

# List of abbreviations

AAEF	Albanian American Enterprise Fund
ACE	Action for Co-operation in Economics (EU Phare Programme)
APIU	Croatian export and investment promotion agency
APPRM	Agency for Promotion of Entrepreneurship (FYR Macedonia)
BAS	Business Advisory Service
BHEPA	Export Council and Export Promotion Agency
BIC	Business Information Centre
BICRO	Business Innovation Centre of Croatia
BRA	Business Registration Agency (Serbia)
CAR	capital adequacy ratio
CIT	corporate income tax
CIP	Competitiveness and Innovation Programme
EAR	European Agency for Reconstruction
EBRD	European Bank for Reconstruction and Development
EC DG ENTR	European Commission's Directorate-General for Enterprise and Industry
EEN	Enterprise Europe Network
EFSE	European Fund for South-Eastern Europe
EICC	European Information and Communication Centre
EIICM	European Information and Innovation Centre in Macedonia
EPPA	Enterprise Policy Performance Assessments
ETF	European Training Foundation
EU	European Union
FDI	foreign direct investment
FINA	Croatian National Financial Agency
FYR Macedonia	the Former Yugoslav Republic of Macedonia
GDP	gross domestic product
GEM	Global Entrepreneurship Monitor
GNI	gross national income
HAMAG	Croatian SME agency
HGSME	high-growth small and medium-sized enterprise
HITPOP	Croatian enterprise training website
HRD	human resource development
ISCED	International Standard Classification of Education
ICT	information and communications technology
IFC	International Finance Corporation
INSTAT	Albanian Institute of Statistics
IPA	Instrument for Pre-Accession Assistance
IPPC	Integrated Pollution Prevention and Control
IPR	intellectual property rights
ISEF	Information System for Electronic Filing
IT	information technology
I&T	innovation and technology
KBRA	Kosovo Business Registration Agency
KCB	Kosovo Central Bank
KPI	key public infrastructure
KTP	Knowledge Transfer Partnership

MEF	Montenegrin Employers' Federation
MELE	Ministry of Economy, Labour and Entrepreneurship
METE	Ministry of Economy, Trade and Energy (Albania)
METR	marginal effective tax rate
MoE	Ministry of Economy (FYR Macedonia)
MoERD	Ministry of Economy and Regional Development (Serbia)
NBMFI	non-bank microfinance institution
NCC	National Competitiveness Council
NRC	National Registration Centre (Albania)
NECC	National Entrepreneurship and Competitiveness Council
OECD	Organisation of Economic Co-operation and Development
OECD PSD	Organisation for Economic Co-operation and Development Private Sector Development Division
PIT	personal income tax
PPC	public/private consultation
PPD	public-private dialogue
R&D	research and development
RDA	regional development agency
RIA	regulatory impact analysis
SAA	Stability and Association Agreements
SBA	European Small Business Act
SEE	South East Europe
SME	small and medium-sized enterprise
SIEPA	Serbia Investment and Export Promotion Agency
SMEDA	Directorate for Development of Small and Medium Sized Enterprise (Montenegro)
SMEPED	SME Policy Enhancement and Delivery
TAC	Training and Consultancy
TAM	TurnAround Management
TNA	Training Needs Analysis
UNDP	United Nations Development Programme
VAT	value added tax
WBC	Western Balkan countries (including Kosovo under UNSCR 1244/99)
YES	Youth Entrepreneurial Service

# The SME Policy Index Tool

## 1. ENTREPRENEURSHIP EDUCATION AND TRAINING

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>Policy framework for entrepreneurial learning (EL)</b>						
		An ongoing national dialogue with view to structure co-operation between public, private and non-governmental sectors on EL.	A national EL partnership has been established between public, private and non-governmental sectors to promote entrepreneurial learning.	State funds ensure sustainable contribution of EL partnership to national developments (e.g. administrative support, work plan, capacity development).	An EL national partnership advises on a range of national strategies (education, employment, SME, R&D) and action plans.	3
<b>1.1</b>	No structured co-operation between public, private and non-governmental sectors on EL.					1
		Pilot projects funds available (public and/or private) for EL developments (e.g. teacher training, teaching materials).	Dialogue ongoing between state authorities, private sector and philanthropic societies for coordinated financial support for systemic life-long EL.	National funds allocated for systemic EL development and detailed in annual education budgetary commitments.	Financial allocation for EL clearly identifiable within national education budget.  National EL developments include financial commitment from public-private partnership.	1
<b>1.2</b>	No systematic allocation of financial resources to support EL policy implementation.					
		EL recognised as developing feature within education policy instruments.	Policy instruments specific to each level of the education system clearly identify EL as a priority development area with due reference to curriculum, teacher training and school governance.	EL policy linkages are clearly articulated with SME, employment and R&D policy documents.	National economic development plan includes a specific chapter on life-long EL detailing specific and complimentary objectives for the various parts of the EL framework.	1
<b>1.3</b>	No evidence of clearly identifiable or articulated policy guidance available for the education sector.					
		Baseline data is being collected on EL projects and is registered within a national database.	Documented evidence of evaluation of EL activity at each level of the education system	An annual report is published and made available on-line detailing key developments in EL in the country, including lessons learnt and identification of good practice.	Recommendations from monitoring and evaluation of EL are integrated into further policy reforms and action plans.	1
<b>1.4</b>	No system in place to monitor and evaluate EL activities.					

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>Lower secondary education (ISCED 2)</b>						
<b>1.5</b>	Traditional teaching and learning environment prevails with little or no option for flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation and risk taking by pupils) within lower secondary schools. Evidence in some lower secondary schools of school co-operation with local communities and enterprises reported in baseline data (Monitoring and evaluation sub-indicator)	Some evidence of more flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation and risk taking by pupils) within lower secondary schools. Evidence in some lower secondary schools of school co-operation with local communities and enterprises reported in baseline data (Monitoring and evaluation sub-indicator)	At least 5% of lower secondary schools engaged in flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation and risk taking by pupils) within lower secondary schools. This includes direct co-operation between the schools, local communities and local enterprises. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator)	Regulatory framework in place which provides for flexible teaching and learning arrangements which promote entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, and risk taking by pupils) within lower secondary schools. This includes direct co-operation between the schools, local communities and local enterprises. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator)	At least 50% of lower secondary schools meet the regulatory framework for flexible teaching and learning arrangements which promote entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, and risk taking by pupils) within lower secondary schools. This includes direct co-operation between the schools, local communities and local enterprises. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator)	2
<b>*ISCED 2 Key competence</b>						
<b>1.6</b>	EL in lower secondary education is confined to ad-hoc projects which are not part of mainstream education curricula.	EL in lower secondary education is confined to school-based individual initiatives which are known to the education authorities.	EL in lower secondary education comprises entrepreneurship key competence provisions as an integral feature of the national curriculum.	EL in lower secondary education comprises entrepreneurship key competence provisions of the national curriculum and is included in teaching plans of at least 25% of lower secondary schools. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator).	EL in lower secondary education comprises entrepreneurship key competence provisions of the national curriculum and is included in teaching plans of at least 50% of lower secondary schools. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator)	1
<b>*ISCED 2 Key competence</b>						
<b>1.7</b>	No EL materials, staff expertise nor partnerships with local civic/enterprise communities.	Evidence of development of EL: a) teaching materials and b) teacher training which includes entrepreneurship as a key competence.	At least 5% of lower secondary schools have EL material and staff knowledge and skills for teaching entrepreneurship as a key competence.	At least 25% of lower secondary schools have EL material and staff knowledge and skills for teaching entrepreneurship as a key competence.	At least 50% of lower secondary schools have EL material and staff knowledge and skills for teaching entrepreneurship as a key competence.	1
<b>*ISCED 2 Key competence</b>						

