tr/site/tr/genel/detay/349/rapor-ve-istatistikler>  |
| 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.**  | Yes, with the transformation of the SME Strategy into the KOSGEB Strategy, there has been a change in the indicators. | **SME Strategy Plan**p.105-133[https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/KSEP/Kobi\_Stratejisi\_ve\_Eylem\_Plani\_(2015-2018).pdf](https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mali%20Tablolar/KSEP/Kobi_Stratejisi_ve_Eylem_Plani_%282015-2018%29.pdf) **KOSGEB Strategy Plan**p.13[https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/KOSGEB\_Stratejik\_Plan%C4%B1\_(2019-2023).pdf](https://webdosya.kosgeb.gov.tr/Content/Upload/Dosya/Mevzuat/2020/KOSGEB_Stratejik_Plan%C4%B1_%282019-2023%29.pdf)  |
|  | a) | Are key SME-specific data on innovation, access to finance, public procurement or SME greening collected? Please specify.  | [x] Yes [ ] No | In two ways data collected for the topics on access to finance, innovation and SME greening.1. SMEs are classified by the NACE codes in the database
2. With the call based supports such as Greening and innovation or digitalisation, SMEs datas are collected to KOSGEB system.
 |
| **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 [x] No |  |
| 1.4.2. | **To what extent were the services offered by the SME implementation body available during the COVID-19 pandemic?** | [x] 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?** | Since all application processes are transferred to the online environment before the pandemic, there is no deterioration in KOSGEB's work. It was completed in the first quarter of 2018. |  |
| 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.**  | It has been observed that transferring the application and implementation processes to the online environment provides great success in order not to disrupt the process. |  |
| *Optional - Please provide any further information on* ***institutional framework*** *in your economy that you deem relevant for the assessment* |  |  |

|  |  |
| --- | --- |
| **Question** | **Response** |
| Self-assessed level (1 through 5, whole and half numbers) | 5 |
| Brief justification | With the broad participation of the public and private sectors in order to increase the competitiveness and efficiency of SMEs, to organize training and consultancy services for SMEs, to brand, institutionalize, increase efficiency and provide access to international markets, to develop innovative business models for completing their digital transformation and to strengthen the industry's access to finance. SME policies are established and monitored. |
| Assessor name and institution | N. Pınar IşınDirector of EU Coordination UnitKOSGEBBeyza KurişSME ExpertEU Corodination Directorate KOSGEBAbdullah AktepeSME ExpertEU Corodination Directorate KOSGEB |

