



EUROPEAN COMMISSION

MICREF User guide

(Version August 2010)

This document describes the web-based MICREF database and summarises the guidelines followed in filling the MICREF database.

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1. INTRODUCTION

The ‘*database on MICroeconomic REForms in product markets*’ MICREF records and classifies reform measures undertaken by the EU Member States and presents a set of descriptive features for the different product market reforms undertaken. The objective of the MICREF database is to help profile the reform process, thereby allowing the analysis and the monitoring of micro-economic reforms in the Member States. The MICREF initiative stems from a request of the European Policy Committee with the rationale of “*contributing to the establishment of selected catalogues of structural reforms, indicators and best practice comparisons to strengthen the systematic recording of reform measures*”.

The database is organised around three major policy domains:

- I) Open and competitive markets;
- II) Business environment and entrepreneurship;
- III) Knowledge-based economy.

These domains correspond to seven broad policy fields:

- i) Market integration;
- ii) Competition policy;
- iii) Sector-specific regulation;
- iv) Start-up conditions;
- v) Improving the (small) business environment;
- vi) R&D and innovation;
- vii) Education.

Each broad policy field is subdivided into specific areas of policy intervention (see overview in section 3).

MICREF is publicly available on a webpage of the European Commission since end of July 2008.¹

2. CRITERIA FOR THE INCLUSION OF MEASURES

2.1. What is included in MICREF?

The purpose of MICREF is to facilitate the assessment of progress in Member States’ reform agenda. Therefore, the main focus of MICREF is to provide information on new measures taken and on changes in the implementation of measures already in place. It follows that the purpose is not to give an overview of government activities that may be

¹ http://ec.europa.eu/economy_finance/db_indicators/micref/index_en.htm

interesting from a Lisbon perspective, but to gauge the “change” (“progress or retreat”) in the reform process. In other terms, MICREF supplies flow and not stock measures.

The principal data sources of MICREF are the National Reform Programmes (NRP) and their Implementation Reports including the reporting tables attached.² Member States’ reports on structural reforms (“Cardiff Reports”) are used as data source to cover the period before 2005. For different reasons such as the early deadline in October, some reform activities might not be reported by Member States in these reports. As a consequence and to provide an overview of the changes of the reform landscape in the EU, Commission sources are consulted as well in order to collect and subsequently enter reform measures into the database. Whenever available, national sources are used to complete the descriptive features of the measures.

The concept of “reform measure” used in the MICREF database is adapted from the “Guidance on what is a significant structural reform measure to include in the reporting table and how to describe it” as presented to the Lisbon Methodology Working Group in May 2007.³ This document is meant to guide the decision as to whether a measure should be included in the database or not.

2.2. Taxonomy of “reform measures” registered in MICREF

A reform measure in the context of MICREF can either be of a “regulatory nature” or of an “action nature” and is a broader concept than only including “significant structural reforms”. There are many different types of measures that can be included in MICREF. Usually, they belong to one of the following categories:

- Structural reform measures: These measures aim to change the behaviour of economic agents possibly influencing the supply side of the economy. Structural reform measures are of a certain magnitude *ex ante*, both in terms of size and coverage.
- Structural reform activities of minor size/serving other general policy objectives: This category includes initiatives similar to the structural reform measures but having a smaller size and possibly being designed to fulfil other general policy objectives.
- Implementation measures: In addition to new initiatives, new measures entailing significant changes in the implementation of previously adopted reforms should also be reported. For example, if in one year a reform package is introduced but in the following years the features of the package are substantially changed, this should be registered in MICREF.
- Important step(s) in the implementation process: This category includes actions that are important steps in the implementation of a significant previously recorded measure. This could be, for example, a step in a multi-year tax reform plan or the start/completion of a section of an investment strategy. It could also include the abolishment of a previously reported initiative.

² Accessible at http://ec.europa.eu/growthandjobs/national-dimension/index_en.htm

³ Background Note, ECFIN/E1/REP/52208

2.3. Differences between Reporting Tables of Member States and MICREF

There are some important differences between the Reporting Tables of the Implementation Reports of the NRPs⁴ and MICREF. Whereas the reporting tables focus on all reform efforts undertaken in the context of the Lisbon Strategy, no matter whether they are macro/microeconomic or labour market oriented, the MICREF database focuses on microeconomic reforms in the three broad policy domains of “Open and competitive markets”, “Business environment and entrepreneurship”, and “Knowledge-based economy”. MICREF does not contain reform measures in the areas environment, physical infrastructure and financial markets. “Public investment” measures are included if they relate to a policy area addressed in MICREF. Measures related to the labour market are covered in the LABREF database, which is maintained by DG ECFIN.⁵ LABREF and MICREF are complementary databases and efforts have been made to ensure consistency of the criteria used to select the reform measures included in the two databases.

MICREF lists only *adopted* reform measures. Adoption means that the reform measure has obtained the final approval by the relevant Member State decision-making body. It does not however necessarily imply that the measure has been fully implemented.

For each measure, the MICREF database contains information on a number of descriptive features. Some of them are mandatory (title, general description, legal reference, year of adoption, source of information), others are discretionary. Only the measures for which the mandatory descriptive features can be completed are recorded in MICREF. If, for those measures, the discretionary features are lacking in the consulted reports, other EC sources of information (and as far as possible Member States’ official public sources) are used to completely characterise the measure recorded.

3. CLASSIFICATION OF REFORM MEASURES IN THE DATABASE

In this section, the broad policy fields and the areas of policy intervention are defined. The objective is to achieve a common understanding under which area of reform a particular reform measure should be listed. Even if a substantial amount of effort has been devoted to improving the definition of the categories, the current version should not be seen as final. A number of overlapping reform areas might still exist, giving room for interpretation in the classification of reforms. As a general rule, measures are recorded only once (except for measures under the broad policy field “sector-specific regulation” where, for example, reforms covering the energy sector as a whole can be recorded twice, under “gas” and “electricity”), in the most appropriate area, according to the informed judgement of the database compiler. In practice, the classification of a reform measure is made as follows:

In a first step the compiler identifies the broad policy domain (e.g. knowledge-based economy) of the reform measure. In the next step, the measure is attributed to the most characteristic broad policy field within the identified policy domain. The compiler decides, for example, whether the reform measure rather belongs to “R&D and innovation” or to “Education”. This step is repeated at the level of “area of policy

⁴ NRPs: National Reform Programmes

⁵ The LABREF database can be accessed at:

http://ec.europa.eu/economy_finance/db_indicators/labref/index_en.htm

intervention” and the “reform area”.⁶ In case that the measure covers more than one reform area, a second and a third most characteristic reform area can be added under the descriptive feature ‘General information about the reform measure’.