## Upper secondary education (ISCED 3)

2

Traditional teaching and learning environment prevails with little or no option for flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, risk taking by pupils) and more specific business skills\*\* within upper secondary schools.

Some evidence of more flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, risk taking by pupils) and more specific business skills\*\* within upper secondary schools. Evidence in some upper secondary schools of school co-operation with local communities and enterprises reported in baseline data (Monitoring and evaluation sub-indicator)

At least 25% of upper secondary schools engaged in flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, risk taking by pupils) and more specific business skills\*\*. This includes direct co-operation between the schools, local communities and local enterprises. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator).

Regulatory framework in place which provides for flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, risk taking by pupils) and more specific business skills\*\*. This includes direct co-operation between the schools, local communities and local enterprises.

At least 70% of upper secondary schools meet the regulatory framework for flexible teaching and learning arrangements conducive to promoting entrepreneurship as a key competence (e.g. opportunity identification, initiative, creativity, innovation, risk taking by pupils) and more specific business skills\*\*. This includes direct co-operation between the schools, local communities and local enterprises. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator).

### 1.8 \*ISCED 3 Organisation

1

EL in upper secondary education (entrepreneurship key competence and business skills\*\*) is confined to ad-hoc projects which are not part of mainstream education curricula.

EL in upper secondary education (entrepreneurship key competence and business skills\*\*) is confined to school-based individual initiatives which are known to the education authorities.

EL (entrepreneurship key competence and business skills\*\*) is an integral feature of the national curriculum which specifies entrepreneurship key competence and elective EL subjects.

EL (as a key competence and business skills\*\*) is included in teaching plans of at least 50% of upper secondary schools. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator).

EL (as a key competence and business skills\*\*) is included in teaching plans in at least 70% of upper secondary schools. Evidence for this level will be drawn from schools' Annual Reports (Monitoring and evaluation sub-indicator).

### 1.9 \*ISCED 3 Entrepreneurial learning

1

No EL materials, staff expertise nor partnerships with local civic/enterprise communities.

EL materials and teacher training under development by way of strategic pilots and which include structured co-operation between upper secondary schools, local communities and enterprise.

At least 25% of upper secondary schools are employing EL material, with staff trained for entrepreneurship key competence and business skills\*\*. The schools have structured partnerships with local communities and enterprise.

At least 50% of upper secondary schools are employed EL material, with staff trained for entrepreneurship key competence and business skills development\*\*. The schools have structured partnerships with local communities and enterprise.

At least 70% of upper secondary schools are employing EL material, with staff trained for entrepreneurship key competence and business skills development\*\*. The schools have structured partnerships with local communities and enterprise.

### 1.10 \*ISCED 3 Learning environment

1

\* This indicator is particularly concerned with promoting teaching and learning arrangements which will contribute to entrepreneurial mindsets and behaviour (curiosity, creativity, autonomy, initiative, team spirit) in keeping with the recommendations of the EU's Oslo Agenda.

\*\* At ISCED Level 3 education, entrepreneurship as a key competence should continue to be an integral part of the national curriculum reinforcing the contribution made at ISCED level 2. At ISCED 3 level, the entrepreneurship key competence could be supplemented with harder business skills (e.g. business planning, start-up training, marketing, book-keeping) developed through business related studies as a compulsory or as an elective subject within the curriculum.

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>Good practice</b>						
	There is no systematic exchange of good practice between lifelong EL providers.	A national network of life-long EL providers meets on a regular basis to exchange good practice.	Examples of adapted EL good practice (domestic and/or international) are being piloted in the country.	Results of domestic good practice are being disseminated nationally (at least one annual event).	Within the reporting period, at least one domestic good practice has been transferred to another education and training environment in a neighbouring country, European Union or beyond.	1
<b>1.11</b>	<b>* Good practice</b>					1
* Note that this indicator is cumulative i.e. each ranking requires fulfilment of the earlier levels of the indicator.						
<b>Non-formal entrepreneurial learning</b>						
	Examples of actions to promote non-formal EL (privately and/or publicly supported).	A working group monitors non-formal EL as part of national EL strategy and advises on improvements. Evidence of at least one quarterly, high-level press coverage (national newspaper or TV) of EL policy or delivery.	Examples of agreements established between public authorities, enterprise, community groups or philanthropic organisations to develop entrepreneurial spirit and skills across society with particular reference to children and young people.	At least one annual, high-profile event at national level to promote awareness and information on broader EL (formal and non-formal) to show-case successful projects. High-profile event includes national recognition or awards for EL practice.	Transfer of know-how: principles or practice from at least 2 of the non-formal show-case projects from the previous year's high profile event are integrated into other EL environments national or internationally.	1
<b>1.12</b>	<b>Non formal learning</b>					1

## 2 CHEAPER AND FASTER START-UP

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>2.1 Issuing of company registration certificate</b>						2
<b>Number of days for obtaining company registration certificate</b>	Registration in more than 30 days.	Registration takes more than 15 days, but less than 30 days.	Registration takes more than 5 days, less than 15 days.	Registration takes less than 5 days, but more than 1 day	Registration in 1 day.	1
<b>2.1.1</b>						
<b>Number of administrative steps for obtaining the company registration certificate</b>	Registration requires more than 10 administrative steps.	Registration requires 8-9 administrative steps.	Registration requires 5-7 administrative steps.	Registration requires 2-4 administrative steps.	Registration requires 1 administrative step.	1
<b>2.1.2</b>						
<b>Official cost of obtaining the company registration certificate</b>	More than Euro 250	Less than Euro 250, more than Euro 150	Less than Euro 150, more than Euro 50	Less than Euro 50, more than Euro 10	Less than Euro 10	2
<b>2.1.3</b>						
<b>Company Identification Numbers</b>						1
<b>Administrative identification numbers in dealing with the public administration</b>	5 registrations and identification numbers in dealing with different administrative authorities (statistical office, customs, labour office, tax office etc.).	4 identification numbers in dealing with different administrative authorities. Some registrations merged	3 identification numbers in dealing with different administrative authorities. Half of registrations merged.	2 identification numbers in dealing with different administrative authorities. Most of registrations merged.	Single identification number in dealing with all standard functions of public administration - single registration process.	1
<b>2.1.4</b>						
<b>Number of days for compulsory company identification number(s)</b>	All numbers in more than 30 days.	All numbers in more than 15 days, but less than 30 days.	All number in more than 5 days, less than 15 days.	All numbers in less than 5 days, but more than 1 day	All numbers in the same day.	1
<b>2.1.5</b>						