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

*[To access the responses of the previous SME Policy Index 2019 questionnaire click* [*here*](https://oecd-my.sharepoint.com/personal/marijana_petrovic_oecd_org/Documents/SME%20PI%202022%20Assessment/Turkey/Dimension%203/2019%20Turkey%20-%20SBA%20Questionnaire%20filled%20out%20.xlsx) *(ctrl+left click)]]*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **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.**  | [x] Yes [ ] NoWithin the scope of the Presidential Decree No. 48, published in the Official Gazette dated October 24, 2019 and numbered 30928, the duties and organizational structure of the Digital Transformation Office were detailed and the Head of the Digital Transformation Office was defined as the Public Digital Transformation Leader.The Public Digital Transformation Leader is responsible for the preparation of digital transformation roadmaps, especially the creation of digital transformation strategies and implementation processes in the public, in order to increase the efficiency of the performance and services of public institutions and to lead the digital transformation of the public.<https://cbddo.gov.tr/kamu-dijital-donusum-lider/>  | Since then, the conducting body of BAMS (Reducing Bureaucracy and Simplifying Legislation) works which was conducted by Prime Ministry is changed, therefore it is carried out as digital transformation works under the digital transformation office of the presidency of the republic. <https://cbddo.gov.tr/dijital-tr/>  |
| 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 [x] No | <https://www.resmigazete.gov.tr/eskiler/2007/04/20070403-13.htm>  |
| 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 [x] 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 [x]No  |  |
| 2.1.5. | **Is there a formal requirement to examine SME aspects in RIA?** | [ ] Yes [x] 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)?** | [x] 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)? | - | Business Development Support Program was put into effect on 24.09.2018. With the demands from the target audience and stakeholders, 5 revisions were made in September 2019, in January-April-September 2020 and in January 2021 within the scope of Reducing Bureaucracy and Simplifying Legislation. |
|  |  | 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)? | - | Business Development Support Program Implementation Principles were put into effect on 24.09.2018. Within the framework of the demands from the target audience and stakeholders and the work on Reducing Bureaucracy and Simplifying the Legislation, the revisions made in the Business Development Support Program and the Implementation Principles were also arranged. It has been revised 5 times, in September 2019, January-April-September 2020 and January 2021.. |
|  |  | 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 [x] No  |  |
| 2.2.3. | In practice, is RIA conducted to inform the development of regulations? | [x] Yes[ ] No  |  |
|  | If yes  | Is written guidance on the preparation of RIA provided? | [x] Yes[ ] No | <https://www.resmigazete.gov.tr/eskiler/2007/04/20070403-13.htm> |
| Are regulators required to identify the costs of a new regulation? | [X] Yes[] No  | Article 4.2<https://www.resmigazete.gov.tr/eskiler/2007/04/20070403-13.htm> |
| Are regulators required to identify the benefits of a new regulation? | [x] Yes[ ] No | Article 4.2<https://www.resmigazete.gov.tr/eskiler/2007/04/20070403-13.htm> |
| 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. [X] 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[X] 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?**  | [X Yes [ ] No  | Not public available |
| 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.**  | [X] Yes [ ] No  | Not public available |
| 2.3.3. | **Are RIAs made publicly available online?** | [ ] Yes, all RIAs.[ ] Yes, but only RIAs regarding major regulations.[ ] Only some RIAs. [X] 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 [X] 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 [X] 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. [X] 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) | 4,5 |
| Brief justification | Within the scope of BAMS (reducing bureaucracy and simplification of legislation), simplification and online transaction mechanisms have been created and implemented by all government institutions in order to enable businesses and entrepreneurs to perform their transactions quickly and easily.For this reason, Turkey's work in the relevant field is quite advanced for SMEs and entrepreneurs. |
| Assessor name and institution | N. Pınar IşınDirector of EU Coordination UnitKOSGEBBeyza KurişSME ExpertEU Corodination Directorate KOSGEBAbdullah AktepeSME ExpertEU Corodination Directorate KOSGEB |

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

*[To access the responses of the previous SME Policy Index 2019 questionnaire click* [*here*](https://oecd-my.sharepoint.com/personal/marijana_petrovic_oecd_org/Documents/SME%20PI%202022%20Assessment/Turkey/Dimension%203/2019%20Turkey%20-%20SBA%20Questionnaire%20filled%20out%20.xlsx) *(ctrl+left click)]]*