For the classification of reforms, the following hierarchical structure applies:

- **Broad Policy Domain**
 - Broad Policy Field
 - Areas of policy intervention
 - *Reform area*

More specifically the structure of the classification of the MICREF database is the following:

3.1. Product markets: open and competitive markets

3.1.1. Market integration

- Internal market (BEPG⁷ 12)
 - *Internal market in general*: Measures not specifically addressing 'Transposition of Internal Market directives', 'Enforcement of Internal Market regulation', 'Standards and norms', 'Tax obstacles' or 'Public procurement'.
 - *Transposition of Internal Market directives*: Measures aimed at improving the transposition of Internal Market directives in general. Measures transposing specific Internal Market directives are registered according to the subject matter of the legislation.
 - *Enforcement of Internal Market regulations*: Decisions of courts on questions related to the Internal Market regulation. Measures aimed at reducing the number of infringement procedures.
 - *Standards and norms*: Measures aimed at harmonising the national standards and norms with European regulations (e.g. a new standardisation strategy or the introduction of a Standardisation Council).
 - *Tax obstacles*: Measures addressing the differences in the taxation regime (tax allowances) applied to national enterprises and enterprises from other Member States.
 - *Public procurements*: Public sector procurement must follow transparent open procedures ensuring fair conditions of competition for suppliers. Measures would involve the harmonisation of procedures for concluding contracts, making selection procedures

⁶ Example, in the policy field “Education” there is no further breakdown into “reform areas”, whereas in the policy field “R&D and innovation” the compiler finds a number of reform areas under the three areas of policy intervention for a more detailed classification. Example: the reform measure “modification of a research tax credit” would be best placed under the reform area “fiscal incentives for private R&D”.

⁷ BEPG: The Broad Economic Policy Guidelines (2008-2010), in the form of a Council recommendation, are the central link in coordination of the Member States’ economic policies. They ensure multilateral surveillance of economic trends in the Member States.

[http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SPLIT_COM:2007:0803\(05\):FIN:en:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SPLIT_COM:2007:0803(05):FIN:en:PDF)

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008H0390:EN:NOT>

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32008D0618:en:NOT>

more transparent and simplifying the regulation. Examples are the establishment of new public procurement acts, the introduction of electronic public procurement, changes in modalities of payment procedures, the inclusion of green public procurement elements and the strengthening of administrative capacities of procurement agencies.⁸

- External Openness (BEPG 13): Measures that create a general “legal” framework that promotes the external openness of the economy (opening up own markets to foreign players, promoting free trade in multilateral agreements and mutual recognition agreements of standards and norms).⁹

3.1.2. Competition policy (BEPG 13)

- Antitrust and merger controls
 - *Antitrust and merger controls in general*: Measures not specifically addressing 'Antitrust regulation', 'Concentration regulation', 'Powers and means of authorities' or 'Sector-specific rules'.
 - *Antitrust regulation*: Measures falling into the scope of two articles of the EC Treaty: Article 81 – restriction to completion – and Article 82 – abuse of dominant position. The most obvious example of the first is a cartel between competitors (which may involve price-fixing or market sharing). An example of the second would be predatory pricing aiming to eliminate competitors from the market or deterring access. Measures carried out by Member States to enforce the observation of Art. 81 and 82 (e.g. amending the competition act) should be inserted here.
 - *Concentration regulation*: Concentration regulations focus on the market structures in different economic sectors, e.g. whether markets are dominated by only a few players, in order to ensure fair competition in the sector. Changes in concentration regulations (involving say an increase in merger controls) should be inserted here.
 - *Powers and means of authorities*: Measures aimed at increasing the power of the competition supervising authorities in enforcing antitrust and concentration regulations are recorded in this section. Measures address not only the legal power granted to the competition authority but also the provision of adequate capacities to enable the competition authority to carry out efficient supervision.
 - *Sector-specific rules*: Measures addressing sector-specific rules (with the exception of network industries), such as the existence of exclusions from the general competition law, exemptions under the competition law itself for specific sectors or specific rules for publicly owned firms that apply to horizontal cartels, vertical restraints, abuse of dominance and mergers are inserted here.

⁸ Not included under the Public Procurement reform area: public procurement aimed at promoting (private) investment in R&D (e.g. increase of purchases of innovative products or processes) which should be recorded under 'Innovation enhancing public procurement' in 'Private R&D and innovation'.

⁹ Measures aimed at the internationalisation of enterprises fall under “Business support services”.

Sector-specific measures for network-industries are recorded under “Sector-specific regulation”.

- State aid (BEPG 13): State aid refers to actions carried out by a (national, regional or local) public authority, using public resources, to favour certain undertakings and reduce competition (Article 87 of the EC Treaty). Some examples of state aid instruments are: state guarantees, public land sales, export credit insurance, fiscal aid (business direct taxation) if the potential beneficiaries are restricted by size (e.g. SMEs), location or sector. Subsidies granted to all undertakings or general measures directed to all enterprises do not constitute state aid. Only measures approved by the Commission as state aid measures (and reported as such by the Member States) should be recorded under this category.
 - *State aid in general*: Measures not specifically addressing 'Sector-specific measures' or 'Horizontal measures'.
 - *Sector-specific measures*: Measures of state aid addressed to well-identified market failures as well as designed to favour horizontal policy objectives in specific sectors such as transport (aid to companies in the road, rail, inland waterway, sea and air transport sectors), fisheries and agriculture (production, processing and marketing of products), audiovisual production, broadcasting, electricity, postal services, steel, synthetic fibres and the motor vehicle industry.
 - *Horizontal measures*: Measures of state aid applied across sectors aimed at supporting horizontal objectives such as research, innovation (in SMEs only), protection of the environment, or the optimisation of human capital. Horizontal rules for state aid are based on Article 87 (3) EC Treaty.¹⁰

3.1.3. Sector-specific regulation

Developments of the regulatory framework for network industries and important sectors (BEPG 13):

- Sector: telecommunications / postal services / gas / electricity / water / air transportation / railways (i.e. passenger and freight rail) / public local transport / professional services
 - *Sector in general*: for each sector listed above, MICREF reports the comprehensive amendments to the legislation regulating the

¹⁰ Art. 87(3): The following may be considered to be compatible with the common market:
(a) aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious underemployment;
(b) aid to promote the execution of an important project of common European interest or to remedy a serious disturbance in the economy of a Member State;
(c) aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest;
(d) aid to promote culture and heritage conservation where such aid does not affect trading conditions and competition in the Community to an extent that is contrary to the common interest;
(e) such other categories of aid as may be specified by decision of the Council acting by a qualified majority on a proposal from the Commission.

entire sector (e.g. the amended Telecommunication Act which includes reforms addressing the “market opening” and the “effective competition” in the sector)

- *Public ownership / privatisation*: Measures like the IPO (initial public offering) of the incumbent or the direct or indirect sale of publicly owned shares in companies in the specific sector which changes the possible influence of the state on market behaviour.
 - *Market opening*: Market opening refers to the legal conditions of entry such as, for example, the number of competitors allowed to operate a business, or the permission of free entry in some markets in network industries (exclusive rights).
 - *Effective competition*: Effective competition refers to the absence of substantial barriers to entry / exit and the absence of oligopoly / monopoly power. This section records measures aimed at increasing market efficiency related to the control of market prices and the introduction of some degrees of vertical or horizontal separation (e.g. between distribution and production networks, structural separation from other segments, ownership separation, legal separation, accounting separation).
 - *Creation, powers and means of authority of the market regulator*: In this section, measures are recorded that cover the creation, powers and means of authority of the competent market regulator.
 - *Provision of services of general economic interest*: Measures aimed at securing the provision of effective services of general economic interest at affordable prices. This would involve assigning specific public service obligations to economic operators (by virtue of a general interest criterion), such as restrictions on the ability to exit particular activities or routes.
- Professional services: Professional services include liberal professions such as accountancy services (accountants, tax advisers, auditors), technical services (architects, engineers), legal services (lawyers, notaries), pharmacists and further professional services.
 - *Professional services in general*: Comprehensive reform measures affecting a particular profession.
 - *Market entry restrictions*: Measures that change or amend the legal framework of a professional service. For example, exclusive rights to provide services; regulations through licences issued at national or sub-national level; compulsory membership of professional organisations; qualification related requirements; treatment of foreign professionals; regulations on market behaviour; fee regulations; advertising regulations; inter-professional co-operation.
 - Wholesale and retail trade:
 - *Wholesale and retail trade in general*: Comprehensive reform measures in this sector.
 - *Market entry restrictions*: Market entry restriction could be licenses or permits needed to undertake the wholesale / retail activity, e.g. different provisions for shop sizes, selling of certain products, shop opening hours, planning and zoning laws.
 - Financial intermediation: Measures that change or amend the regulatory framework of financial intermediation, but not the financial system as

such. Financial intermediaries are retail banks, insurance companies, brokering (insurance agents, mortgage brokers, bureaux de change, etc.). Regulation affecting investment banking, reinsurance etc., does not normally fall under the scope of MICREF.

