12th January 2017, 2:30 pm

EUD Headquarter

SPRP Coordination Meeting

Participants:

EUD: Ms. Yi Xiaolin

NDRC: Ms. Tang Ling, Mr. Chang Hao, Ms. Wang Yingsi

MoF: Ms. Zhang Sicong

MoCA: Ms Zhang Lin, Mr. Wang Guan

Project Team: Mr. Jean-Victor Gruat (C1 RE), Mr. Zhang Guoqing (C1 Expert), Mr. Fang Lianquan (C1 Expert), Ms. Li Lingxi (C1 Assistant), Mr. Michele Bruni (C2 RE and Team Leader), Ms. Valentina Pignotti (C2 Assistant), Ms. Marzena Breza (C3 RE), Ms. Caihua (C3 Assistant), Ms. Ma Lan (Project Assistant), Mr. Lin Guowang (Interpreter).

1. Opening by Ms. Yi Xiaolin

Ms. Xiaolin warmly welcomes all the participants to the first Coordination Meeting of the year.

The meeting structure follows the established agenda, starting from a review made by the representatives of the three Chinese Ministries and Resident Experts on the three Components based progress in 2016 and the activities and topics to be addressed in 2017.

2. **Brief review of the Components' progress made in 2016 and issues to be considered in 2017**

Component 1.

- **Part one) Progress of 2016**

Mme. Tang gives a review of activities carried out in 2016 by Component 1.

In terms of conferences, C1 had two international conferences. One was a policy dialogue and international conference on Employment and Social Security, and another one was the EU-CHINA 2016 High Level Event on Perspective of Employment policy and Social Security. Both conferences got successful results. In addition, Component 1 also had three panel discussion workshops. The first one was a concluding workshop for the 2015 research topics; the second one was the collaboration with CASS especially on the aftermath of financial crisis; the third one gathered the authors of national assessment reports on topics explored as part of activities of Component 1 in 2016. These three workshops were quite necessary for the two international conferences.

In 2016, Component 1 conducted four research topics. The first one is monitoring interaction between employment promotion and social protection; the second one is the sustainability of pension schemes; the third one is ageing population and possible strategy of dealing with this situation; and the forth is relationship between social-economic development and the redistribution function of social security. Experts both from EU and China in the High-Level Event shared the results of these four research topics.

In 2016 three overseas visits took place. From 20th June to 1st July 2016, a two-weeks training course for 20 senior officials from the Chinese National and Provincial Development and Reform Commission was held in Spain. From 29 August to 4 September, a delegation from NDRC visited France and Belgium for a dialogue and study visit on the influence of employment and social security policies on income distribution in Post-Crisis Era. Between 23 and 30 October, provincial delegations from Guangdong and Sichuan provinces, which main focuses of interest are the reform, modernization and coordination of social security schemes, undertook a dialogue and study visit to France, Czech Republic and Germany. After these delegations came back to China, NDRC began to transfer the results such as the information they gain in the study visits into reports as output.

Two site visits to Shanghai and Guangdong respectively have also been organized.

- **Part two) 2017 Work plan.**

Mr. Gruat provides the draft work plan for 2017 of Component 1.

Four research topics are presented in detail. First of all, Parametric Reform of Pension System is the most important topic. Second, the topic of Gender Issues should be taken into account. Thirdly, research on strategy of Integrating social security system in urban and rural context should be conducted. Another key factor of research topic is Policy Assessment and Evaluation. A panel discussion will be held in September 2017.

Overseas activities in 2017 will be planned as follows：1) A training which is to focus on policy evaluation and social care in Germany will be held around June 2017. Preparations for the training are in progress. 2) A

Dialogue visit on social protection and redistribution will be in Nordic countries in October 2017, an international workshop will be held in France before that.

3) Vice Chairman of NDRC is planning a visit to Europe – Spain and Italy - in Spring for which the project will provide only limited support. 4) A delegation will visit Romania at the invitation of the Secretary of State, following a proposed coordination meeting to be held in Italy in Autumn for the three components and members of the consortium. 6) Another EU country for the visit in relation with the preparation for 2018 training program need to be proposed.

As for the pilot sites, the research topics such as Gender Issues, strategy of integrating social security system in urban and rural context could be conducted in the pilot sites. A delegation will visit the pilot sites after the PAC meeting on behalf of Consortium to prepare for after project cooperation.

