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EU-China Social Protection Reform Project – Mid-Term Evaluation

Specific contract 2017/383373/1

Final Evaluation Report

Prepared by
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Disclaimer

This evaluation is supported and guided by the European Commission and presented by GFA Consulting Group GmbH. The report does not necessarily reflect the views and opinions of the European Commission

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ACRONYMS

ACFTU	All-China Federation of Trade Unions
ACWF	All-China Women's Federation
CASS	China Academy of Social Science
CIRC	Chinese Insurance Regulatory Commission
CRC	Convention on the Rights of the Child
CRPD	Convention on the Rights of Persons with Disability
DAC	Development Assistance Committee
DEVCO	Directorate-General for International Cooperation and Development
DRC	(Provincial, Local) Development and Reform Commission
EC	European Commission
EU	European Union
EU MS	European Union Member State
EUCSS	EU China Social Security Reform Cooperation Project
EUDEL	EU Delegation for China and Mongolia
FYP	Five Year Plan
GoC	Government of China
IAC	Insurance Association of China
ILO	International Labour Organisation
IMC	Internal Management Committee
INPS	Istituto Nazionale della Previdenza Sociale / Italian Institute of Social Security
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoCA	Ministry of Civil Affairs
MoF	Ministry of Finance
MOFCOM	Ministry of Commerce
MoHRSS	Ministry of Human Resources and Social Security



NDRC	National Development and Reform Commission
NGO	Non-Governmental Organization
PAC	Project Advisory Committee
PRC	People's Republic of China
SISPI	Italia Previdenza
SPRP	Social Protection Reform Project
UN	United Nations



0 EXECUTIVE SUMMARY

During the period November 2014- November 2018, the European Union is supporting the EU-China Social Protection Reform Project (SPRP) through a comprehensive policy dialogue project with a total budget of € 7,000,000. The project is implemented by a Consortium of ten EU Public Administrations and Ministries under the leadership of the Istituto Nazionale della Previdenza Sociale / Italian Institute of Social Security (INPS) as coordinating body and operating through three Resident Experts in China. The project's Beneficiaries and direct counterparts are the National Development and Reform Commission (NDRC), the Ministry of Finance (MoF), and the Ministry of Civil Affairs (MoCA) with the EU Delegation for China and Mongolia (EUDEL) acting as the responsible intergovernmental monitoring agency towards the Government of the People's Republic of China (PRC/GoC).

Objectives of the evaluation

As part of the European Union's regular monitoring process for overseeing its Development Cooperation spending this Mid-Term Evaluation (MTE) has been commissioned to GFA Consulting Group as an independent German company, which in turn employed two independent consultants for its execution. The evaluation took place during the month of April in China and subsequently two days in Rome/Italy in May 2017.

The evaluation team applied a mix of methods for analysis comprising of: 1) a review of information materials and project documents as well as 2) meetings and interviews with relevant stakeholders including but not limited to NDRC, MoF, MoCA, and MoHRSS at national level in Beijing and at provincial level in the pilot province of Guangdong (Guangzhou and Huizhou). 3) The outcome was then analyzed and reviewed for triangulation; and finally 4) complemented by a visit to the European Project Leader INPS in Rome.

Comments on the report's draft version provided by the beneficiaries as well as by EUDEL have been taken into consideration. All issues regarding which the Evaluation Team disagrees with these comments are highlighted in the report.

The outcome of the evaluation process is presented in the following report:

Main findings

Overall, the project's progress in China is positively assessed despite some constraints of practical management. The main Programs established under the SPRP for research and discussion are relevant and are responding to the needs and capacities of the Chinese Beneficiaries. - NDRC and MoCA demonstrate a high ownership of the project and gradually the MoF will become more actively involved. This MTE found sufficient evidence to confirm that the design of the SPRP, along with the chosen instruments of EU short-term experts, Chinese experts and researchers, panel discussions, study tours to EU countries and trainings provide models and practices from EU MS for the elaboration of policies and perspectives for the social protection system in the PRC.

As long as the major social protection pillars, e.g. pensions and social insurance as well as social assistance schemes depend for their major share on compulsory legal contributions or on the national budget, the GoC needs to adjust social protection systems that are effective, efficient and promote social equity.

This process in turn requires ongoing economic growth and socio-economic development.

However, the Grant Contract of the EU for such a complex and diverse project (in fact three projects) has some disadvantages for the project implementation because it creates an



extensive and costly administration in Europe while the implementation in China depends on complicated decisions taken in Rome. The complex management structure and capacities in Europe are not very cost-effective and restrict the efficiency of project implementation in China although the EUDEL and the PL have introduced changes in the project management structure in early 2016 to allow the project to operate without too many delays.

Overall, the REs and their Chinese Counterparts are expressing satisfaction with the improvements on the functioning of the SPRP Project Management. However, the evaluation team assesses the decision-making structure with the Project Leader, secretariats and coordinators – all based in Europe – as overly complicated. The SPRP has REs in place whose capacities are insufficiently used as long as so many services are performed in Rome and Paris. It remains to be seen if the establishment of an affiliate office of SISPI in Beijing will diminish or overcome the administrative problems.

Relevance

The relevance of the SPRP will further increase as the country moves ahead with its social security reform in forthcoming years, as it is part of the 13th FYP. This implies that the intervention logic of the project remains relevant and its activities respectively its achievements of result become important for policy formulation. The evaluation found all three project Components of high relevance to stakeholders and main beneficiaries. It is therefore realistic that the expected results of the SPRP can be achieved by the implementation of the project. The project activities and outputs were aligned with the demands of the Chinese Beneficiaries on social protection reform to support the reform process towards a more equitable and inclusive society. China's demographic problems of an ageing society will become even more important on the social policy agenda of the Government, in view of a social protection system largely funded by the national budget.

The SPRP is equally important for the final beneficiaries, i.e. the population of China, because the extended social assistance, social welfare and social insurance coverage for employees as well as for rural and urban residents will remain an essential element for a decent living in the future.

The project design is carefully considered by the exchange of the Chinese Beneficiaries with EU experiences/experts, through research and workshops, trainings and study tours to EU MS, which enable a focus on more evidence-based practices to provide insight to the social protection system in China.

Efficiency

The main question regarding the efficiency of the SPRP in China relates to its management and whether the operational set up provides a cost-effective and appropriate framework to the implementation of project activities and towards adding value to the contents and objectives of the project. In relation to Components 1 and 3 it can be said that the SPRP is largely on track with its planning. In terms of the spending of funds, the SPRP appears to be behind the schedule and is probably not organized in the most efficient way. The project has spent approximately one third of its resources during half of the implementation period. Human Resource contributions from Chinese Beneficiaries and local institutions have been largely provided as planned and are probably managed in a cost-effective way.

Effectiveness

With regard to the project's effectiveness, the formulated qualitative results are ambitious but can be reached if they are being followed with the same consequence as over the past two years of implementation. Quantitative effects may be more limited because the indicators have not been specified to this aim and the GoC does not pay much attention to statistical evidence for their policymaking.



The organizational sequence of support – Chinese research, EU best practice, panel discussion, and formulation of policy recommendations – still lacks an important element, namely the synthesis of Chinese and European policy recommendations of individual researches undertaken with a view to developing and presenting a comprehensive set of integrated policy recommendations based on Chinese and European experience later on. Furthermore, no distinctive model of capitalization on the study visits and training Programs has been developed which would aim at a lasting sustainability of the outcomes of these activities.

Some doubts must be raised that the instruments chosen, in particular regarding the research and pilots are adequate tools for substantiated policy formulation in social protection beyond selected case studies and tested models. The SPRP also has a weak spot with regard to its analysis of crosscutting issues that have been formulated in the project design. Furthermore, the process of identification, research, panel discussions and topic-wise recommendation appears to be incomplete as long as the synthesis phase regarding analysis and policy recommendations remains missing.

During discussions with the Chinese Beneficiaries and researchers, the evaluation team found that in most cases the requested national research mainly had the function to confirm the assumptions that the beneficiaries already have on their mind. Hence, the question arises why the EU via the SPRP has to invest in Chinese research for a confirmation of existing knowledge. Nevertheless, the events organized in Europe (i.e. study trips as well as training Programs) are highly appreciated and useful tools for the achievement of goals in the area of capacity building and mutual exchange.

Impact

It is self-understood that the process of social protection policy reform cannot be realized within a short project period. From the view of the NDRC, policy development is rather a long-term goal in China and concrete achievements in terms of legislative changes are not to be expected during the lifetime of the SPRP. It is also difficult to establish whether the project strategy and management are steering consequently towards the expected impacts. The project is likely to achieve what it has promised in the intervention logic; that is a respectable outcome in its own right and should not be underestimated. However, project steering may adjust its mechanisms towards working with more emphasis on the creation of synergies between the three project components for a lasting impact.

Sustainability

Although at mid-term it is still early to assess the sustainability of the SPRP's outcome, it should not be overlooked that long term viable solutions for social insurance and assistance schemes depend on economic development and the composition of financing instruments. To this end, provisions made in the project's planning for policy formulation in social protection reform should feed into the implementation of the 13th FYP as well as into preparations for the next, i.e. 14th FYP. These processes will show whether the SPRP has been successful in contributing to viable solutions of social protection. From the evaluation's point of view, the policy dialogue culture offers the best opportunity for achieving such sustainability along with the capacity enhancement activities, e.g. study visits and EU training Programs that should be feeding back into institutional improvements. A final or ex-post evaluation may take up these questions for their Terms of Reference.

Recommendations

The recommendations of the evaluation consequently mainly aim at improving the project's implementation process over the remaining two years of implementation to make up with some of its constraints.



Overall, the SPRP implementation modalities should continue as designed, with implementation variations between components supported through a flexible approach as well as clear rationale for such variations in the SPRP step-by-step research validation process that supports the research with EU best practices and uses these reports/topics for the design and delivery of study tours, training visits and other Europe-based activities.

Large-scale actions such as SPRP might better be organized in the format of Service Contracts rather than grants. In order to reduce the complexity of project administration local decision-making powers should remain with the resident team of experts instead of organizing overly complicated communication structures between several EU Member States and China. This review should include clarifying the role and responsibilities of the Team Leader in consultation with the Project RE team and with the EUDEL.

In terms of reporting, the project management should follow the contractual arrangements and produce those reports, which are obligatory by contract in order to facilitate the timely submission of such reports.

The professional sequence of the production of reform proposals to the beneficiaries should be enriched by a Synthesis Phase in which Chinese and European experts - with guidance from the REs - produce a comprehensive set of recommendations that reflects both Chinese research and European experience and is adjusted to the needs of the beneficiaries.

The project team should develop a model related to the best possible capitalization on experience gained through cost-intensive study visits and training programs in Europe. The model might include a clear assessment of outcome expectations, the detailed preparation of participants for institutions to be visited in Europe, feedback sessions during the trip to deepen the understanding of what has been learned, and follow-up workshops in China.

NDRC and MoF should have involved MoHRSS more strategically in the development of social protection reform ideas from the beginning of the project as well as into the testing of such ideas in practice. In addition, the capacities of the CASS in social policy-related research should have been more involved into the research activities of SPRP rather than universities; their involvement would also have been useful for an exchange of information and the dissemination of the outcomes of the research undertaken in SPRP.