- *Financial intermediation in general*: Comprehensive reform measures affecting the sector. For example, the fixation of maximum bank overdraft fees, a universal obligation for banks to offer tax exempt saving products or the modification of disclosure obligations by insurance companies.
- *Market entry restrictions*: Measures that change or amend the legal framework of financial intermediaries such as measures related to the definition of entry conditions in the above mentioned sectors or professional qualification requirements, measures enhancing the switching of bank accounts.
- *Public ownership / privatisation*: The involvement or withdrawal of the state from company ownership (e.g. privatisation, re-nationalisation programmes of the banking sector, sale of state-owned investments).

- Others:

- *Others in general*: Comprehensive reform measures in other economic sectors such as health services, harbours, petroleum, tourism, road transport, construction.
- *Market entry restrictions*: Measures related to the definition of entry conditions in the sectors, e.g. professional qualification requirements mainly in the health sector or crafts.

3.2. Product markets: business environment and entrepreneurship¹¹

3.2.1. Start-up conditions (BEPG 14, 15)

- Reducing administrative and financial burdens for start-ups
 - *Reducing administrative and financial burdens for start-ups in general*: Measures not specifically addressing 'One-stop contact points', 'Costs for setting up a business', 'Minimise start-up requirements' or 'Capital requirements'.
 - *One-stop contact points*: Measures aimed at creating / improving one-stop contact points. One-stop points are expected to reduce the number of walks to public institutions to set up a business (“shoe-leather costs” for entrepreneurs) and / or to deliver documents related to the start-up of a business, e.g. the electronic delivery of documents.

¹¹ Entrepreneurship is defined as an individual's creative capacity, independently or within an organisation, to identify an opportunity and to pursue it in order to produce new value or economic success. This creativity is vital for the competitiveness of enterprises in existing or emerging markets, whatever the sector concerned. New entrepreneurial initiatives boost productivity. In forcing other firms to react by improving the efficiency of their organisation, production, services or markets, they increase competitive pressure. The beneficial outcome is a general increase in the competitiveness of the economy. In addition, new enterprises, and especially SMEs, create a host of new jobs and thus reduce the unemployment rate. (Source: Commission Green Paper of 21 January 2003 on Entrepreneurship in Europe [COM (2003) 27])

- *Costs for setting-up a business*: Measures related to the typical costs of fulfilling all mandatory procedures required to set up an individual enterprise and a public limited company. Cost refers to identifiable direct official expenses paid to official bodies associated with the setting-up of a new business entity (e.g. legally specified fees, charges and taxes).
- *Minimise start-up requirements*: Measures related to changes or simplification of mandatory procedures during the pre-registration and registration phase of an enterprise or a public limited company. Examples are requirements to obtain specific certificates, registration of domicile of a business, founding deeds, approval by authorities (tax agencies, commercial court), notification of tax offices, VAT offices, statistical offices, local authorities of registration, registration with trade association / chamber of commerce, legal announcement. These factors usually determine the days needed to set-up a business.
- *Capital requirements*: Measures related to the minimum capital needed to establish an individual enterprise and a public limited company.
- Access to finance for start-ups:
 - *Access to finance for start-ups in general*: Measures not specifically addressing 'Start-up financing' or 'Seed financing'.
 - *Start-up financing*: Measures to improve the access to finance for product development and initial marketing. The measures should improve the start-ups' access to such options as micro-loans, business angels, early stage venture capital funds, bank loans and guarantees. An example of a measure is the establishment of networks of business angels.
 - *Seed financing*: Seed capital provides funds to study, assess and develop an initial business concept. It is the phase preceding the start-up phase.
- Rules for a second start:
 - *Measures for a second start*: For example, rules on financing, advice.
 - *Bankruptcy laws*: Amendments of bankruptcy laws that protect the capital provided by creditors and / or facilitate entrepreneurship.

3.2.2. Improving the (small) business environment

Measures do not address entrepreneurship in particular but the whole business environment. The rationale is that a sound framework needs an efficient legal system, an effective regulatory framework, competitive business taxes, helpful business support services and appropriate regulations on transfer of ownership (BEPG 14, 15).

- Access to finance:
 - *Access to finance in general*: Measures that are targeted at improving access to finance for SMEs, but not primarily addressed

to entrepreneurs. Measures can be guarantees, micro-credit programmes etc.

- Efficiency of the legal system¹²
 - *Efficiency of the legal system in general*: Measures not specifically addressing 'Enforcement of contracts' or 'Speedy settlement'.
 - *Enforcement of contracts*: Measures that: (i) clarify responsibilities between different federal levels of legislation; (ii) simplify and strengthen enforcement procedures (such as improvement of the prosecution system and legal aid); (iii) clarify existing legislation; (iv) combat late payments in commercial transactions; (v) ease the access to courts (e.g. reduction of court fees and reimbursements, compensation procedures).
 - *Speedy settlement*: Measures aimed at increasing the speed of settlements such as acts on accelerating legal procedures. Measures to increase the capacities of the legal system (more effective organisation of courts, introduction of e-Government tools in the judicial system) are also recorded here.
- Administrative regulation: Measures aimed at simplifying the regulatory framework (reduce red-tape) and improving the efficiency of public administration.
 - *Administrative regulation in general*: Measures not specifically addressing 'Measuring and/or reducing administrative costs', 'Improving the quality of regulations', 'E-Government' or 'Rationalising public administrative services'.
 - *Measuring and/or reducing administrative costs*: This feature refers to the costs for companies directly related to administrative procedures. This might be registration fees and administrative charges or payment duties that are based on a new corporate law. This category would also cover measures aimed at calculating the cost imposed by the law (e.g. use of standard cost models).
 - *Improving the quality of regulations*: Concrete measures aimed at simplifying and clarifying the existing legislation or making it more efficient (e.g. "Better regulation programmes"). Preliminary steps, such as an undertaking of a regulatory impact assessment, could also be registered here.
 - *E-Government*: Measures aimed at expanding the government's use of ICT (information and communication technologies) to exchange information and services with enterprises (e.g. establishment of platforms for the submission of electronic documents); also named Government-to-Business (G2B) e-Government. The most important anticipated benefits of e-Government applied to the administration include improved efficiency, convenience and better accessibility. A number of e-Government measures are not to be recorded under this category.¹³

¹² The European Commission on the Efficiency of Justice (CEPEJ) lays down some principles under which the legal environment might be improved.