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>Completion of the overall registration process and entry in operations</b>						
<b>2.1.6</b>	Registration takes more than 30 days.	Registration takes more than 15 days, but less than 30 days.	Registration takes more than 5 days, less than 15 days.	Registration takes less than 5 days, but more than 1 day.	Registration takes 1 day.	1
<b>Number of days for completing the overall registration process, including compulsory licences for standard business activities (WB Cost of Doing Business Index)</b>						
<b>2.1.7</b>	Registration requires more than 10 administrative steps.	Registration requires 8-9 administrative steps.	Registration requires 5-7 administrative steps.	Registration requires 2-4 administrative steps.	One-stop-shop.	1
<b>Number of steps for completing the overall registration process, including compulsory licences for standard business activities (WB Cost of Doing Business Index)</b>						
<b>2.1.8</b>	Silence is consent is not applied				Silence is consent is systematically applied	2
<b>Silence is consent applied to company registration procedures</b>						
<b>2.1.9</b>	Costs are more than 10% of GNI per capita.	Costs are between 5% and 10% of GNI per capita.	Costs are between 2.5% and 5% of GNI per capita.	Costs are below 2.5% of GNI per capita.	Costs are minimal (close to 0 of GNI per capita).	2
<b>Costs connected with registration (% of GNI per capita) - (WB Cost of Doing Business Index)</b>						
<b>2.1.10</b>	More than 40% of GNI per capita.	Between 20% and 40% of GNI per capita.	Between 10% and 20% of GNI per capita.	Less than 10% of GNI per capita.	No minimum capital requirements for general partnerships with personal liability.	2
<b>Minimum capital requirements (% of GNI per capita) - (WB Cost of Doing Business Index)</b>						
<b>2.2</b>	<b>Increase on-line access for registration</b>					<b>1</b>
<b>2.2.1</b>	The government has not taken any steps towards the introduction of on-line registration.	Evaluation of existing administrative procedures and detailed proposals for the introduction of on-line registration. Budget provisions and pilot project.	Law on online registration, action plan and budget provisions approved. Designation of competent authority.	Level 3 + solid evidence of implementation of on-line registration system available only in some regions.	Level 4 + complete implementation of on-line registration system fully integrated with other services of e-government and available throughout the country. On line registration applies to all phases of the company registration process	1
<b>On-line registration</b>						

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>2.3</b>	<b>Craft registration</b>					<b>2</b>
	<b>Craft registration certificate</b>					
<b>2.3.1</b>	Registration in more than 30 days.	Registration takes more than 15 days, but less than 30 days.	Registration takes more than 5 days, less than 15 days.	Registration takes less than 5 days, but more than 1 day.	Registration in 1 day.	1
<b>2.3.2</b>	Registration requires more than 10 administrative steps.	Registration requires 8-9 administrative steps.	Registration requires 5-7 administrative steps.	Registration requires 2-4 administrative steps.	Registration requires 1 administrative step.	1
<b>2.3.3</b>	More than Euro 250	Less than Euro 250, more than Euro 150	Less than Euro 150, more than Euro 50	Less than Euro 50, more than Euro 10	Less than Euro 10	2
	<b>Craft identification numbers</b>					<b>1</b>
<b>2.3.4</b>	5 registrations and identification numbers in dealing with different administrative authorities (statistical office, customs, labour office, tax office etc.).	4 identification numbers in dealing with different administrative authorities. Some registrations merged.	3 identification numbers in dealing with different administrative authorities. Half of registrations merged.	2 identification numbers in dealing with different administrative authorities. Most of registrations merged.	Single identification number in dealing with all standard functions of public administration - single registration process.	1
<b>2.3.5</b>	All numbers in more than 30 days.	All numbers in more than 15 days, but less than 30 days.	All number in more than 5 days, less than 15 days.	All numbers in less than 5 days, but more than 1 day	All numbers in the same day.	1
	<b>Number of days for compulsory craft identification number(s)</b>					

### 3 BETTER LEGISLATION AND REGULATION

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>3.1</b>	<b>Simplification of SME legislation of SME related legislation and regulation</b>					<b>3</b>
	<b>Review of the current legislation</b>					
<b>3.1.1</b>	No formalised strategy for legislative and administrative simplification, including sector strategies, exists.	Legislative and administrative simplification strategy is under elaboration.	Multi-year legislative and administrative simplification strategy for current period is approved by the government, following a process of consultation with stakeholders, and in particular with the private sector and civil society. The strategy is at an initial stage of implementation.	Solid evidence of implementation of the legislative and administrative simplification strategy with indication of key targets achieved and assignments completed.	A pro-active, comprehensive legislative and administrative simplification strategy is put in place after a wide-consultation process. The strategy incorporates action plans covering key areas of the regulatory reform agenda. There is significant evidence that all components of the strategy have been implemented, as demonstrated by time-bound targets achieved and number of assignments completed.	<b>3</b>
<b>3.1.2</b>	There are no plans to review and simplify current primary or secondary legislation related to enterprise policy.	There has been ad-hoc activity to simplify current enterprise legislation and the government has plans for a systematic review of current legislation related to enterprise policy.	A concrete plan to review and simplify legislation related to enterprise policy has been approved and institutions in charge have been identified.	Implementation of the plan to review and simplify legislation related to enterprise policy beginning with the review of mainly primary legislation related to enterprise policy.	Legislative review well-advanced and extended to secondary legislation.	<b>2</b>
<b>3.1.3</b>	There are no plans to carry out systematic elimination of redundant legislation and regulations.	There has been ad-hoc activity to carry out elimination of redundant legislation and regulations. The government is planning to carry out this exercise.	A concrete plan to carry out systematic elimination of redundant legislation and regulations has been approved and institutions in charge have been identified.	Implementation of the plan underway, covering key areas of mainly primary legislation related to enterprise policy.	Regulatory guillotine process well advanced and extended to secondary legislation.	<b>2</b>

		Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>Regulatory Impact Analysis</b>							
<b>3.1.4</b>	<b>Use of Regulatory Impact Analysis (RIA)</b>	No systematic regulatory impact analysis targeted at SMEs exists.	Proposal for a law on RIA for legislation with impact on SMEs. A simplified, pilot RIA programme is being used in certain areas of regulation.	Approval of law on RIA.	Implementation of RIA in some SME-related policy areas.	RIA on SMEs is systematically implemented.	1
<b>3.1.5</b>	<b>Type of Regulatory Impact Analysis</b>	The RIA applied is limited in scope and is restricted to simplistic techniques (e.g. inter-ministerial meetings, consultation with interested parties). There is no preceding analysis on what technique is most applicable and the RIA process is poorly structured.	RIA is based on both unsophisticated and sophisticated (e.g. cost-benefit analysis, cost-efficiency analysis, real case pilots) techniques. However, there is no structured preceding analysis on what type of technique is most applicable and the RIA process is poorly structured.	The type of RIA applied is targeted to the type of legislation examined based on pre-defined criteria. Accordingly, sophisticated techniques are applied.	Level 3 + There is some evidence that the outcomes of the RIA have been used to change or cancel legislation.	Level 4 + There is ample evidence that the outcomes of RIA have been used to change or cancel legislation. RIA is also applied ex-post to measure the impact of legislation during the implementation stage.	1
<b>3.2</b>	<b>Simplify rules</b>						1
<b>3.2.1</b>	<b>Silence-is-consent principle</b>	The principle is not used in standard administrative practice.	Evaluation of current procedures and detailed proposals on the introduction of the silence-is-consent principle.	Approval of law on silence-is-consent.	Solid evidence of implementation of the silence-is-consent principle in key areas/sectors of the administration.	Full implementation and widespread use of the principle in many areas/sectors of the administration. Regular reviews (involving business sector) to identify new areas where the principle could be adopted.	1

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>3.3</b>	<b>Institutional framework</b>					<b>3</b>
<b>3.3.1</b>	No institution is responsible for SME policy elaboration.	Several institutions are responsible for SME policy elaboration and they have overlapping portfolios and limited co-ordination.	Approval for establishment of a single institution in charge of leading and co-ordinating SME policy elaboration.	Single institution in charge of SME policy elaboration in place and fully operational. System of consultation with the implementing agency (ies) in place	Level 4 + effective mechanism of policy co-ordination involving key ministries, agencies and local administrations when relevant.	1
<b>3.3.2</b>	No SME development strategy exists.	SME development strategy is under elaboration. Review of expired SME strategy under way.	Multi-year SME development strategy for current period is approved by the government and at initial stage of implementation. Budget established but entirety of funds not yet received.	Solid evidence of implementation of the SME development strategy with indication of key targets achieved and assignments completed. Entirety of funds received and in process of being disbursed.	A pro-active SME development strategy accompanied by significant evidence that all components of the strategy have been implemented, as demonstrated by time-bound targets achieved and number of assignments completed. SME strategy has a demonstrated impact and has strengthened the SME sector.	1
<b>3.3.3</b>	No SME policy implementation agency with an executive role (or equivalent) exists.	Government considering the establishment of an SME policy implementation agency (or equivalent).	SME implementation agency (or equivalent) established. Staff structure and budget in place. Range of output to be covered by agency being drafted.	SME implementation entity fully operational and covers a range of activities with measurable outcomes. Staff is complete and the required expertise (economic and legal) is in place. Solid implementation record of SME strategy based on achievements of time-bound targets as detailed in action plan.	SME implementation entity is the main body for implementation of the SME strategy, operating with full political support. The entity has a clear reporting system in place and a recognised advocacy and policy advice role. The entity is well-funded, wide-reaching, and its activities have proven to be effective in supporting SME development with measurable outcomes.	1

## 4. AVAILABILITY OF SKILLS

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>4.1</b>	<p>Small business TNA does not exist or is based on 'ad hoc' surveys only.</p> <p>There is no regular and systematic collection of data on the training needs or training consumption in the small business community.</p> <p><b>Training needs analysis policy (TNA)</b></p>	<p>Government, social partners and business community are in dialogue with view to establishing a systematic TNA framework for the small business community.</p>	<p>A national TNA framework has been agreed between government, social partners, and business community with particular reference to economic growth sectors.</p> <p>The TNA framework identifies a) skill weaknesses in the workforce, b) skill gaps and c) future skill requirements. Standard data collection instruments and a data management system are in place as part of a wider national economic development plan.</p>	<p>TNA as defined by a life-long EL policy are undertaken in at least 20% of small businesses in growth sectors and reported publicly on a recognised website for access by enterprises, training providers and policy makers.</p>	<p>Annual TNA is undertaken in at least 40% of small businesses in growth sectors and available publicly on a recognised website for access by enterprises, training providers and policy makers.</p>	3
*Evidence for this indicator will be taken from enterprise survey-based data.						
<b>4.2</b>	<p>There is no national framework for quality assurance of training delivered to the small business community.</p> <p>Some cases of accreditation of training programmes and training providers by international bodies.</p> <p><b>Quality assurance</b></p>	<p>A range of ad hoc structures and tools* are being used to determine quality of training for the small enterprise community.</p>	<p>Dialogue ongoing between training providers, employers and Government regarding quality, standards and accreditation of training provision for enterprises. This is linked to wider European quality assurance networks.</p>	<p>A national quality assurance system for enterprise training is agreed and is fully operational.</p> <p>Accredited training providers and programmes are posted on websites and information boards of small enterprise support agencies, public and private employment agencies and training centres.</p>	<p>The national quality assurance system for enterprise training is operational and fully integrated in to European Quality Assurance Framework (trade skills) and recognised management training quality assurance systems.</p>	2
<b>4.3</b>	<p>No training available for start-ups.</p> <p><b>Start-ups*</b></p>	<p>20% of newly registered start-ups in last 24 months have benefited from training and business advisory services in the reporting period (including e-training).</p>	<p>40 % of newly registered start-ups in last 24 months have benefited from training and business advisory services in the reporting period (including e-training).</p>	<p>60 % of newly registered start-ups in last 24 months have benefited from training and business advisory services in the reporting period (including e-training).</p> <p>Business advisory services for small enterprises available up to 36 months after start-up.</p>	<p>80 % of newly registered start-ups in last 24 months have benefited from training and business advisory services in the reporting period (including e-training)</p> <p>Business advisory services for small enterprises available up to 36 months after start-up.</p>	1

\* Start-up training comprises management, basic finance and basic marketing skills supported by public and private funds