1 Background

Since 1984, the People's Republic of China (PRC/China) has established a comprehensive and impressive Social Security System built on three pillars of 1) social insurance, 2) social assistance and 3) social welfare. By the end of 2011, more than 1.3 billion people were covered by social security; full coverage of subsistence allowances existed for urban and rural people living in poverty, and 2.38 million elderly, disabled people and children were supported by social welfare institutions.¹

As part of a thorough reform process, China's ambitious 12th Five Year Economic and Development Plan (2011-2015) had prioritized on better livelihoods and social benefits for its population. The plan foresaw the roll-out of the social protection system to the whole population through a) expanding the rural pension scheme to 100% of the counties; b) increasing the coverage of pension schemes for urban residents by an additional 100 million participants to a total of 357 million persons; c) pooling the basic pension fund at national level. It also included other measures towards improving the urban and rural minimum living social assistance and expanding the coverage of health insurance to almost 97% of the total population. A new Social Insurance Law was launched in 2010 to ensure basic social protection throughout the country.²

However, the social security system encounters a series of problems, because of the dynamics of rapid urbanization, with a massive urban influx of migrant workers (approx. 230 million by the end of 2011 or 17% of the total population, of which 80% are from rural areas). In view of the difficulties for rural residents to access the same benefits in social security, public services and employment as urban residents, the central and provincial Governments are facing significant disparities between rural and urban areas. A steady ageing of the population goes along with several social insurance schemes applied to different social groups, as well as an inadequate supervision and management of the social security funds. A weak and fragmented legal framework in the social assistance system also led to imbalances between the three pillars of the system.³

EU-China Social Protection Reform Project (SPRP)

Since late 2013, the EU-China Social Protection Reform Project (SPRP) was developed with a view to “assist the Chinese Central Government in its efforts to further develop social equity throughout its society, by contributing to a more inclusive and harmonized social protection system nationwide” as elaborated in the Action Fiche of the project.⁴

The SPRP commenced in November 2014 with an intention to enhance the institutional capacity and policy effectiveness of the leading National Development and Reform Commission (NDRC) and strengthen the coordination of policy-making among government agencies (Component 1). Furthermore, the SPRP plans to cooperate with the Chinese Ministry of Finance (MoF) in establishing appropriate management and supervision mechanisms for fiscal support (Component 2). Thirdly, it assists the Chinese Ministry of

¹ Action Fiche for EU-China Social Protection Reform Project (SPRP) CRIS number: DCI-ASIE/2013/023-119, p. 2, chap. 2.2.1.1; http://ec.europa.eu/europeaid/documents/aap/2013/af_aap_2013_chn.pdf

² Action Fiche, ibd. p. 2,

³ Action Fiche, ibd. p.3

⁴ Action Fiche for EU-China Social Protection Reform Project (SPRP) CRIS number: DCI-ASIE/2013/023-119, http://ec.europa.eu/europeaid/documents/aap/2013/af_aap_2013_chn.pdf



Civil Affairs (MoCA) in upgrading the legal framework regulating delivery and policy enforcement for social assistance (Component 3).⁵

This Mid-Term Evaluation (MTE) was commissioned by the European Commission's Directorate-General for International Cooperation and Development (DEVCO) via its EU Delegation for China and Mongolia (EUDEL) in Beijing to undertake a comprehensive analysis of the project's performance after two years of implementation and provide insight for its stakeholders into the achievements as well as to learn about its challenges and progress in order to enable the adaptations needed for the second half of the project period. Specific Terms of Reference (ToR) are attached to this report in Annex 1.

2 Methodology

2.1 Scope, objectives and evaluation criteria

According to its ToR, the MTE aims to provide an understanding of the progress made by the SPRP towards achieving its purpose and **overall objective** to assist the Chinese Government in promoting further social equity and inclusiveness of the economic development in Chinese society. The MTE will show the extent to which the project is attaining the defined concrete results and verifies the actual conditions of implementation.⁶

The more **specific objective(s)** of the MTE aim to evaluate the project according to the five DAC evaluation criteria of its relevance, effectiveness, efficiency, impact and sustainability; in order to assess achievements and short-comings of the project to date, and to draw conclusions and recommendations for improvements towards its performance and prospects for achieving its objectives and results.

The report follows a set of indicative questions for each of the five DAC evaluation criteria that guided the interviews held during the evaluation process. Additional questions derived from the briefing sessions with key stakeholders in Beijing and were subsequently included in the MTE.

Taking two prior Result Orientated Monitoring (ROM) missions and the respective reports into account, the MTE's assessment of the Components 1-3 and the Horizontal Activities, will follow a system's approach as outlined in the methodology presented by the contractor. The evaluation team focused on a strong outcome-orientation for the remaining implementation period of SPRP considering the different perspectives of key stakeholders as outlined in a preliminary Mission plan submitted to the EUDEL in the beginning of the field phase in China.

Furthermore, the evaluation team used the following methods of analysis:

- Review of background materials;
- Meetings and interviews with relevant counterparts and stakeholders including but not limited to NDRC, MoF, MoCA, Ministry of Human Resources and Social Security and other relevant stakeholders at national level in Beijing;

⁵ Action Fiche, ibd.

⁶ SPECIFIC TERMS OF REFERENCE: EU-China Social Protection Reform Project, Mid-Term Evaluation, FWC BENEFICIARIES 2013 - LOT 9: Culture, Education, Employment and Social; EuropeAid/132633/C/SER/multi, Request for the Service 2017/383373, Version 1



- Meetings and interviews with relevant counterparts, stakeholders and beneficiaries at provincial level in the pilot province of Guangdong (Guangzhou and Huizhou);⁷
- Analyze and review of the outcome of discussions held for triangulation;
- Preparation of a presentation for debriefing with the Resident Experts, key Chinese stakeholders and EUDEL;
- Meetings with the European Project Leader INPS in Rome.

2.2 Evaluation process

The period of review for this MTE relates to the first two years of implementation of the SPRP from November 2014 to end of November 2016.

The evaluation process consisted of three phases and consecutive steps:

Inception phase

Originally, the evaluation was scheduled for March 2017. However, due to a late replacement of the Evaluation Team Leader position, the initial period and desk review was very short and compromising a thorough preparation. As a consequence the evaluation team consisted of two international consultants with a background on social policy (reform) and rural development (vide Annex 2).

Field phase

The main project evaluation took place during three weeks from 3-22 April 2017 in China and included visits and interviews in Beijing and Guangdong Province. An itinerary and work plan in China is attached in Annex 3. A map and geographical overview is provided for easy reference in Annex 4.

Difficulties due to the planning of this evaluation for the actual process arose from the fact that no provision was made to review thoroughly the project holder and his management process on location in Italy prior to the field visit in China. Hence, no communication took place with consortium members or the European project counterparts. The EUDEL as the responsible authority for the evaluation informed the consortium about the MTE at the PAC meeting in February 2017, shared the ToR, and introduced the mission experts to the PL (in April) to facilitate direct e-communication between them. An in-depths discussion with the European Project Leader (INPS on behalf of a consortium of implementing partners) would have been helpful, because it turned out during discussions with the SPRP Office in Beijing that relevant information was not available and had to be requested via Skype communication from the two project secretariats.

The revised process of the evaluation made it necessary that the Evaluation Team Leader would visit INPS in Rome/Italy only after the evaluation in China. She visited Rome on 18-19 May 2017 for further interviews and discussions with the Project Leader (PL), Coordinators of the three components and two secretariats as to complement this report. The preliminary presentation of the outcome of the evaluation visit to China presented earlier to the EUDEL was discussed with the PL on behalf of the Consortium of European Partners. An overview of all interviews with persons met during the field phase of the evaluation can also be drawn from Annex 3.

⁷ Note: the planned second pilot visit was cancelled by the Beneficiaries.



Reporting phase

For the same reason, the reporting phase of the MTE extended to the end of May 2017.

It has been unfortunate that, although the mid-term evaluation was foreseen in the Action Fiche of the Commission's Implementing Decision on the SPRP, it was not included in the Grant Contract. The EUDEL shared the Action Fiche with the PL, which contains the evaluation requirements. However, on behalf of the EU, two Result Oriented Monitoring (ROM) missions took place in December 2015 and in November 2016. These ROM reports effectively bridged the gap in external monitoring.

No financial review has taken place as yet as the second Interim Report for 2016 is due and no Statement of Expenditure justifying the expenses of the 2nd year of implementation (2016) was available for the evaluation. An actual statement of expenses along with budget revisions was submitted only after the evaluation visit to China (see chapter 3.2.4).

Altogether, the scheduled evaluation could have been better prepared; the PL as well as the SPRP project team was mostly unaware of the required documentation and processes of the MTE. The key missing second interim narrative and financial reports were not ready, so the Delegation informed INPS to share a draft second year's financial report with the mission expert if possible. Nevertheless, upon request, the documents producing evidence for the evaluation were subsequently prepared and submitted to the evaluation team. A list of relevant documents that were reviewed during the evaluation process and afterwards is available in Annex 5.

3 General Findings

3.1 Approach

The SPRP was developed in compliance with the EU-China 2020 Strategic Agenda for Cooperation signed in November 2013.⁸ The commitment provided the strategic framework for the EU to assist the Chinese Government with a series of high-level cooperation and policy dialogue in selected sector reform projects for a direct exchange and learning from experiences in the 27 EU Member States.

Set up as part of the **Financing Agreement** and signed on 18 December 2013 with a Total Budget of 7,000,000 EUR, of which 6,700,000 EUR was contracted, the negotiations between the Istituto Nazionale Della Previdenza Sociale (INPS) as coordinator of the consortium and the Chinese Government took almost one year before the Grant Contract with the INPS was finally agreed (DCI-ASIE/2014/350-601) and signed in November 2014.⁹ A Consortium of ten EU Public Administration Bodies and affiliated organizations was formed to implement the project on the European side:

⁸ EU-China 2020 Strategic Agenda for Cooperation; chapter VIII. Social progress, 1. And 2., p.13 f.; to "Reinforce dialogue on social policies, promote social security and social cohesion, full and quality employment, occupational safety and health, and decent work, so as to address a number of challenges such as youth employment, social welfare, social assistance, demographic ageing, as well as migration flows and cross-country mobility.

2. Jointly implement the EU-China Social Protection Reform Project and the EU-China Occupational Safety and Health Project in High Risk Industries, and make better use of the existing dialogue mechanisms. see: http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf

⁹ Grant Contract (DCI- ASIE/2014/350-601) signed 17th November 2014 as official starting date of the project.



- Italian Institute of Social Security (INPS);
- Expertise France (former ADECRI)/France;
- Federal Public Services Social Security (FPS)/Belgium;
- Ministry of Labor, Family, Social Protection and Elderly People (MoLFSPE)/Romania;
- Ministry of Family, Labor and Social Policy (MRPiPS) (former Ministry of Labor and Social Policy)/Poland;
- Ministry of Employment and Social Security (MEySS)/Spain;
- Ministry of Labor and Social Affairs (MoLSA)/Czech Republic
- International and Iberoamerican Foundation for Administration and Public Policies (FIIAPP)/Spain;
- Italia Previdenza (SISPI)/Italy;
- National School of Administration (SNA)/Italy.