¹³ Measures aimed at expanding the government's use of ICT to exchange information and services with other arms of government (i.e. Government-to-Government (G2G) fall under 'Rationalising public administrative services' category. E-Government applied by the legislative and the judiciary (e.g. to improve internal efficiency) fall under 'Efficiency of the legal system' category. E-Government

- *Rationalising public administrative services*: Measures directed towards achieving economies of scale within the public administration such as reforms of the size / number of municipalities and regions, and clarifying responsibilities between different governmental levels. Moreover, measures aimed at expanding the government's use of ICT to exchange information and services with other arms of government (i.e. Government-to-Government (G2G) initiatives such as common information exchange networks for several institutions).
- Business taxation: Enterprises should face a simple tax system that does not distort competition inside the country.¹⁴
 - *Business taxation in general*: Measures not directly linked to "simplifying tax system" or "tax rates", e.g. changes in depreciation rules.
 - *Simplification of tax system*: Measures aiming to reduce the time and cost of complying with fiscal obligations. These can be measures reducing the administrative burden related to taxation procedures such as delivering tax documents by electronic means (e-taxation).
 - *Tax rates*: Measures aiming to change the tax burden on companies. This refers to changes of the corporate and income tax rates, including significant changes in tax exemptions and refinements of tax allowances (deductions).
- Business support services: this category refers to those services that aim to assist enterprises or entrepreneurs to successfully develop their business activity and effectively respond to the business. These would involve the provision of information, marketing assistance, advice or training as well as facilitated access to finance. Support services can be provided directly to entrepreneurs, enterprise managers or staff, either by public or private organisations. Measures might consist of (i) making these services easily available to any actual or potential user (ii) promoting the supply of these services by an intermediary (or an alternative entity) or (iii) providing direct financial incentives to enterprises for the request of these services.¹⁵
 - *Training for entrepreneurship*: Measures aimed at training entrepreneurs outside the formal educational system (a) to become en-

measures specially targeted at start-ups (e.g. one-stop contact points) fall under the 'Reducing administrative and financial burdens for start-ups' category. Measures aimed at the provision of information online to promote business activity fall under the 'Business support services' category. Measures involving increased use of ICT by the State but not aiming to improve the business environment (e.g. traffic management) fall under the 'Private R&D' > 'Use of ICT' category. Measures regulating the e-business and e-commerce should also be registered under 'Private R&D' > 'Use of ICT'. Introduction of e-procurement falls under 'Internal Market' > 'Public procurement'.

¹⁴ Measures concerning other contributions to the State (i.e. social security, pensions) are not covered by this policy area (as they are not considered "taxes"). Tax obstacles to competition with foreign players fall under "Internal Markets > tax obstacles"; tax incentives to innovation fall under "Private R&D > fiscal incentives"; Fiscal measures that constitute state aid fall under "Competition > State aid".

¹⁵ Definition taken from Commission Staff Working Paper "Creating Top-class Business Support Services", SEC(2001)1937, http://ec.europa.eu/enterprise/policies/sme/files/support_measures/support-services/staff_working_paper_2002_en.pdf

trepreneurs and (b) to deepen the knowledge on business activities. These are, for example, courses (including targeted training, e.g. women entrepreneurs) offered by different providers or business competitions. Not included here is training as part of active labour market policies (recorded in LABREF).

- *Market exploration*: Measures supporting enterprises to access (foreign) markets, e.g. by marketing assistance, learn to export programmes, business simulations, credit lines to promote exports, export insurance, setting-up contact points for companies abroad and business centres.
- *Business support services in general*: Services as information portals for enterprises on different issues, campaigns for entrepreneurship promotion, agencies for FDI (foreign direct investment), or innovation contact points. Comprehensive initiatives (may include training, market exploration) are recorded in this section.¹⁶

- Transfer of ownership

- *Transfer of ownership*: Measures aimed at improving framework conditions for transfers of businesses: ensuring that tax systems are transfer-friendly, providing adequate financial conditions, raising awareness for the need of a timely preparation and organising transparent markets for business transfers.¹⁷

3.3. Knowledge-based economy

3.3.1. R&D and innovation:

R&D and innovation are increasingly considered to be the main drivers for growth and jobs. Ideally, Member States should create a framework that allows for effective and efficient use of public and private resources for the development of product and process innovations.

- Public R&D: Measures involving Member State investments on R&D and innovation
 - *Public R&D in general*: Measures not directly linked to 'Allocation of public resources', 'Systematic monitoring', 'Modernisation of the management', 'Creating centres of excellence' or 'Mobility of researchers/Internationalisation of research'.
 - *Allocation of public resources*: Measures reporting increases of public expenditure on R&D in the context of national R&D plans, but also changes on how public resources are allocated, i.e. by which funding mechanisms (direct project funding versus base funding). State aid initiatives for R&D (i.e. when the beneficiaries of the measure are formally restricted to a group with specific

¹⁶ With the exception of networks of business angels, which should be registered under 'Start-up conditions' > 'Access to finance' > 'Start-up financing'.

¹⁷ Definition taken from "Implementing the Lisbon Community Programme for Growth and Jobs: Transfer of Businesses - Continuity through a new beginning", COM 2006/117.
http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0117en01.pdf

characteristics such as the enterprise size) also fall under this reform area.

- *Systematic monitoring*: Establishment of monitoring institutions, monitoring procedures or evaluation methods for R&D activities.
 - *Modernisation of the management*: These are measures that (a) modernise the public R&D agencies, (b) establish or reform advisory bodies on R&D, (c) modernise the management of research institutions and universities.
 - *Creating centres of excellence*: Special public-only funding programmes to achieve excellence in research and development in institutions of the public sector (i.e. universities or public research centres).
 - *Mobility of researchers/internationalisation of research*: Measures fostering the internationalisation of research (mobility centres for exchange of researchers, specific grants, attracting homecoming of researchers gone abroad). Measures enhancing the international cooperation of public research institutions are also recorded here.
- Private R&D and innovation (BEPG 7, 8, 9): Measures giving incentives to enterprises to invest in research, including state aid for R&D.¹⁸
- *Private R&D and innovation in general*: Measures not directly related to 'Intellectual property rights', 'Fiscal incentives for private R&D', 'Innovation enhancing public procurement', 'Sectoral measures to promote innovation', 'Regional measures to promote innovation', 'ICT infrastructure' or 'Use of ICT'.
 - *Intellectual property rights*: These are measures aimed at promoting patenting by reducing registration fees or by simplifying procedures and enforcing the protection of intellectual property.
 - *Fiscal incentives for private R&D*: Incentives offering benefits for financing R&D activities (current and capital expenditure)¹⁹ in addition to the standard tax treatment for investment in general. There are different types of R&D tax incentives: tax treatment under corporate tax law (tax deferrals, tax allowances and tax credits),²⁰ schemes based on employers' share of wage tax and social contributions.²¹

¹⁸ Any R&D incentive (fiscal, sectoral or regional) might be considered "state aid" if the initiative formally restricts the potential beneficiaries e.g. by way of size (to SMEs for example), location or sector. Definition adapted from the staff paper "Memorandum on the Community Framework on State aid for research and development and innovation (R&D&I)",

http://ec.europa.eu/competition/state_aid/reform/archive_docs/rdi_en.pdf

¹⁹ R&D investments can be divided into: (a) current expenditure, e.g. salaries of research personnel and costs of materials but could also be costs of training, advertising, overhead costs, (b) capital expenditure, e.g. costs of equipment and facilities.