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|  | **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. [x] Yes, for major regulations. [ ] Only for some regulations. Please specify: [ ] No.  | Within the scope of the General Assembly agenda, all private sector representatives and public authorities are informed about the developments.<https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul> |
| 3.1.2. | If yes, | Is written guidance available on how to conduct public-private consultations? | [ ] Yes [x] 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?**  | [x] Yes [ ] No | All decisions in the context of SMEs are taken with public and private sector representatives in KOSGEB General Assembly and Executive Committee. The General Assembly convenes at least once a year upon the invitation of the President or the Minister.The Executive Committee convenes at the latest every two months with one more than half of the total number of members upon the invitation of the Chairman of the Executive Committee.<https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul>  |
| 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: [x] 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. [x] Formal consultations. [ ] Advisory group or preparatory committee. [ ] Broad circulation for comment.[ ] Public consultation over the Internet with invitation to comment.  | All decisions in the context of SMEs are taken with public and private sector representatives in KOSGEB General Assembly and Executive Committee. <https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul> |
| 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.[x] No documents on business-related legislative proposals are shared.  |  |
| 3.1.7. | **Are the views of participants in the consultation process made public?** | [ ] Yes [x] No  |  |
| 3.1.8. | **What share of all draft primary laws have been opened to PPCs in 2020 or the latest available calendar year?**  | Within the framework of KOSGEB, all decisions were taken with PPCs. |  |
| 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?** | [x] Yes [ ] No | They involved the consultation processes with their chambers, unions and federations in KOSGEB’s General Assembly and Executive Committee |
| 3.2.2. | **Are invitations for PPCs sent to companies/organisations covering a wide range of business sectors?** | [x] Yes[ ] No | **General Assembly*** Union of Chambers and Commodity Exchanges of Turkey
* Turkish Confederation of Tradesmen and Craftsmen
* Central Union of Turkish Tradesmen and Craftsmen Bail Cooperatives Unions
* Association of Chambers of Certified Public Accountants and Certified Public Accountants of Turkey
* Banks Association of Turkey
* Association of Participation Banks of Turkey
* Halk Bank of Turkey
* Development and Investment Bank of Turkey
* Other banks deemed appropriate by the Minister
* Chamber of Industry, Chamber of Commerce and Chambers of Commerce and Industry to be elected by the General Assembly of the Union of Chambers and Commodity Exchanges of Turkey
* Organized Industrial Zones Supreme Organization
* Two Unions to be determined by the General Assembly of the Confederation of Turkish Tradesmen and Craftsmen
* Turkish Hardware Craftsmen Federation
* Federation of Turkish Electric-Electronics and Similar Technicians, Tradesmen and Craftsmen
* President of Turkish Woodworking Tradesmen and Craftsmen Federation
* Association of Turkish Travel Agencies
* Turkish Small and Medium Enterprises Self Employed and Executives Foundation

**Executive Committee*** Union of Chambers and Commodity Exchanges of Turkey
* Confederation of Turkish Tradesmen and Craftsmen
* Turkey Exporters Assembly

Development and Investment Bank of Turkey |
| 3.2.3. | **Is the public systematically informed in advance that a PPC is planned to take place?** | [x] For all consultations. [ ] For consultations regarding major regulations. [ ] For some consultations. Please specify.[ ] Never.  | General Assembly: at least one in a yearExecutive Committee: at least bimonthly<https://www.kosgeb.gov.tr/site/tr/genel/detay/335/genel-kurul>  |
|  | If yes | How is the public informed? | [ ] Through an announcement on a website. [x] Before the consultation is started through a road map or similar type of early warning document. [ ] Other. Please specify: | With Formal Letters |
| 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.**  | [x] Yes [ ] No | Not for General Assembly and Executive Committee but private sector can hold meetings <http://www.tekirdag.gov.tr/tekirdag-kamu-universite-sanayi-isbirlig-i-kusi-il-planlama-ve-gelistirme-toplantisi-yapildi> <http://www.konya.gov.tr/konya-kamu-universite-ve-sanayi-isbirligi-kusi-il-planlama-ve-gelistirme-kurulu-toplantisi-yapildi>  |
| 3.2.5. | **Is the private sector able to formally comment on draft SME-related legislation?** | [x] Yes [ ] No  | Before KOSGEB General Assembly and Executive Committee meetings, they can comment on draft legislation |
| 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.**  | [x] Yes [ ] No | For KOSGEB General Assembly and Executive Committee, there is more than one body for recommendations |
| **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 [x] No |  |
| 3.3.2. | **Is there an independent review of PPCs? If so, what entity is in charge of this review?**  | [ ] Yes [x] 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 [x] No |  |
| 3.3.4. | **Are SMEs able to give formal feedback on their level of inclusion in decision-making process of PPCs?** | [x] Yes [ ] No  | With their unions, chambers and federations, SMEs can officially give feedback. |
| 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 [x] 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) | 4,5 |
| Brief justification | Meetings of development agencies with the private sector, KOSGEB executive committees and general assemblies ensure that the public and private sectors come together without interruption and that the channels of consultation are always open.In this way, the strategic and operational studies created can be carried out with a common mind. |
| Assessor name and institution | N. Pınar IşınDirector of EU Coordination UnitKOSGEBBeyza KurişSME ExpertEU Corodination Directorate KOSGEBAbdullah AktepeSME ExpertEU Corodination Directorate KOSGEB |

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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:**  | **5** |

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)