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>4.4 Enterprise growth</b>	No systematic approach to develop small enterprise human resources (knowledge and skills) for growing businesses.	Knowledge and skills development for enterprise growth has been agreed as a priority between business community and government and is registered in national economic development plan. Public finance agreed to support training and advisory services for growth enterprises.	Financial support for training and business advisory services for growing enterprises available.(1) Financial support is linked to clear criteria to allow enterprises to apply for subsidies to support training and advisory services linked to enterprise growth.	20% of growing businesses benefited from training and advisory services.	More than 50% of growing businesses benefited from training and advisory services.	1
<b>(1) Financial support will particularly address the knowledge and capacities related to the EU regulatory framework.</b>						
<b>4.5 Access to training</b>	No on-line public register of training providers and training programmes is available.	Register of training providers and training programmes broken down by regions, available on a recognised website.	Small business training provision is developed but is limited to specific towns and regions. Government support measures promote development of on-line training services.	Good training provider network developed across the country. (1) Evidence of on-line training services developing for small business community.	Good training provider network developed across the country. Data on on-line training acquired by enterprises is tracked by TNA system and evaluated as part of national entrepreneurship learning policy improvements.	1
<b>(1) Information on training providers available within economic development departments of local/regional administration offices.</b>						

## 5. IMPROVING ON-LINE ACCESS

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)	
<b>5.1</b>	<b>Interaction with government services</b>						<b>1</b>
<b>5.1.1</b>	Tax returns cannot be filed on-line.	Government is considering proposals to allow for on-line filing of tax returns. Pilot project.	Approval of legislation and budgetary provisions. Development of software.	Early phase of implementation. Tax returns can be filed on-line, but the software allows only for a limited number of operations.	Level 4 + the software allows for credit/debit compensation when available in the country.	1	
<b>5.1.2</b>	Social security returns cannot be filed on-line.	Government is considering proposals to allow for on-line filing of social security returns. Pilot project.	Approval of legislation and budgetary provisions. Development of software.	Early phase of implementation. Social security returns can be filed on-line, but the software allows only for a limited number of operations.	Level 4 + the software allows for credit/debit compensation when available in the country.	1	
<b>5.1.3</b>	Reporting on enterprise statistics cannot be filed on-line.	Government is considering proposals to allow for on-line reporting on enterprise statistics. Pilot project.	Approval of legislation and budgetary provisions. Development of software.	Early phase of implementation. Reporting on enterprise statistics can be filed on-line, but the software allows only for a limited number of operations.	Advanced phase of implementation + software allows for wide range of operations.	1	
<b>5.1.4</b>	Other services cannot be filed on-line.	Government is considering proposals to allow for on-line filing of other services. Pilot project.	Approval of legislation and budgetary provisions. Development of software.	Early phase of implementation. Other services can be filed on-line, but the software allows only for a limited number of operations.	Level 4 + the software allows for credit/debit compensation when available in the country.	1	
<b>5.2</b>	<b>Information</b>						<b>2</b>
<b>5.2.1</b>	No on-line information available on key areas of interest for SMEs (i.e. tax, labour, standard regulations).	Some SME-specific information can be found on-line, but on different portals.	Initial stage of development of SME dedicated portal. Limited information available on-line. No possibility of interaction.	SME dedicated portal established: a significant amount of information is available on-line and it is regularly updated. Interaction limited to request of information.	Level 4 + SME-specific single portal allows interaction (request of information applications tax returns) between SMEs and the administration.	1	
<b>5.2.2</b>	Existence of on-line portal unknown to SME community. Information is not updated or maintained.	On-line portals are not easily accessible by the SME community. Portal is not user-friendly. Information is updated and maintained on an ad hoc basis.	On-line portals are accessible to SME community. Portal is regularly updated and maintained.	Level 3 + portal is user friendly.	Level 4 + Portal offers information in local languages, English and language of the most present foreign investor.	1	

## 6 MORE OUT OF THE SINGLE MARKET

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>6.1 Export promotion programmes</b>	No export promotion programmes exist.	Export promotion programmes under consideration/ some pilot programmes in place, limited funding available and no co-ordination between programmes.	New programmes approved. Programmes are largely funded by donor countries. Co-ordination between programmes. Basic trade information provided and some trade promotion activities (trade missions, country representation at major trade fairs) in place, but limited support given to a small number of SMEs.	Export promotion programmes are adequately funded but do not completely provide for all of the following: trade policy information and commercial intelligence, export promotion and marketing, trade fair participation, product development and financial services and training.	Range of well-funded export promotion programmes capable of providing all of the dimensions mentioned in level 4.	2
<b>6.2 Enhancing SME competitiveness</b>	No programmes or initiatives enhancing SME competitiveness in place.	Competitiveness programmes under consideration/initial pilot programmes in place	New competitiveness programmes approved. Programmes are largely funded by donor countries, covering i.e. cluster development, linkages with universities, foreign partners, supply chain training etc.	Relatively good range of competitiveness programmes in place, adequately funded, but limited co-ordination with other policy areas (science and technology, tax incentives for R&D, education and training, etc.)	Range of well-funded export competitiveness programmes capable of providing all of the dimensions mentioned in level 3 and 4 with effective policy co-ordination and monitoring mechanisms in place.	2
<b>6.3 National SME promotion events</b>	National SME promotion events occur on an-ad hoc basis. Events are not open to the entire SME stakeholder community and cover a limited number of sectors.	National SME promotion events in under consideration by the government. Draft calendar of events being considered by concerned ministry/agency.	New national SME promotion events approved. Evidence that relevant stakeholders have been informed of and invited to upcoming events.	Regular hosting of national SME promotion events occur. Evidence that a wide-representation of stakeholders attend and that events cover a wide range of sectors.	Level 4 + evidence that national SME promotion events have enhanced SME competitiveness. Regular evaluation of past events and planning of future events held by relevant ministry/agency.	1