²⁰ Tax deferrals are reliefs in the form of a tax moratorium (e.g. depreciation allowances); tax allowances are extra amounts over current business expenses deducted from gross income to arrive at taxable income; tax credits are amounts deducted from tax liability.

²¹ Definition taken from (1) Commission Staff working document SEC(2006) 1515 annex to the Communication from the Commission to the Council, the European Parliament, and the European Economic and Social Committee "Towards a more effective use of tax incentives in favour of R&D", SEC(2006) 728 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0728:FIN:EN:PDF> and (2) Report by the

- *Innovation enhancing public procurement*: Measures in which the State will be the consumer of innovative products or processes.
 - *Sectoral measures to promote innovation*: These are specific funding programmes for different economic sectors aimed at enhancing private innovation.
 - *Regional measures to promote innovation*: Measures aimed at the development of regional innovation capacities and infrastructures. Creation of innovation poles, networks of incubators, measures helping to bridge the technology gap between regions.
 - *ICT infrastructure*: Mostly, broadband development plans, promoting the purchases of PCs and Notebooks, building up and improving ICT infrastructure in the public sector, public WiFi networks and hot spots.
 - *Use of ICT*: Measures to promote wider uptake and better use of ICT by the society and the State (awareness programmes, digital strategies). This includes the regulation of data protection.
- Public-private partnership (PPP) (BEPG 7, 8): PPPs describe a form of co-operation between the public authorities and economic operators. The primary aims of this co-operation are to jointly fund, construct, renovate or operate an infrastructure or the provision of a service.
 - *Public-private partnership in general*: Measures not directly related to 'Strengthening applied research', 'Technology transfer' or 'Projects between public research institutions and private enterprises'.
 - *Strengthening applied research*: These are measures for applied research, where for example, one project partner is a research institute or a private company or where specific products should be developed. Innovation networks and strengthening research in enterprises are further examples. Applied research can be defined as research in favour of developing products and processes with a clear view on their commercialisation.
 - *Technology transfer*: Technology or knowledge transfer from public research institutions to the business sector and vice versa. Public entities are enabled to acquire patented technology for further developments. Establishment of technology transfer offices, innovation infrastructures, regulations on technology transfer, research and development in enterprises.
 - *Projects between public research institutions and private enterprises*: Cooperation schemes, incentives for joint development of projects, spin-offs and specific projects.

3.3.2. Education

Measures in this field include all reforms aiming to adapt education and training systems to new occupational needs, key competences and future skill requirements (i.e. including improving the definition and transparency of qualifications), changes in curricula (including orientation towards innovation

and entrepreneurship), introduction of e-learning tools, use and dissemination of ICT, attracting more students to mathematical, scientific, technical and engineering disciplines. It also covers reforms aiming to improve the openness and quality of education (including monitoring and evaluating performance), broadening the supply of education, facilitating access (to initial vocational, secondary and higher education, including apprenticeships), contrasting early school leaving and measures regarding post compulsory school “second chance” re-training.²² (BEPG 23, 24):

- Pre-school or early childhood activities: Language classes in kindergartens, proper funding of all day childcare facilities, increases in the places for schooling children under two, provision of free-of-charge schooling for children under the age of compulsory education. (ISCED 0, Kindergarten, Pre-school, age 3/5 – 5/7).
- Primary and secondary education: Reform measures in primary and secondary education cycles. It includes the revision of curricula, introduction of all day schools, amendments to education acts, reforms of teacher education, councils for education, refinements of the length of education, and programmes for specific target groups (school drop-outs), evaluation methods. (ISCED 1, 2, 3, basic education, basic school, secondary education first stage age 10/12 – 14/16 until the end of school attendance duties, secondary education second stage).
- Tertiary education/Supply of researchers/Apprenticeships/Vocational training: Specific promotion programmes for students (e.g. science graduates), awareness campaigns, universities reforms, higher education acts, councils, performance evaluation, salaries of professors, measures aimed at shortening the stipulated study periods, ensuring a sufficient supply of qualified researchers by attracting more students into scientific, technical and engineering disciplines. (ISCED 5)
- Post-graduate education: Measures related to fellowships for post-graduate or doctoral students and salaries of professors.

4. DESCRIPTIVE FEATURES

The descriptive features are developed to characterise reform measures. A minimum requirement is to provide the user of the database with a basic idea of what the reform measure is about. Those very basic features of each reform measure are the “Title of measure”, “General description of the measure”, “Reference”, “Information source used to fill the catalogue”, and the “Year of adoption”. In order to record a reform measure in the database, it is mandatory to complete these descriptive features. In what follows, the descriptive features of the MICREF database are explained and instructions for the completion are provided.

²² Not to be included: (1) Active labour market policies (which are inventoried in the LABREF database as they are targeted to specific groups facing particular labour market integration difficulties, such as younger and older people, women, the disabled, (2) Lifelong learning strategies (also covered by LABREF) and (3) strengthening the links between universities and enterprises (which should be registered in MICREF under 'Public-private partnerships')

Box 1: The descriptive features of MICREF

0. Change the reform area (Policy domain / Policy field / Area of policy intervention / Reform area)
1. General information about the reform measure
 - a) *Reform ID Key*
 - b) Version
 - c) Title of reform measure**
 - d) Local name of reform measure
 - e) Status (Draft / Verification requested from MS / Verified by MS / Deletion requested by MS / Accepted by EC / Unchanged / Published / Deleted)
 - f) Is the measure verified by the Member State (Yes / No)
 - g) General description of the measure**
 - h) Reference (Budget law / Decree / Law / Other / Unknown)**
 - i) Second policy domain / policy field / area of policy intervention / reform area
 - j) Third policy domain / policy field / area of policy intervention / reform area
 - k) Type of reform measure (New regulation/action / Change in existing regulation/action)
 - l) Regional measure (Yes / No)
 - m) Temporary measure (Yes / No)
 - Yes -> ma) End year of temporary measure (YYYY)
 - n) Targeted population (Measure targeting (mainly) public administration / Measure targeting (mainly) business community / Targeting population unspecified)
 - o) Transposition of EU regulation (Yes / No)
 - Yes -> oa) Number/name of the EU regulation
 - p) Accompanying measure to support absorption of EU funding (Yes / No)
 - q) Information source used to fill the catalogue**
 - r) Date of adoption of the measure (DD/MM/YYYY)**
 - s) Date of implementation of the measure (DD/MM/YYYY)
2. Budgetary impact on revenues
 - a) **Expected budgetary impact on revenue** (Increase in revenue / Decrease in revenue / No impact on revenue / Unknown)
 - aa) Absolute amount of budgetary impact (in '000s EUR)
 - ab) Starting year of budgetary impact
 - ac) End year of budgetary impact
3. Budgetary impact on expenditures
 - a) **Expected budgetary impact on expenditure** (Increase in expenditure / Decrease in expenditure / No impact on expenditure / Unknown)
 - i. Increase in expenditure -> ia) Type of expenditure (Fixed budgetary expense / Repayable loan / Contingent liability)
 - aa) Absolute amount of budgetary impact (in '000s EUR)
 - ab) Starting year of budgetary impact
 - ac) End year of budgetary impact
 - ad) Co-financing rate of public authorities of country in source of funds (in %)
4. Involvement of major stakeholders
 - a) Sectoral federations and business organisations (Yes / No / Unspecified)
 - b) Trade unions (Yes / No / Unspecified)
 - c) Consumers (Yes / No / Unspecified)
 - d) Others (Yes / No / Unspecified)
5. Reform package
 - a) Is the measure a pilot measure? (Yes / No)
 - b) Is the measure part of a reform package? (Yes / No)
 - Yes -> ba) Name of reform package?
 - Yes -> bb) How many policy domains are affected by the reform package? (1 to 6)
 - Yes -> bc) Main policy domain affected by the reform package (Product markets - open and competitive markets / Product markets - business environment and entrepreneurship / Knowledge-based economy / Labour markets / Capital markets/ Other)
6. Monitoring and evaluation
 - a) Are monitoring procedures defined or foreseen? (Yes / No)
 - Yes -> aa) Monitoring body (Independent body / Other)
 - Yes -> ab) Name of monitoring body
 - Yes -> ac) How frequently does monitoring take place? (Regularly in intervals up to 6 months / Regularly in intervals between six months to one and a half years / Regularly in intervals superior to one and a half years / Irregularly / Unspecified)
 - b) Is an interim/ex-post evaluation foreseen? (Yes / No)
 - Yes -> ba) Evaluation body (Independent body / Other)
 - Yes -> bb) Name of evaluation body?
7. Main impact (channel) of the reform measure (more than one can be ticked)