After the first year (2015) of setting up the project's structure and management, along with launching the scientific activities, the second year (2016) brought several changes on the European side. Following the leaving of Formez (a former consortium member and initial - Project secretariat), the management structure of the project was re-organized, in order to strengthen operations. *"The main change has affected the Secretariat role, which has been entrusted to Expertise France, for Component 1 and Component 3, and SISPI, as far as Component 2 and horizontal activities are concerned."*¹⁰ The latter joined the Consortium as an affiliated entity to INPS at the beginning of 2016.

Another substantial change occurred with regard to Component 2 (vide chapter 3.2.1.3), concerning both, the management and the scientific parts.

The decision to select a **Grant rather than a Service Contract** as the contractual format for the SPRP was taken by the EU Commission (DG DEVCO) and was not in line with the original intention of EUDEL to prepare three separate (smaller) projects in which today's Components 1 and 3 would have been tendered as Service Contracts while Component 2 would have been tendered as a grant. In the light of the upcoming termination of development aid activities of the EUDEL in China, however, DG DEVCO took the decision to operate the three components as only one project in order not to overstretch Delegation's management capacities. In addition, it was decided to tender the entire project as a grant with a view to raising commitment on the side of the EU Member States towards establishing bilateral partnerships between public institutions in the member states and the Government of China (GoC).

In terms of the commitment, this approach has proven to be rather successful. **Public Institutions from seven EU Member States have committed themselves to participate actively in the SPRP** as consortium members or associates: Italy, France, Belgium, Poland, Romania, Spain, and the Czech Republic. Among them, Poland has established a formalized cooperation agreement while France, Italy and Spain are on the verge of establishing such cooperation with a Memorandum of Understanding (MoU).

When it comes to the organization and implementation of both High-Level Events in Europe and in China and study visits or training activities for Chinese officials in Europe, the **members and associates of the consortium have demonstrated their commitment by providing strong human resource input** (vide chapter 3.3.2).

¹⁰ Second Interim Report 2016 (17th November 2015 - 16th November 2016)



As consequence of the selection of the grant-funding instrument for the SPRP and its complexity of stakeholders, i.e. the Consortium, three Chinese Beneficiaries, three Project Components, the management structure of the project is strongly imbalanced towards a heavy administration to reflect its ambitions. Other than in a Service Contract, the management is mainly organized in and from Europe, while the Resident Experts (RE) - and in particular the Team Leader/RE2 - have little to no management-related responsibilities to perform. During the first year of implementation in particular, this imbalance has led to unfavorable situations in China which the REs were not able to influence and solve because of the complicated management structure of SPRP (vide chapter 3.2.2). Two ROM reports have described these problems in detail. Based on the experience made with service contracts – for instance in the SPRP’s predecessor project, the EU China Social Security Cooperation Project (EUCSS) – it is very likely that such problems would not have occurred had the local management been in the hands of the REs.

The development of a partnership structure between public bodies in EU Member States and China would also have been possible in the framework of a Service Contract. This option was demonstrated by the example of the EUCSS and the establishment of a partnership agreement between France’s Ecole nationale Supérieure du Sécurité Sociale and China’s National Training Centre for Social Insurance under the Ministry of Human Resources and Social Security (MoHRSS).

Finding 1: Hence, the Evaluation Team cannot consider the Grant Contract scenario a more favorable approach - a Service Contract might have saved the project from management-related problems in Year 1 of the implementation¹¹.

The instrument of promoting policy making through a DEVCO Grant Contract also faces limitations because of its long-term outcomes and impacts, which cannot be achieved within four years whereas a technical assistance service contract would have been more effective in terms of result achievement and project management.

The approach then translated into the intervention logic for the SPRP through its Action Fiche and design. It is reflected in the **Logical Framework of the Action**, which is attached in Annex 6 for further reference.

Two ROM Missions on behalf of the EU were carried out to observe and document, how the SPRP implementation progressed and contributed to the Overall Objective of the project “...to further social equity and inclusiveness of economic development throughout Chinese society.”

In addition, the second ROM Report examines and confirms that the SPRP works towards the three Specific Objectives (SO), namely to:

“SO1 - greater effectiveness and inclusiveness of China’s social security system;

SO2 - implementation of appropriate legal and regulatory frameworks and for enhanced and sustainable financial management of the social security system; and

SO3 - improvement in the policy and legal framework and policy enforcement of social assistance.”¹²

¹¹ The service contract option is considered favorable from an efficiency point of view; however, possible negative financial implications due to higher management rates in a private sector setting were not subject to this evaluation and can therefore not be judged upon.

¹² D23119-Consolidated ROM Report_20161205



Finding 2: This MTE fully endorses and supports that the SPRP has made considerable progress towards its set objectives and is on track with its implementation.

3.2 Overall assessment of implementation

The project is implemented through three **Components or Sub-projects**:

Component 1 (C1) supports the National Development and Reform Commission (NDRC) in strengthening institutional capacity for social protection policy development and reforms.

Component 2 (C2) supports the Ministry of Finance (MoF) to enhance institutional capacity for financial management and supervision concerning social security funds.

Component 3 (C3) assists the Ministry of Civil Affairs (MoCA) in improvement of legal framework and policy enforcement for social assistance.

Each project component is implemented by a RE based in the SPRP Office in Beijing.

The European Delegation, in consultation with the three key Beneficiaries of the SPRP, i.e. the NDRC, MOF, and the MoCA, have formulated and agreed on **eleven Expected Results** to be achieved during the SPRP as listed in the following according to their respective component achievements. Subsequently, three of the eleven results referring to the Component 2 (Result 6, 7, 8) have been modified by the first C2 RE upon the request of MOF in 2015.

Finding 3: The evaluation team also found that the SPRP stands as an umbrella for three 'projects' (Components 1-3) running in parallel without a coherent coordination mechanism and overarching provision for analysis to harness synergies and contribute to the overall and specific objectives.

3.2.1 Achievement of Component Results

Implementation

The implementation process envisages ensuring full achievement of results formulated by **two types of a) Horizontal Activities and b) Component 1-3 Results Activities**. The latter selected relevant topics and mechanisms such as local research, training, workshops, study visits to Europe to address the key issues of social protection reform.

3.2.1.1 Horizontal Activities

Horizontal Activities mainly aim at establishing a policy dialogue between China and EU Member States and promoting formal partnerships between the participating public bodies.



Table 1: Summarizes the main Horizontal Activities that took place during the first two years:¹³

Result	Topic	Progress related to indicators
1	Mechanisms for EU-China high-level policy dialogue on social protection reform are established and partnerships between Specialized Public Bodies of EU Member States and the NDRC, MoF and MoCA are developed.	<ul style="list-style-type: none"> The 2015 EU-China High Level Forum on Social Protection Reform Challenges for Legal Framework of Social Assistance was held in Beijing on 16 September 2015. The forum hosted several representatives from both the EU Member States and the P.R.C. Government. The High Level Event on the <i>Perspective of Employment Policy and Social Security Reform during 2016 to 2020</i> was held on 28-29 September 2016 in Beijing. The conference attracted attention of approx. 150 academics, high-level civil servants, and experts. The SPRP Project Website site was developed by SISPI and represents the main visibility instrument with regard to all reports produces and any kind of information related to project's activities - it is uploaded on a daily basis according to the Resident Experts requirements. Original plan envisaged two electronic Newsletters per year. In 2015 only one Newsletter was provided, which summarized all three components. In 2016, two REs provided Newsletters quarterly for Components 1 and 3. A Directory of Contacts was established and is updated at quarterly intervals. Users can access a shared area of the website allowing Consortium Representatives and local staff to display and download the Data Base. Components 1, 2 and 3 have produced and shared with the EUDEL various documents such as best practices, situational analyses and assessment reports, as well as the summaries of short-term experts' missions.

3.2.1.2 Component 1 (C1)

C1 of the SPRP comprises of Results 2-5. Following the assessment of the project's available reports and documentation as well as in-depth interviews with the project implementation RE Team as well as Chinese researchers, representatives of the beneficiary (NDRC) at central, provincial and municipal level in Beijing, in Guangdong Province (Guangzhou) and in Huizhou Municipality (Guangdong Province), **the assessment of progress towards the achievement of objectives in C1 is overall positive.**

Table 2: Summarizes the achievements related to Results 2-5:

Result	Topic	Progress related to indicators
2	Coordination of policymaking is strengthened.	<ul style="list-style-type: none"> NDRC proposals for the 13th Five-Years Plan have been completed and are included in the plan. A comprehensive proposal for social administration systems reform that was originally scheduled for 2015 does not yet exist; C1 is working on the implementation of its ambitious work plan following the general systematic approach that had been outlined in the project application (Research in China on topics identified by beneficiary followed

¹³ All information was established through interviews, reports and then confirmed by the second Interim Report submitted after the evaluation field phase in China



		<p>by input of EU experience leading to discussion of both with the beneficiary and development of policy proposals built on them). In relation to the development of reform proposals, everything seems to be on track.</p> <ul style="list-style-type: none"> • Yet, it must be mentioned that coordination between the three beneficiaries of the SPRP is not in the focus of NDRC. Although information about project progress is shared, there is no general coordination attitude on the side of NDRC. In addition, the involvement of other stakeholders appears to be (very) limited (vide chapter 3.2.3).
3	Capacity of NDRC is strengthened notably in the area of a national policy evaluation technique.	<ul style="list-style-type: none"> • The requested technique has not yet been subject of project activities in the evaluation period. It is inscribed under the project 2017 Plan of activities. • Satisfaction with training activities implemented in Europe has in general been high. According to the assessed documentation as well as the feedback received from participants, training activities were organized and implemented professionally and met a high level of appreciation from the Chinese participants. • When it comes to assigning clear goals to the pension system, no specific activities have so far been undertaken. Substantive progress in this area is expected to take place in 2017 (Parametric reform).
4	National policy framework for full coverage of old-age insurance system is consolidated.	<ul style="list-style-type: none"> • The comprehensive model for a multi-tier pension system has been achieved. • A comprehensive policy for a universal social pension model has not yet been addressed by C 1 (foreseen for 2018). • An analysis of the consequences of demographic ageing has been addressed: Following the draft of a first basic analysis, a pilot in Shanghai is on its way building on the specific experience of Shanghai's DRC and authorities dealing with severe demographic ageing. The experience with the pilot will be incorporated into the analysis. Relevant EU experience was gained through a training in Spain.
5	Integration of social protection schemes in response to urbanization trends.	<ul style="list-style-type: none"> • The vesting of pension individual accounts across provincial borders is no longer a challenge according to both the project team and the beneficiary. A provincial training displaying positive experience from within China has been successfully implemented. • Pilots in Guangdong and Sichuan follow upon establishing models of cross-scheme portability. Results are to be expected later in the project implementation. Guangdong and Sichuan's experiences in integrating rural and urban schemes has already been presented at a High-Level Event.

