



Enhancement of the Business Environment in the Southern Mediterranean

**Introducing the SME Test in Jordan
Amman, 20-21 March 2016**



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SME TEST KEY FINDINGS AND CONCLUSIONS OF THE BENCHMARK STUDY





1. Benchmark Study



- ➔ A benchmark study was undertaken to identify best practices in the area of SME tests in the EU and OECD economies
- ➔ Purpose of the study was to develop an appropriate SME test for Jordan so that informed decisions could be taken on the type of SME test for Jordan



2. Test: General framework



Principles

Regulatory
Policy

Tools

Impact study

Simplification

Outputs

Economic
Impacts

Social
Impacts

Environmental
Impacts

Simplification

SME
TEST



3. Benchmark references



European Union:

➔ The SME test of the European Commission:

- One of the components of the Impact Study;
- An SBA tool, in particular its principle « *Think Small First* ».

➔ SME test and principles used widely by EU Member States

➔ Experiences shared widely among MS



4. Country selection



➔ Criteria

- ➔ The quality of the test
- ➔ Availability of published material
- ➔ Their relevance and potential applicability in the MED region

➔ Candidates

- ➔ The Leader: the UK
- ➔ The most comprehensive: European Commission
- ➔ The easiest to follow: Canada
- ➔ The most focused on consultation: France
- ➔ Some others: Belgium, Sweden, USA, the Netherlands, Australia ...



5. Comparative Table



	EC	UK	France	Canada
Overall Objective	SBA; Think Small First	Reducing unnecessary regulation	Consultation of businesses	Cost reduction for businesses
Components	Consultation Measuring impacts Analyses of alternative solutions Decisions	Defining options Consultation Final Proposal	Launch Consultation Results are published	Test measured against 20 criteria designed to view the proposed regulation from business perspective
Specificities	Micros are taken into account	Reduction of cost for SMEs	Good technical support - coverage	Reversal of the burden of proof
Mitigating measures	Very well developed	Systematic	Not mentioned	Systematic
Monitoring and Evaluation	Regulatory Scrutiny Board	Regulatory Policy Committee	General Secretary of the Government	Treasury Board



6. Lessons learnt (1)



- ➔ **What is needed is to develop an appropriate tool to:**
 - ➔ **Adopt guidelines, application forms, helpdesks;**
 - ➔ **Target texts likely to affect SMEs;**
 - ➔ **Develop procedures to coordinate between ministries;**
 - ➔ **Control quality of the tests carried out;**
 - ➔ **Access statistical data required for calculations of impacts**
 - ➔ **Provide training for officials in the ministries.**



7. Lessons learnt (2)



Focus on the administration and management of the test:

- **Set goals for the SME test having regard to the objectives of national economic and social policy**
- **The test should be mandatory**
- **Develop a culture which understands the impact of regulations on SMEs.**



**Thank you for your
attention!**

