

## The SME Policy Index: Supporting Smarter Private Sector Enabling Policies

### Explanatory note

The “[SME Policy Index](#)” is a practical benchmarking tool based on the methodology developed by the Organisation for Economic Cooperation and Development (OECD). It was developed to help emerging economies track and improve policies that support micro, small, and medium-sized enterprises (MSMEs) and allowing them to benchmark their SME policies with their regional peers. Since 2008, the Policy Index has been used in over 50 countries worldwide.

This tool offers a structured, evidence-based way to assess how well SME policies are being designed and implemented, using international good practices as a benchmark. Originally based on the European Union’s Small Business Act, the Index now adapts to regional strategies and priorities.

The Index does not provide one number per country but breaks SME policy into specific areas—such as access to finance, digitalisation, or green growth—and scores each one on a 5-point scale, showing how advanced the policies are. This helps governments track progress, compare with peers, and set reform priorities.

The SME Policy Index approach is flexible. It can be tailored to different regions, and was already conducted for ASEAN, Latin America, the Western Balkans, and MENA. It can reflect local needs and challenges. Each edition also includes updated topics, like women’s entrepreneurship or digital transition.

The Policy Index approach has been tested around the world and can be a useful tool for the Pacific region. The approach offers an opportunity to adjust the document to the regional strategic documents, and not only limit it to the MSMEs, but also to address broader private sector enabling support.

Developed in partnership with local stakeholders, the Index encourages dialogue between policy makers, researchers, and the private sector, and often involves local research institutions and national experts to ensure relevance. The document could be developed with international partner institutions as it was the case with EBRD, or ERIA. The process takes around two years and is usually repeated every 3–5 years to monitor policy progress.

Overall, the SME Policy Index is a powerful tool for shaping more inclusive, sustainable, and effective SME policies.

Additional information:

[https://www.oecd.org/en/publications/sme-policy-index\\_24136883.html](https://www.oecd.org/en/publications/sme-policy-index_24136883.html)

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