3.2.1.3 Component 2 (C2)

C2 of the SPRP comprises Results 6-8. Changes have occurred as a new RE2 was appointed and the MoF re-established its priorities for research topics. According to MoF, this re-orientation was due to major system's changes in the following of the 18th Congress of the Party in 2012, which led to the current 13th FYP 2016-2020. In addition, considerable delays in the performance of C2 occurred due to several reasons, inter alia because:

- the reform/withdrawal of Foromez in Italy, prevented the activities for almost one year period, the time was lost;
- the C2 RE was absent from China during the most of first project year so that the four planned topics in 2015 could not be fulfilled in time. The RE2 was replaced in 2016; however, inadequate handover resulted in delays of submitting the reports of



2015 researches until July 2016 and the reports were considered of unsatisfactory quality by MoF;

- the MoF further stated that during the nearly one-year cooperation since mid-2016, four divisions of MoF were involved in the three project researches together with the project experts. Research on two of the three topics is ongoing. Since the expected research outputs should meet the demands of MoF, it has taken more time for modifying the reports by the project experts.

However, from the interviews with MoF, the RE2 and INPS it appears that **the main difficulties have been overcome at the time of this MTE.**

Table 3: Summarizes the main achievements of C2:

Result	Topic	Progress related to indicators
6	The capacity of MoF financial management and supervision of central and local models of social security system and the extension of social security system coverage are enhanced.	<ul style="list-style-type: none"> • Throughout 2016 the re-orientation of MoF concerning its key issues and wishes took place; the SPRP C2 RE contributed to the clarification of topics and necessities; • A report with policy proposals was drafted and submitted to MoF in early 2017; • Existing practice of financial mechanisms re the extension of social insurance coverage have been discussed; • A training of MoF staffs was organized in Italy which benefited internal MoF knowledge transfer;
7	Top-level design ability in pension insurance and actuarial analysis models for basic pension insurance reform is established.	<ul style="list-style-type: none"> • Actuarial models for long-term sustainability of the social protection system were analyzed including forecasting methodologies; • Proposals for establishing a national social security valuation system are under discussion with MoF;
8	Capacity of the MoF in management of social insurance funds, fiscal support budgeting, account system, investment techniques and adjustment mechanisms for pension benefits is strengthened.	<ul style="list-style-type: none"> • To be addressed in 2017 and 2018.

With a view to the original Action Fiche, the situation in China's society has been outlined:¹⁴ *“Population aged 60 years and over is 185 million, or 13.7% of total population and it will reach a projected 487 million in 2053, or 35% of total population4). This trend will raise significantly the needs for old age support and social care, and challenge the sustainability of pension fund and public finance. China could face a pension fund shortfall of RMB 18.3*

¹⁴ See Action Fiche of the SPRP, p.3:



trillion by 2053. The pressure of pension funding shortfall is growing because of the increasing life expectancy (from 73.2 in 2010 to 77 in 2020) and a shrinking workforce, resulting from the rigid family planning policy. Accordingly, the reform of the current pension system has become a necessity...Moreover, the basic pension contributions (RMB 1.95 trillion by the end of 2011) are managed in a fragmented manner, at lower government levels (counties or cities) across more than 2000 units. These are too small to provide sufficient risk pooling to ensure adequate sustainability of social security schemes. Finally, the lack of appropriate centralized supervision and management of the social security funds in China has increased the risk of misuse or embezzlement.”

Finding 4: Taking into account the considerable difficulties and discussions that were necessary for a re-formulation of C2, the MTE presumes a positive outlook to 2017 and 2018, if the planned activities are implemented with sufficient speed and stringent measures. However, an adjustment and clarification of the rather weak indicators under Results 6 to 8 is highly recommendable. (Note: After the formulation of the draft evaluation report, the PAC has agreed on a revised Log Frame in which the indicators related to Results 6 to 8 have been changed. The Evaluation Team considers this revision as helpful for the achievement of the Results).

The precision of indicators for Results 6 to 8 might address in particular the two areas identified, namely a) the aging population and the question how social security and social assistance can make b) financial provisions for long-term care systems that are needed, should be addressed by the project speedily. It is clear too, that linkages with the other two components 1 and 3 must be speedily established to avoid overlaps and duplication in research and discussions. No other content area has such pressing need for strong cooperation within the SPRP.

3.2.1.4 Component 3 (C3)

C3 of the SPRP comprises of Results 9-11. Following the assessment of the project’s available reports and documentation as well as in-depth interviews with the project’s RE3 and the main beneficiary MoCA, at central and regional level (Beijing) **the assessment of progress made towards the achievement of objectives in C3 is equally positive.**

Table 4: Summarizes the following achievements for C3:

Result	Topic	Progress related to indicators
9	Capacity building of MoCA in promulgating social assistance law and of local officials in implementing policies.	<ul style="list-style-type: none"> The Social Assistance Law has been delayed based on a State Council regulation, no draft yet; Legal framework has been discussed and reform proposals were made; Useful research and policy recommendation need to be tested in pilot counties; A successful study tour to three EU countries has taken place in 2016; (Standards in countries visited were sometimes perceived below Chinese standards)
10	Consolidation of legal framework re social assistance.	<ul style="list-style-type: none"> Review of government documents implemented and proposals were made; Methodology for functional identification of beneficiaries is developed; As in R9, recommendations need to be tested in practice (pilots);
11	Increased efforts for poor rural and disabled people, awareness rose.	<ul style="list-style-type: none"> Research was undertaken, recommendations made and discussed, local visits to several provinces carried out; Awareness raising and transparency not yet started.

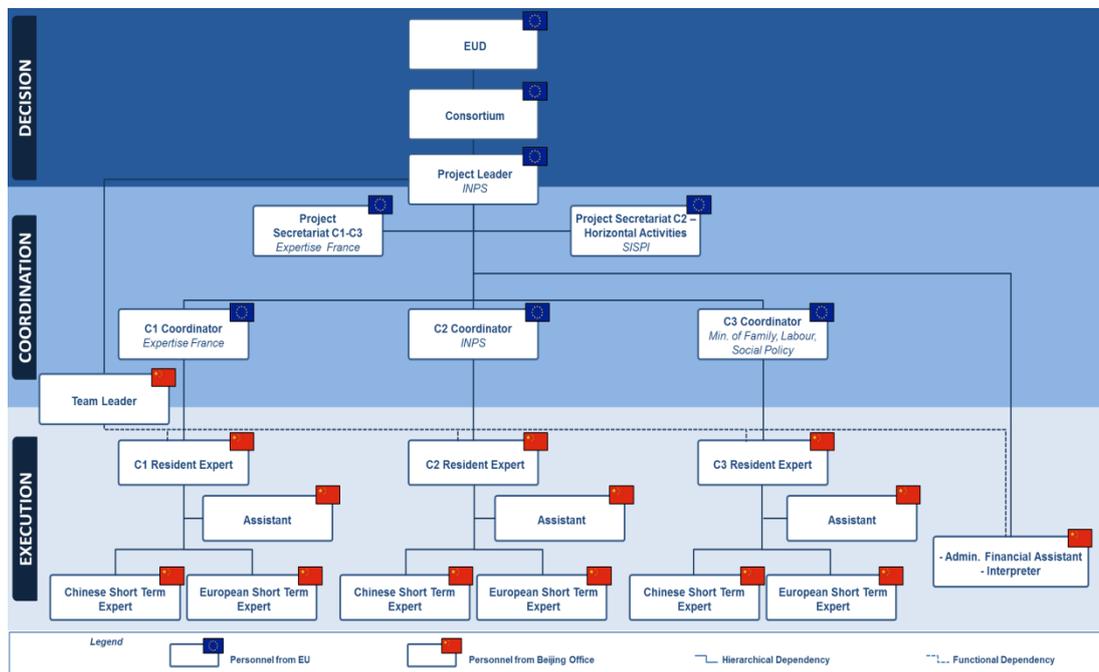


3.2.2 Organizational set up of the SPRP

The EU entrusted the responsibility of this important project to the EUDEL through a contract to the European Consortium under the Leadership of the Italian Social Security Institute (INPS). In order to allow INPS as a public body to execute the project and handle the project funds, SISPI has been involved in the administration; the latter organization acts as an enterprise fully owned by INPS.

Following the difficulties during the first year of the project, a new management structure was decided at the Internal Management Committee (IMC) Meeting in December 2015. Upon its approval by the Project Advisory Committee (PAC) in next April the current project administrative re-setting was completed during the first semester of 2016.

The Organigram (Fig.1) illustrates the actual SPRP structure of decision-making and implementation functions:



Source: INPS

As confirmed by the evaluation team leader with INPS in May 2017 in Rome, the Project Leader (INPS) is now in charge of the overall management of all project activities including human resource, scientific and financial implementation.

The horizontal activities related to operations, logistics, communication and visibility are managed by the two Project Secretariats: in France (Expertise France) for Component 1 and 3 and in Italy (SISPI) for the management of Component 2 and the overall Horizontal Activities (see chapter 3.2.1.1).

The scientific part of the project, which is at the center of the SPRP, is managed by the three Component Coordinators (in Poland, France and Italy) and the three Resident Experts (in China). However, it is not very clear, why three (part-time) Coordinators are mediating between the supervision of REs in Beijing, the secretariats, and the consortium members. A Team Leader (TL/RE2), who coordinates activities directly in Beijing with the other REs and local staff, has originally been foreseen (vide Fig. 1) in order to ensure the alignment among the three components. As no job descriptions or ToRs exist for the positions, gaps and overlaps are rather managed case by case.



Finding 5: The complexity of the human resource structure appears to be delaying the process and hampering effective coordination between C1, C2, and C3. These major transmission functions should be in the hands of a competent and full-time TL in China.

A project office has been established in Beijing in order to manage the activities to be carried out in China directly. The SPRP Project Office (run by SISPI) employs the RE's three assistants¹⁵, one administrative and financial assistant and one interpreter.

The Office's staffing pattern appears to be adequate and sufficient; however, the office premises are not very suitable and may need changes to accommodate office functions effectively. In order to organize the studies and research related to the scope of the project, there is insufficient room to host periodically visiting European and Chinese short-term experts, which are regularly recruited in relation to the specific topics.

3.2.3 Cooperation Management

The cooperation management within SPRP requires diverse functioning and has various aspects that need to be assessed separately.

Component relations

Originally, as revealed in discussion with EUDEL, the three components were planned as separate projects. Each component has a different beneficiary, i.e. NDRC, MoF, and MoCA. NDRC, as a rather horizontal government body, would be expected to undertake coordination efforts between the ministries and organizations involved. However, the evaluation team did not see any mechanisms for effective coordination. Beneficiaries invite each other for major events, but beyond the sharing of information, the Chinese side does not seem to follow a comprehensive understanding of SPRP as one joint effort to improve social protection policy making in China. In addition, the Ministry of Commerce (MOFCOM) as the Financial Agreements' signatory partner of the EU apparently does not play a content-related role in the project. However, MOFCOM and EUDEL are both chairing the PAC and are thus playing an important role in decision-making.

Central-regional relations

In Component 1 and 3 central level beneficiaries and provincial government institutions are part of the SPRP related to study tours, trainings and local research/testing. Particularly with regard to the so-called 'pilots', the central level beneficiaries coordinate with their counterparts in the provinces: NDRC with Provincial DRCs, MoCA with provincial government administrations working on civil affairs issues. Provincial staff is also strongly involved into the project's activities in Europe. Interviews with various stakeholders showed that information collected in these activities is duly reported on, and the joint reports are utilized to inform other staff at central as well as regional levels. No provision has been made for dissemination to other provinces that are not participating in pilot activities, which would considerably improve the validation of results.

European coordination (between consortium partners)

Coordination among Consortium partners mainly takes place on a bilateral basis and according to need, for example for organizing study tours and trainings.