The results of Component 1 could be viewed in the project website. Major publication of Component 1 for 2016：reports on the high-level event in three volumes is sent to Europe already.

Feedback from Yi Xiaolin: the work foreseen in C1 2016 plan has been completed and the agenda of 2017 plan seems very full. Regarding the ministerial visit of NDRC vice president to Europe, the Component is invited to share more information regarding the content of the visit, the topics of discussions, the involved stakeholders, etc. with the Delegation.

As per the Newsletter of the project, is still a bit confusing having different project newsletters. On one side there are the quarterly newsletters produced by Component 1 and 3, on the other there is the project newsletter produced by INPS every six months, What are the differences from the content point of review?

Component 2.

- **Part one) Progress of 2016**

Ms. Zhang Si Cong provides a short briefing on the activities and progress made by the Component in 2016.

In 2016, after the Component changed the Resident Expert, four research topics were concluded, namely *Division of decision power and expenditure responsibilities on social security between central and local government; Social security coverage on atypical employment: methodologies and tools of analysis and management; Nominal personal account reform in the basic pension insurance system; Models and Methodologies for the Social and Economic sustainability analysis in social protection system.* On these topics two workshops were organized at Renmin University, one in December 2015 and one in July 2016.

In 2016 the Component produced two EU best practices reports drafted by selected EU experts, the first titled: *Social Protection of Atypical Employment in the EU: The Case of Italy*; and the second titled: *Microeconomic and Macroeconomic Models to Monitor and Assess the Sustainability and the Adequacy of the Welfare System*. Thanks to these reports, MoF got more understanding on the EU situation regarding the addressed issues, while on the same time some recommendations were made for future work. In particular, MoF would like to focus more on the policy framework and institutional issues, rather than on technical aspects. For example, for the actuarial study it is not relevant to focus on the design of the models, but rather on how to transfer the actuarial model on the design of the policy.

In October, a two weeks Training to Italy was organized in cooperation with MoF. The delegation, led by Ms. Zu Guoying, Deputy Director-General of the Social Security department of MoF, was composed by 15 officials coming from local and central governments. MoF highly appreciated the positive contribution to the course made by the EU experts, INPS and other Italian institutions.

Followings are the very good results of the Training:

1) The content of the training sessions was very comprehensive, including not only the general presentation of EU social protection systems and latest reforms, but also EU country based specific sessions. 2) The training combined the theory with the practice. Thanks to the participation not only of academics but especially of many officials working in the institutions, the participants had the possibility to understand directly the policy also from a practical point of view.

3) Finally, in depth experiences of the Italian social security reform were analyzed, including the relevance of the policy, background, impact and future trends. The speakers introduced not only the successful reforms but also the lessons learned from the past experiences.

In 2016, the Component also included two new research topics, namely: *An integrated system for the coordinated management of the social assistance system*; and *Investment strategies of social funds and risk control methodologies*.

Mr. Bruni follows up on 2016 activities adding some deliverables under production by the Component :

- Training Report, including all the documentation produced
- Compilation of C2 papers realized between 2015 and 2016
- Policy proposals on four research topics concluded in 2016

- **Part two) 2017 Work plan.**

The original list of topics included in C2 plan was drafted several years ago. With the CPC Five Year Plan, new priorities have been defined by MoF, hence some topics have been modified, some added and others lost their relevance.

In the Five Year Plan two issues are underlined, the first is the decline in labour supply, the second is the increase in the aging population. Consequently, the need and demand of technological innovation will affect not only the private sector but also the public sector.

With these premises, in 2017, three main topics are of particular interest to MoF:

1. *An integrated system for the coordinated management of the social assistance system (topic 2.1.4);*

2. *The Development of Old-age Service Industry and Long Term Care System (topic 2.3.1);*

3. *Investment strategies of social funds and risk control methodologies (topic 2.3.2).*

The first topic is linked to the issue of fragmentation of the Chinese social assistance system, leading to a sub-optimal articulation between programs and policies, and results in an insufficient integration of resources, so that the use of social assistance funds is not as effective as desired.

The second topic is a new research area requested by MoF, which deals with the development of Long term care policies and services for the elderly, mainly focusing on the financing mechanisms and policy approaches.