Entry/exit in market / Direct costs of doing business (nationally) / Direct costs of doing business (cross-border) / Increase of public or private R&D / Stimulation or generation of innovation / Innovation dissemination/absorption / Mark-ups / (Labour) productivity / Efficiency and effectiveness of public spending / Upgrading of human capital / Social inclusion / Security of supply / Sustainability

The mandatory features are in bold

0 Change the reform area

Used if a change of policy domain, policy field, area of policy intervention or reform area is necessary.

1 General information about the reform measure

1 a) Reform ID key

Automatically generated by system.

1 b) Version

Available to EC only (ECFIN), the Public (PUBLIC) or Member State (MS) only.

1 c) Title of reform measure (mandatory field)

The title should highlight the crucial feature of the measure.

1 d) Local name of reform measure

The name of the reform measure in the national language should be introduced here, if possible using national accents

1 e) Status

Status of measure. Options are Draft / Verification requested from MS / Verified by MS / Deletion requested by MS / Accepted by EC / Unchanged / Published / Deleted.

1 f) Is the measure verified by the Member State

The options are Yes or No.

1 g) General description of the reform measure (mandatory field)

The measure should be sufficiently described. This means that the key features of the reform measure should be provided and the description should be factual (i.e. set objectives and expected outcomes of the measure or reform separately). Key points might be, for example, the name of the underlying law, what are the changes, how the implementation occurs.

1 h) Reference (mandatory field)

The reference corresponds to the nature of the underlying act establishing the reform measure. Measures may be enacted by a 'Budget law', 'Decree', 'Law', 'Other' or may be 'Unknown'.

If the nature of the act is neither a 'Budget law', a 'Decree' nor a 'Law', then 'Other' should be chosen. In case that the nature of the underlying act cannot be determined 'Unknown' should be chosen.

1 i) Second policy domain/ policy field / area of policy intervention / reform area

If measure addresses more than one reform area of the MICREF database, the second most characteristic broad policy domain / broad policy field / area of policy intervention / reform area are chosen.

1 j) Third policy domain/ policy field / area of policy intervention / reform area

If measure addresses more than two reform area of the MICREF database, the third most characteristic broad policy domain / broad policy field / area of policy intervention / reform area are chosen.

1 k) Type of reform measure

The options are 'New regulation/action' and 'Change in existing regulation/action'.

1 l) Regional measure (Yes / No)

'Yes' should be checked if the measure addresses one or more regions, but not the whole territory of the country. However, when for example the Government is supporting regional venture capital funds in every region, 'No' should be checked.

1 m) Temporary measure (Yes / No)

'Yes' should be chosen only if, at the outset, it is known that the measure will be of a limited duration and the end year is known.

1 ma) End year of temporary measure (YYYY)

This information must be filled if 'Yes' is checked in the previous question.

1 n) Targeted population

The targeted population is the population on which the measure is focused and which should change its organisation or working methods because of the measure. For example, public administration is the targeted population in the following cases:

- measures regarding E-government (e.g. setting up electronic service systems)
- measures regarding improving the quality of regulations (e.g. setting up a regulatory review group or council that will improve the quality, setting up guidelines for impact assessments, setting up an impact assessment system, setting up/publishing a better regulation plan, setting up and adopting a regulatory reform programme)
- measures regarding the measurement and reduction of administrative costs (e.g. measurement of administrative costs/burden, introduction of standard cost model)
- measures regarding rationalising administrative services (e.g. development of strategies improving federal government procedures)
- measures regarding efficiency of the legal system (e.g. increase of staff in courts)

For example, business community is the targeted population in the following cases:

- measures regarding access to finance (e.g. increase of budget for the SME credit line)
- measures regarding improving the quality of regulations (e.g. simplified regimes for enterprises, reduction of formalities)
- measures regarding business support (e.g. high growth SME coaching scheme)
- measures regarding taxation (e.g. simplifying the tax system, tax relief initiatives for SMEs, reduction tax rate)
- measures regarding efficiency of the legal system (e.g. reducing the costs of court proceedings)
- measures regarding the transfer of ownership (e.g. family protocol to facilitate transfer across generations)

The options are: 'Measure targeting (mainly) public administration' / 'Measure targeting (mainly) business community' / 'Targeting population unspecified'.

1 o) Transposition of EU regulation? (Yes / No)

1 0a) Number/name of the EU regulation?

This information is requested only if 'Yes' is checked in the previous question.

1 p) Accompanying measure to support absorption of EU funding? (Yes / No)

1 q) Information source used to fill the catalogue (mandatory field)

This cell records the information source from which the general description and the descriptive features are taken. This might be the Implementation Report of the National Reform Programmes, an OECD or IMF source, the paragraph of a law, the decision of a court or a sector regulator or any other national source. The source used to fill in the inventory should be as detailed as possible to allow it to be traced back by the user of the database. To describe the source (if applicable): title and/or author/organisation, year published.

1 r) Date of adoption of the measure ('YYYY' mandatory field)

This is the date (*DD/MM/YYYY*) when a reform measure was adopted or formally approved by the last responsible body (parliament / government / market regulator) before implementation of the reform measure. In practice, a reference in a given information source such as "Competition Act 2004" or "the Parliament adopted the Electricity Act in 2005" is considered sufficient to determine at least the year of adoption when an exact datum is not provided.

1 s) Date of implementation of the measure

This is the date (*DD/MM/YYYY*) on which the measure has been effectively implemented. It must be considered that this date depends on the nature of the measure. For measures of an action nature, the date of implementation corresponds to the launch of the measure. For measures of a regulatory nature, this is the date at which the concerned parties have to fully comply with the new legal framework. This is either the formal "entry into force" of the measure or the date at which the crucial feature is applied.²³ Analogously to the "date of adoption", a formulation in the reference document such as "Launch of Entrepreneurship Fund in August 2009" or "Introduction of free choice of the electricity supplier from 01.07.2004" are used to determine the date of implementation.

2 Budgetary impact on revenues

2 a) Expected budgetary impact on revenues (one option must be selected)

The question specifies the direction of the expected direct impact on the budget (government revenues), as foreseen at the time of the adoption of the measure. Measures such as tax reforms, privatisations or changes in social contributions may induce an increase or decrease in annual public revenue (as defined by the national budget law). All immediate effects should be recorded if available (exclude second-round effects²⁴).