¹⁵ C1 and C3 assistants contracted by Expertise France, C2 assistant contracted by SISPI



According to its Standard Operation Procedures, the grant application foresees the meeting of an Internal Management Committee (IMC) and of a Project Advisory Committee (PAC).¹⁶

The IMC invites all members of the Consortium and is held every six months, possibly, in one of the European countries that participate in the SPRP. The agenda is prepared by the Project Leader, who also chairs the IMC. The logistical aspects are managed by the Horizontal Secretariat (SISPI).

The PAC gathers annually with participation from the Consortium, the EUDEL and the Chinese counterparts. An annual work plan is prepared by the Resident Experts for the activities to be implemented during the current year. In addition, each Component Coordinator defines the related annual budget forecast. After the approval of both documents by the Project Leader, the Consortium and the EUDEL validate them and the annual work plan is shared for approval with the Chinese counterparts and EUDEL during the PAC meeting. Although the PAC is formally an Advisory Body, it is thus the final Decision Making Committee.

A coordination with the embassies of the EU Member States in Beijing took place in 2015 with a view to making them aware of the project's achievements and committed to sharing the results with their governments or promoting bilateral cooperation agreements between their governments and the GoC could not be found by the Evaluation Team. The previous network of social protection related embassy officers as it existed during the previous EUCSS project dose no longer exist mostly due to the staff rotations in EU embassies; a cooperation between the Project Team and particular embassies has – according to the feedback from the REs – not been established either. Only the project's TL/RE2 maintains a work relationship with his homeland's embassy (Italy). Due to the feedback from both EUDEL and REs during the mission of the Evaluation Team in China and as a consequence of a very dense interview schedule, the Evaluation Team did not carry out any meetings with EU Member States embassies in Beijing.

Finding 6: The very complex structure for consensus building among Consortium, the Project, the EUDEL and the Beneficiaries has led to complex, costly and slow management and decision-making processes. The implementation process could be further streamlined as explained in chapter 3.3.2.

3.3 Inter-governmental coordination

The establishment of inter-governmental cooperation agreements between the Government of China (GoC) and public institutions or ministries representing the consortium countries was at the core of the project's set-up and the most important reason to choose the model of a grant project. For several participating EU Member States the motivation to join the consortium was not explicitly clear. France and Poland aimed at establishing bilateral ties with the GoC (Poland had started to negotiate a Memorandum of Understanding (MoU) with MoCA already before the project was launched). Spain is currently in a process of establishing relations via another MoU. INPS also envisages developing a bilateral agreement for mutual cooperation with GoC over the next years. Although the establishing of such relations may be important for the participating countries in the SPRP, the role and facilitation of the Consortium in this regard is not explicitly defined or coordinated.

¹⁶ Standard Operating Procedures of the European Consortium, dated 2016



Finding 7: The Consortium members need to discuss and clearly define their motivation for future coordinated cooperation on the social security reform efforts with the GoC from a European perspective.

Team coordination

Due to the fact that the three components of the SPRP are basically independent from each other, the REs are acting rather independently as well (vide chapter 3.2.1). None of them appears to have established a sense of teamwork under the roof of a unified project and a comprehensive approach.

Each Component is coordinated by another European institution from three different Member States; the secretariat functions are separated between C2 (Italy) and C1 and C3 (France) as well. The design and administrative set-up thus force the three REs to organize their work more or less as 'lone fighters' instead of working hand in hand. These structural issues hamper harnessing the components' interaction on the contents side as well (vide chapter 4.3).

Leadership among Beneficiaries

Both NDRC and MoCA are strong leaders in their respective components as documented by the selection of research topics and in the dialogue with the project experts. The leadership of MoF in C2 has been less explicit in the past, which might have to do with the fact that the Ministry does not have sufficient resources to run the project activities; in addition, the RE had to be replaced during the project's second year. The selected topics for the project to work on were significantly changed by MoF, which also reflects a change in the perception of needs inside the Ministry. The changes have been reflected in the updated version of the project Log Frame.

3.3.1 Financial management and accountability

Financial Status

The budget of the SPRP had been established in the beginning of the project as an integral part of the Grant Contract signed (Annex III) with the EU. Necessary changes were updated in August 2016 and signed with Addendum 2 to the Grant Contract.

The project budget covers only activities included in work plans that are approved during the PAC meetings. INPS PL, in close collaboration with the Component Coordinators, evaluates the feasibility of the requests received and proposes the modification of the project budget to the EUDEL for approval. If the changes made to the project budget are related to the scientific budget lines, approval of the Chinese Beneficiaries is also sought.¹⁷

The Financial Report related to expenses incurred in the first project year (17.11.2014 – 16.11.2015) has been drafted by the Project Leader, certified by the Company in charge of the project audit and submitted for the approval of the EUDEL.

As far as the second financial report is concerned (17.11.2015 – 16.11.2016), Formez and SISPI have shared the related financial reports for the period considered, while Expertise France has sent only a draft. However, INPS is in a verification process with Formez and SISPI and the financial report of Expertise France is on standby due to the lack of some supporting documents.

¹⁷ Explanatory note on management and interviews held with INPS 18/19 May 2017 with regard to an updated Statement of Expenditure



Therefore, the drafting of the second financial report is suspended and the actual draft includes expenses that, following the evaluation on the basis of the justifications, could be modified. Altogether, the following statement can be made on the financial situation:

- A first installment of EUR 1.864.427 has been provided by the EUDEL in the beginning of the project;
- The amount spent in the first project year accrued to about EUR 651.934;
- Approximately an amount of EUR 1.618.276 has been spent in the second project year;
- Upon approval of the 1st Interim Report along with its financial Statement of Expenditure, the second tranche of payment can be released by the EUDEL should 70 % of the released funds have been used;
- Consequently, a second installment of approx. EUR 1.668.219 has been forecasted by INPS.

Due to the delays incurred and the complex fund management procedure, a preliminary financial Report for 2016 was shared with the evaluation team which might change after all documentation has been furnished and audited by the independent Auditor engaged by INPS.

***Finding 8:* Nevertheless, the MTE is not in a position to provide a clear assessment of the actual financial status and expenditure to date. A comparison of project activities with plans and a financial update of mid 2016 shared by the EUDEL suggests that the project is considerably underspent at its mid-term.¹⁸**

Clarification: It is not always when the underspending of the budget means that the project activities were not implemented as planned.

Monitoring & Reporting

The Monitoring Process envisaged in the Grant Contract stipulates several reporting mechanisms:

- Quarterly status reports on the different Components (these were replaced by a Dashboard of project activities, see below);
- Six-monthly project status reports to be reviewed by the Internal Management Committee (IMC);
- Six-monthly Ex-Post Monitoring Reports to be shared with the IMC;
- Annual Interim Reports.

The MTE received the following reports during the evaluation process in China:

- Three Project Status Reports (11/2014-05/2015, 05/2015-11/2015, and 11/2015-05/2016);
- Two EU ROM Reports in December 2015 and November 2016;
- Three Aide Mémoires as of June 2015, June 2016 and March 2017 reporting on the planning and implementation process;
- One Interim Report for the period November 2014 to November 2015 accepted by the EU Delegation in February 2017.

¹⁸ This observation does not necessarily imply that project activities were not implemented as planned.



The formulation of Aide Mémoires was not foreseen as a Monitoring & Reporting tool and as they duplicate much information from other sources, it is not clear to the evaluation mission why this additional format was introduced. Subsequently, the EUDEL explained that the Aide Mémoire was created by the consortium as a kind of work plan rather than a report, because the description of action when the contract was signed was weak. INPS requested to produce annual work plan for the review/approval of the PAC. In this case, the Aide Mémoire is equivalent with the annual work plan and should be named coherently.

Furthermore, quarterly 'Dashboards' are being produced and largely replace the quarterly Monitoring reports. The dashboards were obviously invented for the regular updating with the EUDEL and serve the purpose of discussing actual project developments. It is unusual that the EUDEL takes such a close monitoring function; this has been explained by the important role the Delegation has as PAC member and towards harmonizing any difficulties and delays with Chinese Beneficiaries and EU/Headquarter.

A Draft Interim Report for the second year (2016) and Financial Statement was provided after the evaluation team had finished their field phase in China which has subsequently been considered for confirmation of information received; however, it was not further discussed due to non-allocation of time.

3.3.2 Stakeholders and Beneficiaries

Ownership

In C1, NDRC clearly is in the driving seat of the implementation development. It attaches great importance to the SPRP support. Particularly in relation to research, it is NDRC that explicitly formulates its wishes towards the project. As the meeting with regional and local representatives of (provincial) DRCs in Guangdong Province revealed, the sense of ownership is not as strong as at central level. Particularly at the local level – the Municipality of Huizhou was visited as a pilot location – the DRC representative was not aware of the content of the research undertaken by a local university researcher (who in turn was not available for a meeting with the evaluation team). The evaluation team will not speculate whether this unfortunate example sheds light on the effectiveness of 'pilots' as testing tools for reform proposals in practice¹⁹

In relation to other stakeholders, NDRC formally invites them to participate; however, collaboration is far from being effective and systematic, irrespective of distinct initiatives associating the C1 project team and some other stakeholders, including MoHRSS that will have to implement policies that are being developed under SPRP in relation to pension insurance.

Furthermore, the All-China Women's Federation (ACWF) would have been an important organization, which unfortunately did not join the SPRP.

For C2, ownership of the MoF is slowly acknowledged though still weak; it has to be strengthened over the next months.

¹⁹ Later on, INPS clarified that Huizhou was selected as a pilot for vesting of pension rights and migrant workers amongst other elements. The "local university researcher" was not local to Huizhou, but to Guangzhou – and is working more with Qingyuan municipality on a different topic from the one initially assigned to Huizhou, namely Gender aspects in pension reform.

In C3, MoCA shows a strong commitment and ownership towards the project as well. There is a close relationship with the responsible RE3, and the beneficiary expressed its satisfaction with the services offered and the results achieved.

Moreover, the local MoCA office in Beijing is also very committed to the project. A provincial regulation for social assistance is on its way (currently under public discussion) which builds on EU experience. The regulation is supposed to go even beyond the national framework that contains eight schemes (while Beijing plans for nine schemes).

3.3.3 Visibility

According to the Grant Application and the EU Visibility Guidelines, the overall communication objective is to ensure the widest visibility of the project activities and results both to an international audience and to the Chinese Beneficiaries.²⁰ Unfortunately, the evaluation team was provided with the Communication and Visibility Strategy of the project only after the end of its mission to China.

More specifically, the EU-China SPRP intends to disseminate the key initiatives promoted by the project and to connect them with the development goals of the 13th FYP for more social equity and inclusiveness in the Chinese society, also ensuring widespread awareness of the project's relevance and results.

A joint Project Logo was designed by the INPS Communication Office and approved by the EUDEL as well as the Chinese partners, which is prominently displayed in all visibility tools, documents and events.

The project mainly communicates through its official website: www.euchinasprp.eu as its main tool and platform for seekers of information and stakeholders involved. The website publishes a vast collection of documents produced in the project and bilingual reports of the research, workshops, activities and events of the EU-China SPRP. It is planned that the contents of the website will remain available after the completion of the project, both in English and in Chinese. The website has a clear and logical layout and is easy to access and to understand.