The third topic, that was already included in 2016 plan of activities was postponed to the second quarter of 2017 for priority issues, and will deal with management of old-age insurance funds, investment strategies and risk control measures.

The activities related to each topics will follow the usual structure of the Project indicated by the Grant.

Finally the Component planned a 2 weeks Training to France on the latest more significant reforms on the EU social security system (topic to be better defined in the next month).

In the following weeks, C2 in cooperation with MoF, will better detail the 2017 plan of activities and research topics.

Component 3.

Ms Zhang Lin, Director of General Affairs Division, Department of Social Assistance, MoCA, gave a brief introduction on C3 and MoCA cooperation and indicated that C3 RE Ms Marzena Breze will introduce C3 activities in 2016 and draft work plan in 2017 since Ms Breza prepared a PPT with detailed information; and after she will make comments in addition based on the presentation of Ms Breza. She also stated that C3 and MoCA started the communication on C3 2017 work plan from the second half of 2016 to make a better coherence through 2016 to 2017. Ms Breza and MoCA summarized the works and outcomes of C3 in 2016 and discussed C3 2017 work plan to identify the research topics and discuss the concrete arrangements of C3 activities, which were scheduled in draft C3 2017 work plan during November 11, 2016. and January 5, 2017. meeting. Take the study visit to EU countries as an example, C3 and MoCA discussed the visit programs including date and timing, visit contents, destinations and other concrete information. In addition, she stressed that MoCA went through and revised the PPT slides word by word which will be presented by Ms Breza on this coordination meeting.

Ms Breza firstly presented her appreciation to Ms Yi Xiaolin for hosting this meeting and to Ms Zhang Lin for the brief introduction, and she indicated that thanks to the smooth communication between MoCA and C3 team, the draft process of C3 2017 work plan went well. Then, Ms Breza summarized C3 main outputs and events in 2016, and introduced the planning for 2017 on researches, event in EU and China, and pilots in China. For outcomes in 2016, Ms Breza indicated that C3 conducted researches on topic 3.1.2 Governance framework for Social Assistance administration and management process; 3.1.3 Processes and activities of policy transmission and implementation carried out at central and local level of Social Assistance; 3.1.4 Monitoring and evaluation of Social Assistance schemes. Based on the identification and evaluation of China situation, both CN experts and EU experts proposed policy recommendations to Chinese authority. By above research, several issues are identified which will be continued for research this year by the CN experts. The research topics in 2015 were related the basic issues of social assistance, and then topics in 2016 were much more concrete and deepening several issues like governance framework, policy implementation, monitoring and evaluation. All research activities were based on the CN experts' local visits and C3 Beijing office, and C3 Beijing office conducted local visits to Jilin province, Qinghai Province and Beijing MoCA.

In 2016, C3 organized 2 visits to EU countries, which mainly focused on the exchange of knowledge and the sharing of EU best practices with EU officials; C3 also organized serval activities in Beijing, which were all hosted by MoCA, and thanks to MoCA the activities of March workshop, September Panel Discussion and December workshop were organized successfully. For overseas activities in 2016, C3 supported MoCA ministerial visit to Poland and Spain in April, on this occasion High Level Policy Dialog were organized in Poland which followed by signing a new Memorandum between MRPiPS and MoCA. In summer of 2016, MoCA high level delegation visited to 3 EU countries (Romania, Czech Republic and Poland) on 2015

research topics which allowed a knowledge exchange between EU and China on central and provincial level. For EU best practice exchanges, C3 organized three EU experts' missions to China (in total 9 EU experts / 80 working days), the missions were good chances for MoCA to have bilateral exchanges knowledge in the fields of the 2016 C3 topics. During the missions, ad-hoc seminar on social assistance data base, experts exchange meeting with MoCA and MoCA Center for Low Income Families Verification were organized for adequate knowledge and practices exchanges.

In terms of 2016 Component 3 publications, Ms Breza indicated that C3 has compiled 2015 High Level Forum conference report, Component 3 2015 research topics Volume in both English and Chinese version, and all the publications were shared (including hard copies) during the 2016 HLE. The electronic version volumes can be found at EU-China SPRP website: http://www.euchinasprp.eu/index.php/en/components-en/component-3-en. In addition, Ms Breza indicated that all the works and activities of C3 are presented regularly by quarterly Compoennt 3 newsletters and share with related contacts.