²³ Example: Free choice of electricity supplier by households. The government of Member State X adopted the law on May 2nd 2004 and it came into force with publication in the official journal on May 4th 2004. The law effectively enables the free choice of electricity supplier by July 1st 2006. In this case July 1st, 2006 would be the date of implementation.

²⁴ Second-round effects on the budget are effects that cannot be linked directly to the reform measure but which are at least partially the result of a chain of cause and effect.

The options are:

- Increase in revenue
- Decrease in revenue
- No impact on revenue
- Unknown (No data provided or not identifiable).

If the impact on revenue can be unambiguously specified (i.e. increase or decrease in revenue), the compiler should further specify the absolute amount as well as the starting and the end year of the budgetary impact in the following questions.

2 aa) Absolute amount of budgetary impact (in '000s EUR)

If the measure has budgetary implications throughout several years, the expected total amount should be recorded. For countries whose currency is not defined in euro, this absolute amount of funds should be calculated based on the average exchange rate of the local currency in euro in the year of adoption of the measure (the average exchange rate of that year as provided by the European Central Bank should be used). If data is only available on the current budget, the amount for the current year should be indicated and the same year stated for the starting and the end year.

For measures that are followed by immediate payments like the sale of shares in a formerly state-owned company, the amount of the budgetary impact on revenue can often be found in the documents or the reporting tables. However, the expected or forecasted impact on revenue (via the tax income) is subject to assumptions and the economic development. Yet, the forecasted budgetary impact should be provided, and the time horizon covered by the given forecast should be stated in the following questions.

2 ab) Starting year of the budgetary impact (YYYY)

The starting year is the first year with a budgetary impact due to the reform measure.

2 ac) End year of the budgetary impact (YYYY)

If data is available only on the budgetary amount for the first year of the measure, the same year for the starting and end year should be selected. If a reform measure has no foreseen end date and the budget for the fiscal year is unknown, the end year should not be specified.

3 Budgetary impact on expenditures

3 a) Budgetary impact on expenditures (one option must be selected)

The question specifies the direction of the expected direct impact on the budget (government expenditures), as foreseen at the adoption of the measure. Measures such as subsidies, social transfers, investment in R&D, grants and changes in administrative costs may induce an increase or decrease in annual public expenditure (as defined by the national budget law). All immediate effects should be recorded (exclude second-round effects).

The options are:

- Increase in expenditure
- Decrease in expenditure
- No impact on expenditure

Unknown (No data provided or not identifiable).

If the impact on expenditure can be unambiguously specified (i.e. increase or decrease in expenditure), the compiler should further specify the type of negative impact (if applicable), the absolute amount, and the starting and the end year of the budgetary impact in the following questions.

3 i. Type of expenditure

This information is requested only if 'Increase in expenditure' is checked in the previous question. The options are Fixed budgetary expense / Repayable loan / Contingent liability.

3 aa) Absolute amount of budgetary impact (in '000s EUR)

If the measure has budgetary implications throughout several years, the expected total amount should be recorded. For countries whose currency is not defined in euro, this amount should be calculated based on the average exchange rate of the local currency in euro in the year of adoption of the measure (the average exchange rate of that year as provided by the European Central Bank should be used). If data is available only on the current budget, the amount for the current year should be indicated and the same year stated for the starting and the end year.

3 ab) Starting year of the budgetary impact (YYYY)

The starting year is the first year with a budgetary impact due to the reform measure.

3 ac) End year of the budgetary impact (YYYY)

If data is available only on the budgetary amount for the first year of the measure, the same year for the starting and end year should be selected. If a reform measure has no foreseen end date and the budget for the fiscal year is unknown, the end year should not be specified.

3 ad) Co-financing rate of public authorities of country in source of funds (in %)

Numerical value between 1 and 100, in percentage.

4 Involvement of major stakeholders

The type of stakeholders (sectoral federations, trade unions, consumers, others) and the kind of involvement should be indicated. 'Others' can be checked if the type of stakeholder is not specified.

4 a) Sectoral federations (Yes / No / Unspecified)

Also includes business federations.

4 b) Trade unions (Yes / No / Unspecified)

4 c) Consumers (Yes / No / Unspecified)

4 d) Others (Yes / No / Unspecified)

Checking 'Yes' defines that the stakeholder was actively involved in the set-up of the measure, either by making proposals, orientating in the policy dialogue or by being one of the decision makers.

5 Reform package

5 a) Is the measure a pilot measure? (Yes / No)

A pilot measure is a measure that is newly introduced and is either limited temporarily and/or in its territorial scope when it only covers a fraction of the territory (“test area”). The experimental character of the measure implies that introduction of the measure on a permanent basis and/or in the entire territory would be based on the experience gained with the pilot.

5 b) Is the measure part of a reform package? (Yes / No)

A reform package can be defined as a bundle of single measures sharing a common context. This common context can be constituted by, for example, a joint adoption or a common legal framework. However, a measure can also be part of a reform package if the reform package foresees the adoption of the measure at a later stage. Besides a joint adoption, a further criterion can be consistency, i.e. the measure can be subsumed under a common planning or the measure is listed under an umbrella of actions (a common strategy or a common framework plan) that is subsumed under one single title. The Lisbon Strategy should not be interpreted as a reform package. A coalition agreement that determines the policies for the term of a government in a given country should also not be considered as a reform package.

5 ba) Name of the reform package?

This information is requested only if ‘Yes’ is checked in the previous question.

5 bb) How many policy domains are affected by the reform package?

Many reform packages provide joint interventions in several broad policy domains. The number of the policy domains covered by the reform package should be provided (1 to 6 domains): the three policy domains of MICREF (‘Product markets: open and competitive markets’; ‘Product markets: business environment and entrepreneurship’; ‘Knowledge-based economy’) and the policy domains ‘Labour markets’ (covered by the LABREF database), ‘Capital markets’ and ‘Other’.

5 bc) Main policy domain affected by the reform package

If a measure is part of a reform package, the main policy domain affected by that reform package is to be specified. The predefined options include the three policy domains of MICREF (‘Product markets: open and competitive markets’; ‘Product markets: business environment and entrepreneurship’; and ‘Knowledge-based economy’) and the policy domains ‘Labour markets’ (covered by LABREF), ‘Capital markets’ and ‘Other’.

6 Monitoring and evaluation

Monitoring means systematic recording, observation or surveillance of a process, i.e. the implementation of the reform measure on national level, using technical tools or other observation methods. Monitoring might also enable interventions if reforms do not progress as expected. The listing of the reform measure in the MICREF database or the Strategic Annual Progress Reports, produced by the European Commission, are not considered as monitoring.

Evaluations give assessment on whether the objectives correspond to the needs and problems (*relevance*), whether the measure achieved the objectives (*effectiveness*), and whether the objectives were achieved at reasonable costs (*efficiency/cost-effectiveness*). Country specific recommendations by the European Commission are not considered to be an evaluation of Member States’ reform measures.

6 a) Are monitoring procedures defined or foreseen? (Yes / No)

It should be specified whether monitoring procedures are foreseen or not.

6 aa) Monitoring body (Independent body / Other')

This information is requested only if 'Yes' is chosen in the previous question. The monitoring body is the responsible institution that carries out the monitoring and can be either an independent body (an institution whose members were not involved in the designing and/or decision-making process related to the measure, which would not be fulfilled e.g. for ministerial or governmental working groups) or other body (i.e. dependent body).