A general (unified) newsletter, which summarized all three components, was released in 2015. In 2016 REs provided Newsletters quarterly for Components 1 and 3, and two Newsletters for Component 2 for each semester of 2016. Furthermore, two general (unified) Newsletters which summarized all three components were released in 2016,

As all the stakeholders and beneficiaries confirmed in the interviews held by the evaluation team, the project basically consists of three separate projects, for which SPRP constitutes a somewhat artificial roof or framework. In that respect, the issuing of three Component-related newsletters appears to be logical and justified – even more since the recipients differ widely.

Project events held in Europe, and their related visibility activities will be designed and conducted by the host Countries themselves, with the support of the Horizontal Secretariat and the Beijing office.

At the time of evaluation, the evaluators found both, the bilingual website and newsletters functional and well appreciated by Chinese partners. All documents in both languages seem to be produced and disseminated in due time by the three Components, although no

²⁰ EU-CHINA Social Protection Reform Project - Communication Strategy, updated July 2016



proof reading could be undertaken by the project to ensure exact translation. For C1 Chinese proof reading is systematic, with the active participation of NDRC. English proof reading, when warranted, is also conducted by C1 as appropriate.

Finding 9: Communication guidelines of the EU are being followed. Altogether, the visibility of SPRP can be regarded as exemplary.

There is no communication channel explicitly aiming at the business sector. European companies doing business in China must be interested in the mid- and long-term perspectives of Chinese social protection policy development – particularly when it comes to contributory social insurance schemes. As far as noticed, only Italian companies have yet been informed about the activities of SPRP due to the TL's cooperation with the Italian Embassy. There is potential for more tailor-made communication which should be in the interest of the EUDEL and the EU MS as well.

4 Findings on Project Implementation

4.1 Relevance

Finding 10: The evaluation found all three project Components of high relevance to stakeholders and main beneficiaries as reflected in the 13th FYP. Therefore, it is realistic that the expected results (vide chapter 3.2.1) identified in the Financing Agreement can be achieved by the implementation of the SPRP.

Objectives

Interviews with the main Beneficiaries of the SPRP (NDRC, MoF, and MoCA) have confirmed that the project's objectives are still very relevant to the development of social protection reform in China. In particular, NDRC and MoCA expressed their satisfaction with the project's objectives while MoF has re-directed its component by revising the set of objectives in the following of the changes made from 12th to the 13th FYP. This was explained by MoF with the fact that between the discussion of project contents prior to the launch of the tender and the actual start of the project significant progress had been made. During this period, the 18th Congress of the Chinese Communist Party was held and the 13th FYP was launched. The project is therefore relevant to assist the GoC in continuing its social protection reform agenda.

Likewise, the project activities and outputs were aligned with the demands of the Chinese Beneficiaries on social protection reform and how the project outcomes should support the reform process towards a more equitable and inclusive society. The demographic problems of China's ageing society became more important on the social policy agenda of the GoC; hence, the solution of technical problems was postponed in favor of more general policy approaches.

Although the objectively verifiable indicators of the Logical Framework remain sometimes vague, the intervention logic is a useful guidance for policy makers to formulate future social security mechanisms in view of a social protection system largely funded by the national budget. A slowing economy means that all ministries will have to do more with less, requiring that the social protection schemes are effective, efficient and promote social equity. After mid-term of the project implementation, it may be useful to undertake a joint review on the indicators to refine them more precisely in terms of quantifiable and qualitative (more SMART) characteristics.

Finding 11: The evaluation team considers the project design as carefully considered by the exchange of the Chinese Beneficiaries with EU experiences/



experts, through researches and workshops, trainings and study tours to EU MS, which enable a focus on more evidence-based practices to provide insight to the social protection system in China.

Beneficiaries

All three main Beneficiaries of the SPRP are key actors in the social policy reform of the GoC:

- NDRC has (among many others) the responsibility to ‘formulate and implement strategies of national economic and social development’ and to ‘submit the plan for national economic and social development to the National People’s Congress on behalf of the State Council’.²¹ It thus serves as a horizontally acting government agency at ministerial level, which coordinates the reform work of several ministries and drafts laws.
- The MoF is the national executive agency of the Central People’s Government, which administers macroeconomic policies and the national annual budget. It also handles fiscal policy, economic regulations and government expenditure for the state.²²
- The MoCA is responsible for social administrative affairs under the State Council;²³ in relation to the SPRP, this applies in particular to:
 - Preparing social assistance plans, policies and standards,
 - Helping with subsidies for urban and rural residents, medical and temporary assistance; and
 - Formulating social welfare development plans, policies and standards.

There are no apparent overlaps with other ongoing or planned externally funded projects. Nevertheless, the project also addresses the Ministry of Human Resources and Social Security (MoHRSS) as an important stakeholder. This Ministry is responsible for the management of the national security system.²⁴ It was the main beneficiary of the previous EUCSS (2006-2011).

According to NDRC, it was the GoC’s wish to put other institutions in the focus of the new SPRP project; in the view of the Evaluation Team, it would have been advantageous to involve MoHRSS more directly to the research because the institution is responsible for the management of the social security system and therefore should be directly involved when it comes to formulating reform agendas. There are high overlaps of interest for instance in the area of pension insurance which is covered by NDRC’s plans but has to be administered by MoHRSS.

All Beneficiaries have the mandates to move the social protection reform agenda forward and confirmed that the activities undertaken by the SPRP are very relevant for their reform agendas. In particular, the extended coverage of urban and rural resident insurance schemes will be very important for China’s workforce, which is no longer as bound to their hometowns as it used to be. More than 200 million workers have migrated to other provinces and are in urgent need of social insurance coverage in order not to end up in precarious conditions after their work terminates. For those who cannot be

²¹ Main functions of the NDRC (numbers 1, 9 and 12), see: <http://en.ndrc.gov.cn/mfndrc/>

²² See: http://english.gov.cn/state_council/2014/09/09/content_281474986284115.htm

²³ See: http://english.gov.cn/state_council/2014/09/09/content_281474986284128.htm

²⁴ See: http://english.gov.cn/state_council/2014/09/09/content_281474986284102.htm



covered by social security, the expansion of social assistance schemes is highly relevant to make a decent living.

For the final beneficiaries, i.e. the population of China, the SPRP is equally important because the extended social insurance coverage for employees as well as for rural and urban residents will remain essential. Gradually, the linkages regarding the portability of benefits/pensions between regions and between schemes are developed or extended and the project addresses the importance of public and contributory financing mechanisms. However, the identification of key stakeholders (MoHRSS, ACWF) and target groups (including gender, youth, and the analysis of vulnerable groups, (vide chapter 4.7) remains rather vague.

Any practical influence on the reform process cannot yet be assessed; it was the general statement of all beneficiaries that policy development is a slow process and impact will be achieved on a long-term perspective rather than on short-term. Impact assessment will thus be depending on an ex-post evaluation.

Policy alignment

The SPRP is fully in line with the policies of the EU External action and cooperation strategy as well as with China’s 13th FYP as recently outlined in the EU-China 2020 Strategic Agenda for Cooperation²⁵ and with the Joint Communication to the European Parliament and the Council on Elements for a new EU strategy on China’ (2016).²⁶ Section III.1 expresses the EU’s interest to support China’s transition to a more sustainable and inclusive social model by promoting welfare reform. This goal was approved by the Council Conclusion No. 12 adopted in the Council’s 3482nd meeting on 18 July 2016.

On the Chinese side, the project is perfectly compliant with the framework of the 13th FYP as illustrated in Table 5

Table 5: Alignment to 13th FYP

Component	Result Issues	Linkages to 13 th 5-Year Plan
1	Comprehensive reform proposals for social administration systems (R2)	Chapter 64: Carry Out Social Security Reform Section 1: Social Insurance Section 2: Social Assistance Section 3: Social Welfare and Charity
	National policy evaluation technique (R3)	Chapter 64: Carry Out Social Security Reform
	National policy framework for old-age insurance; analysis of the consequences of demographic ageing (R4)	Chapter 61: Provide More Public Services Catalogue for Basic Public Services, chapter 3 (Social Insurance) Chapter 65: Respond to Population Aging Section 2: Better Elderly Care Services
	Harmonization of urban and rural schemes, portability (R5)	Chapter 64: Carry Out Social Security Reform Section 1: Social Insurance

²⁵ EU-China 2020 Strategic Agenda for Cooperation; chapter VIII. Social progress, 1. And 2., p.13 f.; see: http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf

²⁶ Joint Communication to the European Parliament and the Council on Elements for a new EU strategy on China, Brussels 2016; see: <https://www.clingendael.nl/sites/default/files/2016%2007%2019%20-%20EU%20New%20Strategy%20on%20China%20-%20George%20Cunningham.pdf>



2	Enhancement of coverage of social security system (R6)	Chapter 64: Carry Out Social Security Reform Section 1: Social Insurance
	Multi-pillar basic pension insurance expanded and made sustainable (R7)	Chapter 64: Carry Out Social Security Reform Section 1: Social Insurance
	Improved management of social insurance funds (R8)	Chapter 64: Carry Out Social Security Reform Section 1: Social Insurance
3	Capacities strengthened for promulgation of Social Assistance Law and regulations on rural and urban minimum standards of living (R9)	Chapter 58: Improve Poverty Reduction Systems Poverty Alleviation Programs no. 7, fourth bullet point Chapter 64: Carry Out Social Security Reform Section 2: Social Assistance
	Unification of benefit standards for social assistance (R10)	Chapter 58: Improve Poverty Reduction Systems Poverty Alleviation Programs no. 7, fourth bullet point
	Improved efforts for poor rural people and disabled persons (R11)	Chapter 58: Improve Poverty Reduction Systems Poverty Alleviation Programs no. 7, fourth bullet point Chapter 61: Provide More Public Services Catalogue for Basic Public Services, chapter 5 (Social Services) and 8 (Basic public services for people with disabilities) Chapter 64: Carry Out Social Security Reform Section 2: Social Assistance Chapter 66: Safeguard the Basic Rights and Interests of Women, Minors, and Persons with Disabilities Social Care Action Plan, no. 3, Help and support for persons with disabilities

4.2 Efficiency

The main question regarding the efficiency of the SPRP relates to its management and whether the operational set up provides a cost-effective and appropriate framework to the implementation of project activities and towards adding value to the contents and objectives of the project.

Operational management

As explained in chapter 3.1. the complexity of the SPRP's management structure with its heavy burden on administration and coordination creates a limited scope for an efficient implementation towards its outcome orientation. All energy is geared towards achieving the ambitious series of eleven results split in the three components. If one component is lagging behind (as in the case of C2), the incurring costs are weighed on administration rather than the contents side.²⁷

The question of an efficient project management has to be assessed as well with regard to the definition of responsibilities and allocation of resources for an

²⁷ As already explained in the 2016 ROM report (p.3) the component, most affected by the implementation challenges of the first year was MoF. The C2 RE was replaced, but implementation issues continued because the MoF lacked both the human and financial resources to contribute extensively to organizing and implementing project activities.

overarching role of the European part of the project. As rightly pointed out by the 2016 ROM: “the EUDEL during the PAC/other meetings has raised the issue of integration among three different ministries and departments into one unified project, as well as the consistency between the top design and the flexibility of the work on the practical level, saying that the integration of the project should be enhanced, especially the links and exchanges among different components. Given the Component diversity, this is not necessarily the role of a Team Leader, as there may be more effective mechanisms to accomplish this aim with more efficient use of resources. For example, this may be accomplished through the REs sitting together to assess these issues and preparing an “Integration Framework” or some other mechanism.”²⁸

According to the Project Leader, the three REs took initiatives in that regard. However, the main Chinese beneficiary did not seem interested in pursuing upon those, and came up with no alternative proposal. Nevertheless, the project held an internal coordination meeting on 29th of September, and plans a Coordination Meeting, which will be held in Italy towards the end of the year 2017 involving Consortium members and Chinese main stakeholders. In addition, an international workshop in Beijing is planned as a horizontal activity aimed at integrating the three Components outcomes in a common activity in early December 2017.