## 7. TAXATION AND FINANCIAL MATTERS

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>7.1</b>	<b>Adapt tax system to favour SMEs</b>					
	The Ministry of Finance does not maintain a corporate income tax (CIT) and a personal income tax (PIT) micro-simulation model that distinguish taxpayers by turnover (gross business revenue) and total business assets. No current plans to implement such models.	The Ministry of Finance does not maintain CIT and PIT micro-simulation models distinguishing taxpayers by turnover and total business assets, but is taking steps towards implementation.	The Ministry of Finance does not maintain CIT and PIT micro-simulation models distinguishing taxpayers by turnover and total business assets, but is currently taking steps to implement such models and datasets within one year.	The Ministry of Finance maintains CIT and PIT micro-simulation models distinguishing taxpayers by turnover and total business assets. The models are routinely used to analyse the contribution of SMEs to total corporate income tax revenue, and total personal income tax revenue on business income, and to analyse the tax revenue implications of tax reform proposals.	Level 4 plus the requirement that analyses of SME income tax liability are carried out at the industry (rather than economy-wide) level (requiring datasets stratified by industry).	1
<b>7.1.1</b>	<b>Analysis of tax burden on SMEs</b>					
	The Ministry of Finance does not maintain a marginal effective tax rate (METR) model that enables analysis of tax effects on distortions to SME investment (versus investment by large firms). No plans for implementation.	The Ministry of Finance does not maintain a METR model that enables analysis of tax effects on SME investment, but is taking steps towards implementation.	The Ministry of Finance does not maintain a METR model that enables analysis of tax effects on SME investment, but is currently taking steps towards implementation within one year.	The Ministry of Finance maintains a METR model that enables analysis of tax effects on SME investment. The model is routinely used to analyse tax distortions to SME investment and the implications of tax reform proposals.	Level 4 plus the requirement that a) the METR model is disaggregated across machinery and equipment, buildings, inventory and land and b) METR results are explained in summary reports for consideration by Ministers to help inform policy-making.	1
<b>7.1.2</b>	<b>Analysis of tax impediments to SME investment</b>					
	Studies examining implications for enterprise financing and investment of double taxation of distributed and retained profit have not been undertaken by tax officials.	Studies examining implications for enterprise financing and investment of double taxation of distributed and retained profit have been undertaken by tax officials, with study findings documented and reported to senior Ministry of Finance officials for discussion and consideration.	Level 2 plus the requirement that the analysis of double taxation includes an assessment of pros and cons (advantages, disadvantages) and tax revenue implications of alternative 'integration' systems to relieve double taxation of distributed and retained profits.	Level 3 plus the requirement that findings of studies of double taxation and alternative integration systems are addressed in current tax policy or in planned tax reform over the next two years.	Level 4 plus the requirement that studies of special tax incentives in the current system, or planned for introduction over the next two years, or being proposed by business (main provisions) to increase financing of small enterprises, have been undertaken, documented, and reported to senior Ministry of Finance officials. Tax revenue and efficiency implications of adjusting (possibly eliminating) these incentives have been considered alongside implications of adjusting the degree of double taxation relief in respect of distributed and retained profit.	1
<b>7.1.3</b>	<b>Analysis of tax impediments to SME equity finance</b>					

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>7.1.4</b>	<p>Studies have not been undertaken by tax officials examining effective tax rates on business income of closely-held corporations paid out as wages, or dividends, or realised as capital gains, to assess possible tax distortions to earnings payout policies in such cases. Similarly, studies have not been undertaken examining possibilities for conversion of taxable capital gains (e.g. on real property) into tax-preferred (possibly tax-exempt) capital gains (e.g. on shares).</p> <p><b>Analysis of tax arbitrage by SME owners</b></p>	<p>Studies have been undertaken by tax officials examining effective tax rates on business income of closely-held corporations paid out as wages, or dividends, or realised as capital gains, to assess possible tax distortions to earnings payout policies.</p>	<p>Level 2 plus the requirement that studies have also been undertaken by tax officials examining possibilities for conversion of taxable capital gains into tax-preferred (possibly tax-exempt) capital gains.</p>	<p>Level 3 plus the requirement that reports have been prepared considering possible means to address tax arbitrage by owners of closely-held companies. The findings have been documented and reported to senior Ministry of Finance officials for discussion and consideration, but measures have not been adopted to address the most common forms of tax arbitrage.</p>	<p>Level 4 plus the requirement that measures have been adopted to address the most common forms of tax arbitrage.</p>	1
<b>7.1.5</b>	<p>Possible impediments to investment in early-stage, high-risk companies of alternative loss-offset rules governing limits to tax deductibility of business losses, and capital losses on shares, have not been analysed, documented and discussed amongst senior tax officials of the Ministry of Finance.</p> <p><b>Analysis of tax impediments to risky investment in SMEs</b></p>	<p>Possible impediments to investment in early-stage, high-risk companies of alternative loss-offset rules governing limits to tax deductibility of business losses, and capital losses on shares, have been analysed with findings documented and reported to senior Ministry of Finance officials for discussion and consideration.</p>	<p>Level 2, plus the requirement that tax-planning opportunities under alternative loss-offset provisions have been examined (taking into account limits to tax audit surveillance that can be carried out by the tax administration), with study findings reported to senior Ministry of Finance officials for discussion and consideration.</p>	<p>Level 3 plus the requirement that main findings of studies of possible impediments to risk-taking (including investment in equity shares), and possible tax-planning opportunities, under alternative loss-offset provisions, are addressed in current tax policy, and/or in planned tax reform over the next two years.</p>	<p>Level 4 plus the requirement that following the adoption of tax reform that expands or limits loss offset provisions, and/or broadens or contains scope for tax-planning around losses, an ex-post evaluation is carried out that examines implications for risk-taking and tax-planning.</p>	1

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>7.1.6</b>	<p>The Ministry of Finance (or Tax Administration) has not assessed the average cost to SMEs of complying with any of the main taxes (current design) imposed by central government.</p> <p><b>Analysis of tax compliance costs for SMEs and remedial tax administration</b></p>	<p>The Ministry of Finance (or Tax Administration) has assessed the average cost to SMEs of complying with certain main taxes (e.g. income tax, general consumption tax (VAT or sales tax), in their current design) imposed by central government.</p>	<p>The Ministry of Finance (or Tax Administration) has assessed the average cost to SMEs of complying with all main taxes (current design) imposed by central government.</p>	<p>Level 3, plus the requirement that studies have been prepared to determine the pros/cons of simplifying certain elements of central government tax administration (e.g. less frequent tax instalments, electronic filing). There has been some initial implementation of reforms that address the main findings of these studies.</p>	<p>Level 4, plus evidence that a) reforms have been implemented that address the main findings of studies of possible simplification of central government tax administration and b) meetings have been held with senior provincial/state-level tax officials to discuss SME compliance costs where studies reveal that tax compliance costs in relation to sub-central government axes (e.g. property tax) are excessively high.</p>	1
<b>7.1.7</b>	<p>The Ministry of Finance has not assessed the implications of alternative simplified tax policy regimes (e.g. presumptive regimes) to apply to SMEs to address tax compliance costs under application of basic income tax and VAT systems. No plans for assessment.</p> <p><b>Assessment of policy measures to lessen tax compliance costs for SMEs</b></p>	<p>The Ministry of Finance has not assessed the implications of alternative simplified tax policy regimes to apply to SMEs to address tax compliance costs under application of basic income tax and basic VAT systems, but plans an assessment within one year.</p>	<p>The Ministry of Finance has assessed the implications of alternative tax policy regimes (e.g. presumptive regimes and/or VAT exclusions for firms under turnover threshold) to apply to SMEs to address tax compliance costs of basic income tax and basic VAT systems.</p>	<p>Level 3 plus the requirement that analyses have been prepared that consider criteria and options for establishing threshold level(s) determining the application of alternative regimes (e.g. VAT exemption, versus presumptive tax regime, versus basic VAT regime), and possible distortions (e.g. to firm size) introduced by different threshold levels.</p>	<p>Level 4 plus the requirement that there has been some initial implementation of reforms that apply different tax regimes to SMEs, depending on their size (e.g. turnover), where analyses indicate that such reforms would be desirable and appropriate.</p>	1
<b>7.1.8</b>	<p>Limited taxpayer access (at regional/local tax offices) to information, supporting documentation and assistance towards understanding and complying with the main taxes imposed on business by central government. No immediate plans by central government to significantly improve taxpayer service.</p> <p><b>Assessment of SME taxpayers assistance to reduce tax compliance burden</b></p>	<p>Information and documentation to assist taxpayers in complying with the main taxes imposed on business by the central government is disseminated to registered taxpayers along with tax returns. Plans are being developed by central government to improve its taxpayer service.</p>	<p>Level 2 plus the requirement that tax returns and information and supporting documentation are widely available to taxpayers (e.g. available at non-government sites, downloaded from government websites). A toll-free telephone service, with adequately trained tax specialists, is provided to respond to taxpayer questions.</p>	<p>Level 3 plus the requirement that additional services to educate business on its tax obligations, reporting and filing requirements are provided through an 'outreach programme' that includes tax seminars organised at the local level (e.g. with local chambers of commerce), special advertising, and possibly other strategies to actively disseminate tax information to business.</p>	<p>Level 4 plus regular discussions with national Chambers of Commerce and other bodies to consider how taxpayer assistance and education could be improved.</p>	1