6 ab) Name of monitoring body?

This information is requested only if 'Yes' is chosen in the question 6 a).

6 ac) How frequently does monitoring take place?

This information is requested only if 'Yes' is chosen in the question 6 a). The frequency of the monitoring procedures should be specified according to the following four categories:

Regularly, in intervals up to six months

Regularly, in intervals between six months to one and a half years

Regularly, in intervals superior to one and a half years

Irregularly

Unspecified

6 b) Is an interim/ex-post evaluation foreseen? (Yes / No)

It should be specified whether evaluation procedures are foreseen.

6 ba) Evaluation body (Independent body / Other)

The evaluation body is the responsible institution that carries out the evaluation and can be either an independent body (an institution whose members were not involved in the designing and/or decision-making process related to the measure, which would not be fulfilled e.g. for ministerial or governmental working groups) or other body (i.e. dependent body).

6 bb) Name of evaluation body?

This information is requested only if 'Yes' is chosen in the previous question.

7 Main Impact (channel) of the reform measure

These are the channels through which the measure is expected to unfold its intermediate and final effects on growth and jobs, e.g. public R&D should aim to increase public R&D and innovation performance. Preferably only one channel should be identified. However, if justified, more than one channel can be selected.

The options are:

Entry or exit in the market

Direct costs of doing business (nationally)

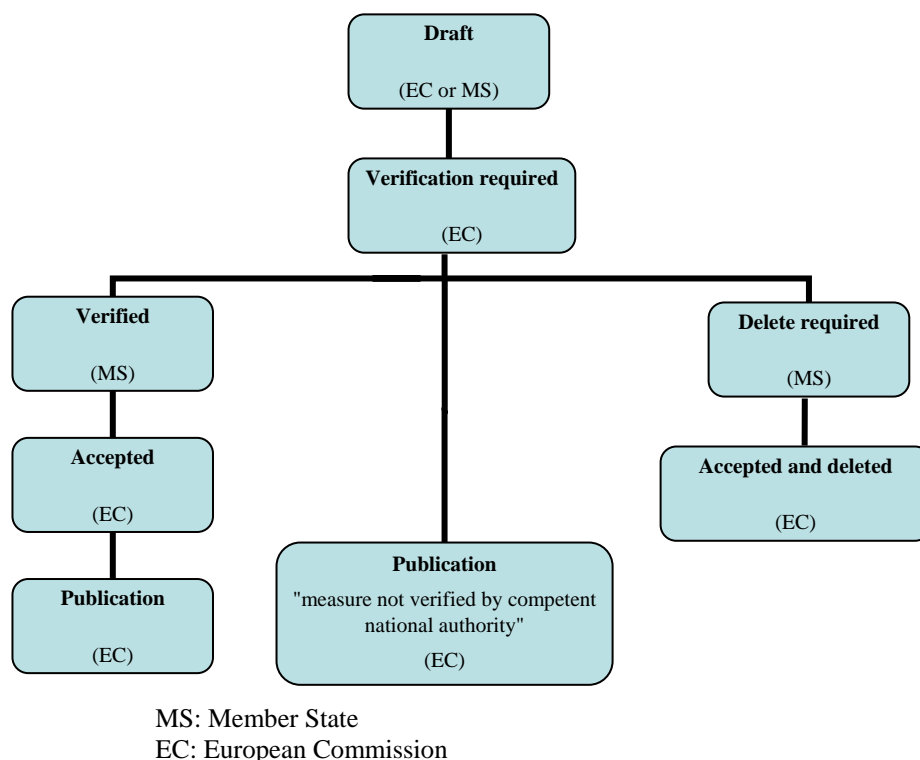
Direct costs of doing business (cross-border)
Increase of public or private R&D
Stimulation or generation of innovation
Innovation dissemination/absorption
Mark-ups
(Labour) productivity
Efficiency and effectiveness of public spending
Upgrading of human capital
Social inclusion
Security of supply
Sustainability

5. USE OF MICREF WEB INTERFACE

This section intends to familiarise the reader with the internet-based MICREF applications and commands.

The MICREF web application is based on a ColdFusion Server and an Oracle relational database consisting of a set of tables, properties and relations between the tables. Programs at the database level support the handling of the commands Insert / Update / Delete / Publishing of data. Several internet-based application tools were developed for data collection, verification, acceptance of verification and publication (search tool). In the following diagram the IT workflow and the sequence followed are displayed (in brackets the actors of the different phases are given):

Figure 1: IT workflow of the MICREF application



The MICREF application currently consists of three points of access:

- (a) MICREF ADMIN application tool
- (b) MICREF MS application tool
- (c) MICREF PUBLIC SEARCH application tool

All three tools are accessible via hyperlinks from the European Commission's Economic and Financial Affairs Directorate-General web page. The MICREF ADMIN tool and the MICREF MS tool serve for data entry, maintenance of the database and verification of registered reform measures. Their access is protected by logins and passwords, overseen by DG ECFIN. The MICREF PUBLIC SEARCH tool is a search engine, open to the public and populated with published reform measures only.²⁵

²⁵ Excluding measures with the status "Draft", "Verified", "Accepted", "Deleted required" and "Accepted and deleted".

5.1. MICREF Administration tool (EC module)

This tool has been developed to enable staff to carry out all tasks concerning data entry and database maintenance.

To access this web application tool of the MICREF database the user needs to have a Javascript enabled browser. This must be at least Microsoft Internet Explorer (version 5.5 or higher) or Mozilla Firefox (version 1.5 or higher).²⁶

On the first page, users identify themselves to obtain authorisation for using the application.

The Menu of this application tool allows the following operations to be chosen:

- (1) Browse/Input/Accept/Delete Reforms
- (2) Maintain help messages
- (3) Count Reforms by Status
- (4) Help – View Online demonstrations
- (5) Help – Frequently Asked Questions
- (6) Download database

5.2. MICREF MS application tool

This tool has been developed to enable EU Member States to verify the data input of the European Commission and also to propose the addition or deletion of reform measures.

To access this web application tool of the MICREF database the user needs to have a Javascript enabled browser. This must be at least Microsoft Internet Explorer (version 5.5 or higher) or Mozilla Firefox (version 1.5 or higher).²⁷

On the first page, users identify themselves to obtain authorisation for using the application.

The Menu of this application allows the following operations to be chosen:

- (1) Reform measures – Display list of measures
- (2) Reform measures – Browse all registered data directly
- (3) Help – View Online demonstrations

The user can choose the following demonstrations from this screen:

- Display list of reforms

²⁶ Opera and Safari browsers have not been tested, but we assume that the latest versions of these browsers should work as well.

²⁷ Idem.

- Submit a reform with workflow status "Verify requested to MS"
- Modify and submit a reform measure with workflow status "accepted by EC"
- Create a new reform and submit it to EC
- Delete a reform and submit it to EC
- Display all registered reforms, navigate and submit

(4) Help – Frequently Asked Questions

5.3. MICREF PUBLIC SEARCH tool

This tool is hosted on the webpage of the Directorate-General of Economic and Financial Affairs of the European Commission. It targets the interested public. Only measures marked in the ADMIN tool as "published" are displayed.

The multi-criteria search allows for the selection of various search criteria at a specific time and the inclusion of up to two descriptive features to display with the search result. Measures and all published information therein can be accessed one by one on the results page.