For the work plan of 2017, Ms Breza indicated that there will be 3 topics to be researched in 2017 and last 2 research topics for C3 are planned for 2018. Since C3 will follow the activity format of 2016, in 2017 C3 will also organize panel discussion, workshop, and EU activities, the new event for 2017 are the pilots activities. Based on the 13th Five-Year Plan for Economics and Social Development of China and MoCA's priority, C3 will focus the following 3 research topics: 3.2.2 Optimization of social assistance – procedures and eligibility criteria for social assistance benefits; 3.2.3 Coordination of overall social assistance resources; 3.2.4 Fraud in social assistance: identification, coping strategy and prevention (topics have been renamed compare to the original one); by above researches, assessment reports, EU best practices reports and policy recommendation reports will be delivered. Besides, a Panel Discussion in June 2017 and Workshop in November 2017 will be organized to exchange and summarize the outcomes on above 3 topics and publications will be available afterwards. In addition, C3 has an on-going research study on social assistance assessments conducted by Prof. Guan Xinping & EU expert Mr Mihai Magheru. For the 3 research topics, 2 missions of EU experts will be in Beijing in June and November, Ms Breza stressed that if NDRC and MoF have interests for bilateral exchanges with the C3 EU experts, she will be happy to assist.

For the activities in the EU, Ms Breza indicated that C3 is still waiting for MoCA's confirmation on the plan for the activities to be held in the EU. In 2017, C3 planed a training and study visit activities. The training in France is planned in March on Social Assistance Benefits and Services Legal Framework, Implementation and Monitoring; and the study visits to EU countries (BE, DE, ES, FR, HU, IT, NE, PL, SI) will focus on following topics: standards in social policy schemes; social assistance benefits and services – targeting; professionalization of social workers; multilateral cooperation; and, means testing; policy implementation and monitoring on social assistance.

For the new activity of pilots in 2017, Ms Breza introduced that the topics for the pilots still have to be decided. 3 pilot sites (each for one of the three C3 results) are planned, and topics to be piloted will be chosen a. May/June based on the existing research outputs and the 2017 C3 research (first half of the year). The pilots activity will be continued in 2018. At the end, Ms Breza added that the C3 publications which includes: 3 Volumes on the 3 Component 3 topics and Research study on social assistance assessments are estimated to be shared in February or March, 2017 depending on the report translations process, she will share the C3 2016 volume to all once it is finished.

C3 presentation was continued by Ms Zhang Lin presented her appreciation to Ms Breza for her well prepared presentation with bilingual version PPT slides. Then, Ms Zhang Lin gave her 3 additional suggestions.

1. The co-operation between MoCA and C3 is effective, and some of the outcomes of C3 has already applied to MoCA social assistance work. For example, in 2015, MoCA and C3 conducted a research on social

assistance to special vulnerable groups (SVGs) (mainly including the disabled and the elderly in difficulties); then, in 2016, the State Council and MoCA issued a series of documents which dedicated to the social assistance for SVGs, these documents mentioned the governments is responsible for providing not only the social assistance benefits but also social assistance services, which is the first time mentioned by central level documents. And the documents had detailed regulations on social assistance service providing such as social service contents, targets and service standards. For the research topics in 2016, C3 and MoCA conducted research on social assistance evaluation, the research outcomes were also applied to MoCA's practice on low-income families' means-test. Other researches, for example, topics on macro level: social assistance governance, social assistance transmission and implementation etc. has influenced MoCA's social policy making concepts; and on micro level, C3 activities also have impacts on MoCA's practice activities.

2. All the activities carried by C3 are closely related to MoCA's priorities. As Ms Marzena just mentioned, C3 made some adjustments on 2017 work plan and research topics according to the 13th Five –year plan and MoCA's priorities. The research topics and contents are all the difficulties and key points of social assistance system in China, and EU countries all have model (mature) experiences and practices which can be drawn by China. For example, in 2017 MoCA has a priority and difficulty to make adjustments on social assistance procedures and eligibility criteria for social assistance benefits, it is also one of the C3 research topics in 2017, and this topic is also an important impact which is needed to be learned from MoCA visit to EU countries. Another research topic is the coordination of overall social assistance resources, since MoCA is the head of Joint-conference meeting, what is MoCA's role and function of MoCA in social assistance resource coordination and joint-conference meeting, and how MoCA works on information sharing. This is a difficulty of MoCA and priority of MoCA this year. The third topic, fraud in social assistance: identification, coping strategy and prevention, is a difficulty for MoCA work as well as a *hot* social issue, to tackle the fraud issue in social assistance work, MoCA established MoCA center of Verification and Identification for Low-income Families, where Mr Wang Guan (present at the meeting and on a daily basis support C3 team) works for, to conduct family means-test. For China, the family means-test for social assistance is still at the early stage, EU countries have much experiences to be learned. Therefore, all the research activities and study visits to EU countries are closely connect to MoCA's priorities in 2017.