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>7.2 Access to Finance</b>						
<b>7.2.1 Credit guarantee schemes</b>	No credit guarantee scheme in place.	Credit guarantee scheme facility under consideration.	Credit guarantee facilities in place. (Government initiative and state controlled).	Credit guarantee facility operating under contract to the private sector but state-funded.	Number of mutual or mixed credit guarantee schemes in place under private managers able to finance themselves out of fees alone.	1
<b>7.2.2 Collateral and provisioning requirements</b>	Very high collateral requirements > 200%. Restrictive collateral definition and/or rigid provisioning requirements for uncollateralised loans	Collateral requirement ranging 150-200% of loan amount. Restrictive collateral definition and/or rigid provisioning requirements for uncollateralised loans	Flexible collateral definition and/or flexible provisioning requirements for loans under \$30,000.	Flexible collateral definition and/or flexible provisioning requirements for loans under \$30,000 and central collateral registry in place	Flexible collateral definition and/or flexible provisioning requirements for loans under \$30,000 and central collateral registry covering most bank loans.	3
<b>7.2.3 Laws and procedures on distressed companies, receivership and bankruptcy</b>	No specific laws and/or other procedures on distressed companies, receivership and bankruptcy.	Distressed company, receivership and bankruptcy laws and/or procedures formally in place. Legislation not systematic and at an early stage of implementation.	Distressed company, receivership and bankruptcy laws and/or procedures formally in place. Legislation not systematic and at an early stage of implementation.	Evidence of implementation of distressed company, receivership and bankruptcy laws and/or procedures in line with international standards and fully integrated in and consistent with commercial law and practice. Backlog of old cases has been reduced.	Distressed company, receivership and bankruptcy laws and/or procedures effectively and systematically applied in a transparent way. Procedures take place speedily.	3
<b>7.2.4 Cadastre</b>	No functioning cadastres.	Plans have been made to implement a functioning cadastre.	Cadastre system in place, but the land ownership of the country has not yet been entirely documented.	The ownership of land has been documented but the cadastre is not fully functioning.	Level 4 + fully functioning cadastre allowing firms to use real estate as collateral in their efforts to access bank finance. Available on-line.	3
<b>7.2.5 Leasing industry</b>	No leasing industry, no plans to have leasing law.	Leasing law under preparation	Leasing law approved and institutional responsibilities clearly assigned.	Evidence of implementation of leasing law. Regulator active in monitoring the market.	Leasing law fully implemented. Regulation and supervision of the leasing sector is enacted.	1

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)	
<b>7.2.6</b>	<b>Venture capital/Equity funds</b>	No venture capital or equity funds legislation under consideration.	Equity fund legislation under consideration.	Equity fund legislation in place.	Level 3 + . Several equity funds investing, but only exit possibilities are direct sales.	Range of exit options for equity funds, including a functioning stock market.	1
<b>7.2.7</b>	<b>Registration systems for moveable assets</b>	No functioning registration systems for moveable assets.	Legislation to establish a functioning registration system at the drafting stage.	Registration system of moveable assets in place, but not yet fully operational. Information not easily accessible or fully reliable.	The ownership of pledges on the registered assets has been fully documented. Easy, low-cost access to registration and information. Registration system in-line with international standards.	4 + fully functioning system for registration of moveable assets, allowing firms to use moveable assets as collateral in their efforts to access bank finance. Information available on-line.	3
<b>7.2.8</b>	<b>Credit information services</b>	No credit information services available in the country.	Credit information services in-place, but access limited to financial institutions.	Credit information services available to financial institutions and to the public. Both positive and negative credit information is available.	3 + data on loans of more than € 20,000 to legal and physical persons are collected and made available to financial institutions and the public upon request. Information is updated regularly and comprehensive.	4 + more than 2 years of historical data are distributed. By law, borrowers have the right to access their data.	3

## 8. STRENGTHENING THE TECHNOLOGICAL CAPACITY

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)	
<b>8.1</b>	<b>Promote technology dissemination towards SMEs</b>						<b>1</b>
		Government is planning to introduce some form of support, but no concrete action has been taken.	Formulation and approval of concrete programmes to technological training, relying on public and private service providers designation of competent authority and budget provisions.	Partial implementation record of support programme. Key components fully operational.	Full implementation of technological training programmes, i.e. system of vouchers to support training on technology fully implemented and available throughout the country.	1	
<b>8.1.1</b>	No support for training on technology.					1	
	<b>Support training on technology</b>						
<b>8.2</b>	<b>Foster technology co-operation develop research programmes focused on commercial application of knowledge and technology</b>						<b>1</b>
		Evaluation and proposals on the introduction of innovation and technology centres. Partnership with private sector.	Policy framework in place. Action plan and budgetary provisions approved, pilot schemes introduced.	Initial evidence of implementation of innovation promotion schemes. Innovation and technology centres in operations. Private/public partnership in R&D, innovation and product development actively supported by central and local government.	Network of high level innovation and technology centres present in the country. Strong relationship with research institutions and private sector.	1	
<b>8.2.1</b>	No schemes to promote co-operation on innovation.					1	
	<b>Innovation and technology centres/ co-operation between universities, R&amp;D centres and SMEs</b>						
<b>8.2.2</b>	No legislation on intellectual property in place, systematic violations of IPRs.	Legislation on IPRs under preparation.	IPRs legislation approved, assuring protection consistent with TRIPs agreement.	Effective enforcement of IPRs does not extend to all types of IP (patents, trademarks, copyright, industrial designs etc) or to all types of products (pharmaceuticals, audio-video, spare parts, etc) and it does not involve all the concerned authorities (customs, policy, courts, etc)	Good implementation record of IPRs legislation. IP is effectively and systematically protected in all its forms and for all products.	2	
	<b>Intellectual property rights (IPRs)</b>						
<b>8.3</b>	<b>Develop inter-firm clusters and networks</b>						<b>2</b>
		Proposals to develop inter-firm clusters and networks. Consultations with business sector. Pilot project in one key sector.	Approval of action plan and designation of competent authority.	Inter-firm clusters and networks concentrated in traditional export sectors.	Wide range of inter-firm clusters and networks covering a wide range of sectors, including internal market.		
<b>8.3.1</b>	Government has no clear strategy on inter-firm clusters.						
	<b>Inter-firm clusters and networks</b>						