Overall, the present implementation mechanisms are conducive for achieving the expected results although the timely delivery of outputs against the Annual Work Plans must be assessed in a differentiated way. **In relation to Components 1 and 3 it can be said that the SPRP is largely on track** (vide Table 2 and 4, chapter 3.2.1.2 and 3.2.1.4).

Delays only occurred in C2 (vide 3.2.1.3) due to a combination of various disadvantageous factors. It was not clear for a longer period whether the results assigned to this component will reflect the new orientation in research and proposals. It took time to work on the identification of topics and mutual agreement on the implementation. These changes unfortunately coincided with the replacement of the RE2. Yet, according to the MoF the component is now on track and they expect that all objectives will be achieved by the end of the project. This will, of course, require the full focus of RE2 on the component-related work.

Use of financial resources

Finding 12: In terms of the spending of funds, the SPRP appears to be behind the schedule and is probably not organized in the most efficient way (vide chapter 3.2.4). The project has spent approximately one third of its resources during half of the implementation period. Therefore, the management will have to undertake adaptations with a view to ensure the full expenditure of the available budget during the second half of the project period. INPS foresees a budget revision after the submission of the second year financial report, in order to re-align funds to the actual needs of expenditures expressed by the three components and the horizontal and management part.

The SPRP project budget has been adopted with 50% of project funds allocated for NDRC, 20% allocated for MoF and 30% allocated for MoCA. This allocation can be considered as appropriate, given the leadership of the NDRC and the human resource and financial constraints of the MoF, and it appears to meet the needs of MoCA as well.²⁹

²⁸ See ROM Mission Report 2016

²⁹ See ROM Mission Report 2016



Use of Human resources

In terms of human resources, the evaluation team was confronted with some criticism towards the use of short-term experts from Europe. Chinese beneficiaries complained that a lot of time was lost since EU experts were sometimes ill prepared and had to be briefed by the beneficiaries on the characteristics of the environment in China they had to work in. According to the SPRP team, each EU expert receives all relevant documents on his or her assignment in advance of the mission. Yet it was not possible to make sure that these documents are actually read. From the evaluation team's view, it may help to check on a comprehensive briefing of EU experts upon their arrival in China through the REs as already started by RE3 to improve the situation for a more efficient use of short-term experts.

Human Resource contributions from Chinese Beneficiaries and local institutions have been largely provided as planned. However, with regard to Chinese representatives going to Europe for training or study visits, the interviews revealed that the preparation of the delegations for the experience in the EU can be optimized as no distinctive system is in place to ensure the overall success and efficiency of training Programs or study visits including for example proper needs assessment, review of expectations, preparation for institutions to be visited, review sessions regarding information gained on the spot, and – most important – follow up regarding the capitalization of experience after the return to China. Thus, the most cost-intensive activities of SPRP might lack efficiency while the sustainability of such efforts is questionable.

On the research and expertise side, out of 497 expert days used, 117 or 23.5% were implemented by individuals who are no public servants. The evaluation team found that in particular the use of two non-key experts who had gained relevant experience as key experts in the previous EUCSS project influenced this figure with more than half of all non-public servant days. Due to their specialized expertise, this seems to be fully justified. All three REs and relative component coordinators come from public administration sector. For C1: Expertise France is a government agency under supervision of French Ministry for Europe and Foreign Affairs and the Ministry of Economy and Finance; for C2: INPS is National Institute of Social Security supervised by Italian Ministry of Labor and Social Policies; and for C3: Poland's Ministry of Family, Labor and Social Policy, subsequently are very close with a positive impact on the result achievement and the connection between the respective consortium member and the Chinese Beneficiaries.

The evaluation team did not find significant problems with the contributions of the Chinese experts regarding the research activities undertaken. Chinese scientists have carried out timely and meticulously documented research documentations, which are available in hard copies and on the web in English and Chinese language. With regard to their utilization and further analysis in a more systemic and outcome context some questions are occurring as further discussed in chapter 4.3.

Involvement of other stakeholders

Some of the secondary stakeholders identified in the project Action Fiche have not demonstrated their interest in the project. Institutions such as the All-China Women's Federation (ACWF) or the Chinese Insurance Regulatory Commission (CIRC) have been invited to participate in events but did not play an active role. The All-China Federation of Trade Unions ACFTU has held contacts with the C1 team on several occasions but cannot be considered as an active partner either. Indeed the SPRP is mainly supporting the GoC and its ministries and does not explicitly address other institutions from the non-governmental sector.

The criteria for an involvement of other stakeholders are not very clear as, for example the Chinese Academy of Social Sciences (CASS) has not been identified as a



partner. As the appointed long-term Chinese expert was not very explicit on his role and work, the evaluation team could not find out why such an important factor in the area of research has not been more directly involved in the process of preparing situational analyses in the three components. The EUDEL emphasized that CASS experts are intensively involved in the project implementation, especially in the components 1 and 3, and their involvement has proven much feasible and efficient. The same approach of CASS involvement was applied in the former EU-China Social Security Reform Project. According to INPS, other institutions are not closely involved in research work due to a strong preference for CASS emerging from consultation with NRC on expert selection.

Among the governmental stakeholders, MoHRSS has some importance since it is the Ministry that will be involved in the implementation of social protection reform policies developed by the SPRP. Since the development of policies should be based on practical experience and evidence, the pilots may built on and benefit from the experiences of MoHRSS.

Dissemination of information

The SPRP team communicates with EUDEL on a regular basis and with mutual confidence and trust; in relation to the beneficiaries, the feedback from particularly NDRC and MoCA (but also MoF) indicates that the collaboration with the REs is highly appreciated. The communication with other stakeholders is mainly based on the newsletters as well as on reciprocal invitations to events. As participation in these events (first and foremost the High-Level Events but also the component-based panel discussions and, conversely, events organized by other national or international stakeholders) shows, the project is well appreciated by the stakeholders. As far as the donor community is concerned, communication mainly builds on personal contacts of the REs. Hence, C1 has a strong linkage to ILO, and C3 to the World Bank; yet, inter-action mostly focuses on information sharing.

Furthermore, although the administrative relationship has been weak and payment procedures were claimed to be very slow in the first two years, communication of the Res with Chinese academics in their function as research providers appears to be good. The complaints of weak management have been provided to the PL several times through NDRC. Yet – according to NDRC -such problems have been effectively solved through the change of SPRP management structure in 2016.

Finding 13: The knowledge management of SPRP works at a high level with regard to documentation and accessibility of information. All documents are available electronically on the web in English and Chinese language as well as on paper in the research volumes prepared and printed by the project in due time. It remains unclear though, how all the accrued know-how is utilized and results been further harnessed for synergies and an overarching synthesis process. From an efficiency point of view, the benefit of this huge amount of research still has to be developed over the next few months.



4.3 Effectiveness

Looking at the possible achievement of the SPRP’s main purpose, C1 and C3 can realistically achieve the project results as defined in the intervention logic. – C2 is more long-term oriented and suffers from weak indicators which need concrete refining.

Result orientation

The formulated qualitative results are ambitious but can be reached if they are being followed with the same consequence as over the recent two years of implementation. The quantitative effects may be more limited, because the indicators have not been specified to this aim and the GoC does not pay much attention to statistical evidence for their policing. Statistics collection and data analysis is a difficult point in China, and reliance on the accuracy of quantitative methodologies is consequently low. One key area for C1 future collaboration with pilot regions is precisely statistics in the area of social protection.

Because of its long-term perspectives, the influence of the SPRP on policymaking may be indirectly at best for three reasons:

1. For the evaluation the EU expectations and objectives seemed to not have been formulated explicitly enough beyond the consortium members’ interest in developing bilateral relationships between their country and China, to allow all parties to be on the same line
2. The evaluation team expresses its doubts whether the instruments chosen, in particular the research and pilots are adequate tools for substantiated policy formulation in social protection beyond some case studies and tested models;
3. Thirdly, the process of identification, research, panel discussions and topic-wise recommendation appears to be incomplete as long as the synthesis phase regarding analysis and policy recommendations remains missing.

The benefit of the EU contributions is limited as yet. In this respect, the adopted procedures play a major role: After having prioritized the research topics based on the beneficiaries’ wishes, the project team commissions’ research activities undertaken by Chinese scholars representing the leading universities of the countries. Most of these researchers are hired based on recommendations coming from the beneficiaries. Research outputs are being shared with the beneficiaries and selected European experts who – in the second step of the procedure – provide input during their missions to China. They comment on the research outputs and provide examples of best practice from EU countries in the format of reports. Step 3 foresees panel discussions in China in which the research outputs as well as the EU input are discussed and assessed, and followed by policy recommendations prepared by both the Chinese and the European side.

Finding 14: The evaluation team does not have doubts regarding the correctness and appropriateness of the EU best practice; however, this MTE argues that the necessary steps for synthesis of the insights on policy recommendations are yet missing.

While the panel discussions are supposed to assess the value of the Chinese research and the EU best practice for the Chinese policy environment, the stage of bringing these two important contributions together and merge them into one comprehensive set of policy recommendations could not be identified in the project documentation.

A joint meeting of Chinese main stakeholders and Consortium members is scheduled to take place late in 2017 to prepare for end-of-project activities and this “fusion process” could well be envisaged as a key activity for 2018, at least as far as C1 is concerned. Incidentally, C1 approach to Parametric reform (2017 Activity plan) is based on close interaction between Chinese and European experts at all stages of their work, a joint international workshop being organized to mutually exchange on proposals put forward.



It is too early to assess the EU contributions related to the policy reform plans of the GoC since these plans must still be developed and formulated. As long as there is no comprehensive synthesis of Chinese and European research outcomes are part of the documented process it will be difficult to identify where and how EU experience has supported policy recommendations accordingly.

Effectiveness of research outcomes

The expectations of the beneficiaries are so far expressed by their strong focus on the achievement of results as formulated in the logical framework.

Finding 15: during discussions, the evaluation team found that **in most cases the requested research mainly had the function to confirm the assumptions that the beneficiaries already have on their mind.** It was confirmed by both the beneficiaries as well as some of the researchers interviewed. **Hence, the question arises why the EU via the SPRP has to invest in Chinese research for a confirmation of existing knowledge.**³⁰ Clarification:

Some research questions apparently already answered. For example, the authorities in Guangdong Province told that the portability of insurance entitlements between provinces was no longer an issue for them as solutions to the difficulties to a large extent had been found and improved measures were implemented. However, there are still real difficulties concerning basic pensions vesting (besides individual accounts) and migration from Residents to Employees pension scheme.