3. Since the topic 3.2.3 Coordination of overall social assistance resources of C3 has some overlapping with one of the topics of C2, Ms Zhang Lin suggested C2 and C3 could have different research aspects. MoCA is the leading authority of the Joint-Conference meeting and the main authority which responsible for the central level ministries' coordination as well as provincial level social assistance resources' coordination and information sharing. Ms Zhang Lin suggested C2 to focus on the financial coordination of social assistance, for example how to use and allocate the social assistance funds, etc.

Feedback by Yi Xiaolin: It is much appreciated the close communication between C3 RE and MoCA and that the C3 work directly contributed to MoCA work.

C2 and C3 topic on coordination of Social Assistance Resources must be differentiated and vary in the focus between the components not to repeat the same research. Therefore, the possible synergy between components on common interested topics needs to be considered.

3. **Horizontal Activities**

Mr. Bruni introduced the proposal of horizontal activities that could be carried out in 2017.

1) Dissemination of statistical notes on China on a quarterly basis. Each note will be devoted to a single theme starting from demography and then moving to national accounts, labour market, education, heath, etc. The notes will be easy to read and provide not only data but a description of the figures. The idea is to produce the Number 0, then receive feedback from the Chinese counterparts on the product.

2) Organization of one International Workshop to be hold by the end of 2017 on one area of interest of all three ministries, structured with sub-topics decided upon the targeted interest of each Component. The cost for organization of the workshop would be covered through amounts earmarked for 2017 HLE that will not be organized.

3) Set up visibility campaigns to foster public relations of the project with EU and international bodies operating in Beijing, as well as with EU Chambers of Commerce.

Feedback from EUD:

On the first and second points we need to know the opinion and interest of the Chinese counterparts.

As per the third point, EUD will be responsible of such activity as done in the past.

Feedback from Chinese side:

MoF underlines that the human resources constraint of MoF is the only motivation why they decided not to hold the HLE in 2017.

1) Regarding the statistics, it is needed to produce a first issue to better understand the product, the users and the need. The ministries already use their own statistics and external information is not necessary. Ms Zhang Lin agreed with the opinion of Ms Tang (NDRC) to wait for the detailed proposal from Mr Bruni on the statistical research activity.
2) Considering that the plan of the different three Components is yet well differentiated and the three Chinese Ministries work on different areas and have different visions it is not easy to organize a unified workshop for the whole project.

Summing up:

- By February 2017 a first issue on the statistics bulletin will be submitted by the team leader for a feedback.
- A clear proposal identifying the topics of the workshop, including objectives and organization will be submitted to the Chinese partners by the team leader for comments.

   4. **Project information and Closing of the Meeting**

Mid-term evaluation: Around end of February and beginning March 2017 the Project will be subject of an external mid-term evaluation, which will last around 2 to 3 weeks in Beijing (including pilot sites).

Budget exchange principle: the 2017 work plan of the Components seems already well prepared for the C1 and C3, EUD will wait for further details. As per the overseas activities the principle of budget exchange for flights of central officials need to be respected.

Involvement of EU countries: During the next two years, the project is recommended to have more communication exchange also with countries outside the Consortium, e.g. with EU Nordic countries. The EU Delegation is happy to help in coordination with the Member States if necessary.

Tailor made EU models for China: Now that the project already produced many EU best practice reports based on Chinese challenges/demands, it would be good to identify some topics and to provide concrete EU experience/models as case studies for further dissemination. Finally, Ms. Yi Xiaolin thanks all the representatives of the three Chinese Ministries, EU and Chinese experts, and project staff for the participation.

Drafted by Project Team

2017/1/13