## 9 SUCCESSFUL E-BUSINESS MODELS AND TOP CLASS SMALL BUSINESS SUPPORT

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>9.1</b>	<b>SME support facilities and services</b>					1
<b>9.1.1</b>	No incubators in place and no plans to establish them	Strategy on incubators under discussion/local initiatives in preparation.	Strategy on incubators approved: detailed proposals and budget allocations, either at central or local government level. Pilot incubators in operation. Focus on job creation, no exit strategies.	Level 3 + several incubators in operation, out of the experimental phase. Provision of basic services, some incubators used to foster innovation. Partial implementation of OECD guidelines on business incubators	Level 4 + network of incubators throughout the country. Focus on innovation, provision of high quality services, existence of exit strategies. OECD guidelines widely implemented.	1
<b>9.1.2</b>	Very limited range of basic business services, available mainly through donor funded programmes.	More structured range of business service, available through a combination of public funded and private business providers	Network of public funded business service providers. Good network of private business service providers, providing personalised services for enterprises	Well developed market for business services, with good level of internal competition.	Level 4 + wide range of business services available in the country, including widespread presence of international consultancy firms	2
<b>9.1.3</b>	No standards / certification on quality of services.	Non-binding guidelines on quality of business services under discussion.	Non-binding guidelines approved. Public-private co-operation to set quality standards and certification procedures for provision of business services.	Level 3 + some certifications and standards in place for some business services. Strong private element in elaboration of standards and certification process.	Level 4 + most of business services are regulated by quality standards based on international standards. Certification and monitoring mainly based on private sector.	2
<b>9.2</b>	<b>Information for SMEs</b>					1
<b>9.2.1</b>	No information on availability of business services.	Fragmented information on availability of business services available locally.	National directory of providers of business services available locally.	Level 3 + personalised information on providers of business services available on-demand in paper form.	National directory of providers of business services available on-line with multiple-criteria search engine.	1
<b>9.2.2</b>	No business information centres.	Informal information can be obtained in some local offices.	Creation of a repository of business information, available locally in clearly designated offices.	Personalised business information available on demand in paper form from information centres.	Repertory of business information available on-line with multiple-criteria search engine on single business information web portal.	1
<b>9.3</b>	<b>Law on electronic signature</b>					1
<b>9.3.1</b>	The government does not have a concrete plan on electronic signature.	Evaluation and formulation of detailed proposals of law on electronic signature and implementing regulations.	Approval of law on electronic signature and of the implementing regulations.	Solid evidence of implementation of law on electronic signature. Possibility to use e-signature in key areas for SMEs in contact with public administration.	Full implementation of law on electronic signature and full integration of electronic signature with other services of e-government. Regular reviews in consultation with SMEs.	1

## 10. DEVELOP STRONGER, MORE EFFECTIVE REPRESENTATION OF SMALL ENTERPRISES' INTERESTS

	Level 1	Level 2	Level 3	Level 4	Level 5	Weight for sub-dimension or indicator (1-3)
<b>10.1 SME network</b>						3
<b>10.1.1 SME network</b>	Informal grouping of SMEs at local/sector level, with limited membership base.	Industry/sector groups of SMEs representing business, with a limited membership base. No national network, limited capacity of representation	Structured local and nation-wide interest representation, presence of active NGOs, crafts associations, presence of internal governance rules.	Organised SME associations, NGOs, crafts associations, operating at national level (directly or through a network system), growing capacity to engage government in policy dialogue on key issues	Strong, independent and locally rooted network of SMEs, representing SMEs interest at local and national level. Capacity to conduct constructive and regular policy consultations on a wide range of issues.	2
<b>10.1.2 Chambers of Commerce (CoC)</b>	CoC has no institutional advocacy role, general information services provided, few basic business services offered to members		Some advocacy role, limited local network, capable of offering some services and operating under clearly defined governance rules.		Strong advocacy role extended also to SME related issues, strong local presence, capable of offering a wide range of services.	1
<b>10.2 Public Private Consultations (PPCs)</b>						3
<b>10.2.1 Frequency of public/private consultation (PPCs)</b>	Consultation on SME issues between the public and private spheres occur sporadically / ad-hoc.	Proposals have been made to establish a structure/framework for public/private consultation.	A regulation(s) has/have been adopted which stipulate(s) regular consultation between public and private spheres on SME issues.	Consultations involving key actors from public and private sector take place on a quarterly basis.	Level 4 + the consultations take place on a monthly basis or more.	2
<b>10.2.2 Formal influence of PPCs</b>	PPCs take the form of unstructured debates between the public and private sector on general SME issues.	Level 1 + the private sector has the opportunity to give formal recommendations on the issues discussed.	Level 2 + the private sector has the opportunity to formally comment on draft SME legislation in those meetings.	Level 3 + there is ample evidence that the comments on draft legislation are integrated + the private sector can suggest own initiative draft laws or measures on SME policy.	Level 4 + there is ample evidence that suggestions on own initiative draft laws or measures from the private sector have been realised.	2
<b>10.2.3 Representativity of PPCs</b>	Few, randomly selected companies are invited to the PPCs. The access to the PPCs is thus restricted and there is no system of disseminating the information about upcoming PPCs to the private sector.		Invitations of companies to the PPCs are targeted, however mainly to big and influential companies. Some attempts are made to inform the private sector about upcoming PPCs (e.g. announcements on government website).		The PPCs consist of a forum that is broadly representative of the SME community (different sectors, different company sizes, chambers of commerce, etc.) Comprehensive and widely accessible structures are in place to inform the private sector about upcoming PPCs.	2
<b>10.2.4 How does the PPC meet?</b>	The timing of the PPCs is decided upon by the government with short notice. There is no pattern in the timing of the meetings throughout the year. Meetings are short and the government decides on the agenda entirely. No formal record of the meetings is kept.		PPCs occur on a regular basis, the schedule is agreed upon with the private sector at the beginning of the year. The agenda of the PPCs is sent to the participants in advance and they are given the opportunity to give comments and suggest changes. A formal record of the meetings is kept, but is not easily accessible.		Level 3 + The private sector is responsible for designing part of the agenda independently and can call for an exceptional meeting several times per year when deemed necessary. A detailed record of the meetings is kept and it is widely accessible (e.g. published on a website)	1

# The Western Balkans National Charter Co-ordinators

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