Only the portability between various schemes within a given province was considered an important issue to be solved.

For this reason, the evaluation team has some doubts regarding the effectiveness of the research undertaken and concerning the synthesis of Chinese and European experiences when it comes to the development of comprehensive policy recommendations. This is seen differently by the project leader who considers the collaboration as a successful example “that the identification and implementation of better solutions was made possible by the project coming at the end (at the right time and in the right place) of a long international cooperation in the area started in the mid-1990s and continued until now without interruption.”

Capacity enhancement

The events organized in Europe (i.e. study trips as well as training Programs) are highly appreciated and useful tools for the achievement of goals in the area of capacity building and mutual exchange. From the perspective of the Chinese C1 and C3 implementing institutions, the quality of outputs is good and mostly satisfactory. Interviews found that SPRP activities are well organized with quality speakers, research papers and access to documents. According to the MoF (C2), for example, the training visit to Italy in 2016 was of high quality, with efforts made by all presenters and Italian ministries/institutions to provide the participants with a range of lectures and site visits from the policy to the practitioner level.

³⁰ While consensus has been reached on several aspects of the reform, others of paramount importance remain under discussion, and the project contributes to this debate. At least as far as C1 is concerned, some key topics addressed under the project framework are still debated, and several options are on the table. Research conducted allowed the confrontation of points of view and provided the Government with the pros and cons of different options. The 2015 report on best practices provides a detailed analysis of the various options embodied in works conducted by Chinese experts on the very structure of a reformed pension system.



Chinese interview partners expressed satisfaction with these Programs and explained in which way they make sure that the gained experience will be shared with their colleagues in China. The selection of participants in such events always not only reflects client demands but also somehow must reflect inner-Chinese structures that can hardly be evaluated. It can be said that the beneficiaries have made sure to share the participation with provincial and even municipal entities – including those involved in so-called ‘pilots’.

Synergy development

As explained, no synergies derived from the three Components were found and no provision has been made in the project design to interpret the social reform process in a more holistic way. From the point of view of NDRC, the GoC is making every effort to improve social security as a system, however.

Finding 16: The SPRP falls short of this systemic perspective until date towards harnessing synergy effects from its research activities and dialogue efforts.

All beneficiaries made it clear that they share experience between each other to a certain extent – mostly by inviting each other to project events – but that there is no idea of an overarching connection between the components. Consequently, the REs have no opportunities to promote a systemic approach harnessing the synergies between the research outcomes.

Nevertheless, the evaluation team identified a potential for synergies and cross-component discussion, for example regarding the activities related to pension insurance schemes in Components 1 and 2, or in relation to tackling demographic problems of an ageing society, which are topics in Components 1, 2 and 3.³¹

The SPRP also has a weak spot with regard to its research and analysis of crosscutting issues, which have been formulated in the project design and will be further explained further in chapter 4.7. Gender equality, disability, good governance and human rights with some exception are not in the focus of the beneficiaries – and they are not explicitly included or followed up by the European Consortium partners or the Project Leader thus lacking effective implementation.

The technically focused approach to the project in which the requested results are emphasized should be extended by the crosscutting dimensions as outlined in the grant contract.

The whole project is constructed upon the idea that social protection reform would contribute to addressing identified “horizontal” problem areas. Therefore, crosscutting issues are regarded as having lower priority and are not sufficiently promoted against the strongly vertical intervention logic of the project.

It can only be expected that horizontal issues will enter ‘through the back-door’ in selected cases, for instance in relation to pilots. For example, the issues of portability between provinces mainly affect female migrant workers who may return to their original homes after their work is terminated; they are in a weak position regarding their social protection benefits in their home provinces due to their long absence. Often, women are taking additional burdens of care for the elderly and dependents. Insofar, some of the project’s results may have significant negative impacts on gender equality while perpetuating

³¹ According to RE3 the demographic problems and ageing has been presented far before to MoCA as key issues however due to the current priorities of social assistance this topic is not considered to be researched within the SPRP.

existing inequalities and running into contradictions to the objectives of the 13th FYP. This topic will be specifically addressed under C1 activities in 2017 and 2018 at the suggestion of NDRC along the lines just described.

4.4 Impact

By the mid-term of implementation, it is too early to assess possible impacts of the SPRP.

Finding 17: The process of social protection policy reform cannot be realized overnight. From the view of NDRC, policy development is rather a long-term goal in China and real achievements in terms of legislative changes are not to be expected during the lifetime of the project.

It will thus be subject of future ex-post evaluations to validate how the EU experiences will have affected the shaping of Chinese social protection policies.

Policy formulation

Having found that the research requested by the Chinese Beneficiaries is mainly supposed to confirm existing assumptions of the GoC, it remains rather uncertain what will happen to recommendations developed from research and discussions. However, plans were designed (see Finding 15) to address these queries in 2017 and 2018.

As no feedback mechanism was designed within the process, it is likely that the GoC may use the project rather to justify its policy development strategies by providing some scientific evidence. Therefore, EU expectations should be realistic with regard to the options for policy formulation. As shown earlier from the completed EUCSS project, the Chinese mode of developing policies is more characterized by a ‘trial and error’ approach: **the GoC prefers testing new policies in pilot provinces analyze the outcomes and adjust the policies in the light of the findings before new policies are being rolled out to the entire country.** This approach may be time-consuming but rather effective as for instance demonstrated earlier with the introduction of a rural pension scheme for more than 900 million citizens of rural areas.

Project outcomes

It is also difficult to establish whether the project strategy and management are steering consequently towards the expected impacts. The project is likely to achieve what it has promised in the intervention logic that is a respectable outcome in its own right and should not be underestimated.

Yet, the steering of the project may adjust its mechanisms towards working with more **emphasis on the creating synergies between the three project components** either with regard to

- a) Meetings/discussion fora (high level events) on comparative outcomes of the research produced, or by
- b) Enabling comparative analysis on specific topics by desk studies from the reports that have been published so far.

Thus, more favorable conditions might be created towards effective managing outcome and impact orientation during the remaining project period.

Capacity development

Capacity enhancements are likely but not (yet) measurable because the indicators have been formulated rather vaguely in a qualitative manner that will need to show their impact in the quality of policy formulation and reformed legislative outcomes. Outcome-oriented indicators for capacity enhancement might include a quantitative and qualitative



needs analysis as baseline to identify gaps and expected outcomes for the establishment of reform policies in the social protection area, for example the definition of services and service providers to be developed and supported by the GoC.

The SPRP's benefit for the reform agenda in China may become more visible in the establishment of on-going discussion and high-level exchange fora which allow the EU and its Member States to make their points in the discussion with Chinese politicians and scientists. Instead of looking for concrete EU experience being reflected in Chinese legislation, the EU may rather focus on and even intensify the dialogue as the main tool to establish a more systemic and evidence-based understanding in social protection policy development. The GoC will assess the offers, select what they consider appropriate for further assessment, adjust it to the Chinese environment, test it in practice, and (if found to be valuable) make use of it in the formulation of new legislation. This is by no means a minor result.

4.5 Sustainability

The sustainability of the SPRP support towards strengthening the social protection reform agenda does not depend on the financial continuation of the project and will end with the completion of the grant contract.

Finding 18: It should not be overlooked that long term viable solutions for social insurance and assistance schemes depend on economic development and the composition of financing (C2). Therefore, the private sector needs to be approached and integrated to any future activities. The visits to pilot sites in Guangdong Province and Huizhou Municipality have shown that consultations with private enterprises concerning their difficulties, views and needs vis-a-vis social protection and pensions for workers must be taken into account for the reform of contributory schemes of social security.

From the MTE's point of view, it is mainly the **policy dialogue culture that offers the best opportunity for achieving sustainability**. As Chinese beneficiaries confirmed, the High-Level Events as well as the former EU-China Round Tables in the EUCSS project are regarded as valuable fora for discussion and exchange of experience. The Chinese beneficiaries acknowledge Europe's long history of social protection schemes and policies and is willing to learn from the experiences of EU countries to Romania, the Czech Republic and Poland (although the evaluation team was told that Romania had lower standards than e.g. Beijing Municipality).

Project structures will cease to exist with the end of the project unless a continuation of future cooperation will be formulated.

As mentioned in chapter 3.3.2, the sustainability of **capacity enhancement activities, e.g. study visits and EU training Programs, should be feeding back into institutional improvements** and be integrated into ministerial Programs and policies. No provision has been made by the project as yet for a capitalization of these issues towards creating sustainable impact. Furthermore, the inclusion (or exclusion) of the project findings and recommendations in the to-be drafted XIVth five-year plan would represent a valuable touchstone.

An important element of sustainability that the Chinese beneficiaries as well as the European MS are sharing is expressed in the **vaguely formulated objective to build strong mutual relationships and bilateral partnerships leading to future dialogue and collaboration**. MoCA has already signed its 2nd MoU with the Republic of Poland Ministry of Labor and Social Affairs, thus fostering this relationship building. The NDRC has begun



discussions with consortium members (France, Spain, Italy) as well as with the EU Commission to establish future collaborations.

4.6 Coherence

Key questions concerning coherence within and between various project structures, components and stakeholders have been discussed at the level of Cooperation Management (vide chapter 3.2.3) and will not be repeated here. It is obvious that the complexity of the SPRP demands a differentiated analysis.

Theory of change

The MTE wants to point out that the project's results based focus leads to a challenging and demanding administrative workload and strong pushes for the implementation of activities for all staff and stakeholders. Within this dynamic process, the overarching **concepts of change that underpin the project rationale may step back or suffer from the process**. For example, the different approaches of introducing social protection reforms (inductive versus deductive methods) are leading to a rather fragmented – different components – research topics – social security pillars – way of implementation without due systemic linkages.

External alignment with the 13th FYP or the EU-China cooperation strategy is easily established. However, coherence with other international frameworks can be questioned as the PRC's legislation is not always in conformity with, e.g. UN, ILO Treaties (vide chapter 4.7). Nevertheless, China is actively considering ratification of ILO Convention no. 102 on social security (minimum standards) which provides a very useful benchmark for assessing proposed reforms under C1 framework.

Policy dialogue

The policy dialogue is functioning well for both cooperation partners, the EU and the GoC, mainly because there are two equal players: On the one hand a group of 28 different countries (EU MS) with vast and very differing experience in social protection strategies and policies; on the other hand, a huge country with more than twice the population size of the entire EU that has fewer and shorter experience with social protection policy but is catching up fast over the past two decades. Similar structures cannot be found in the world. Even India, being almost as populated as China does not reach a comparable level of governance and administration due to a different political system.

If the established policy dialogue is considered as one of the most important mechanisms and output of the SPRP project, it should also be put in the focus of its presentation. The EU MS have certainly something to learn from the practical approach of the GoC to develop policies in steps and test them in practice before rolling the adjusted version of new schemes out to the entire country.

Piloting and testing

Pilots in the sense of SPRP are not pilots in the same sense as they are implemented in other cooperations or, for example in the prior EUCSS project. They are rather locations with a specific environment in which the beneficiary (NDRC) sees an opportunity to test new methods or to derive experience from for policy development. With regard to the question, how pilots are contributing to the achievement of results and the overall objective of the project the evaluation team visited the C1 pilot in Guangdong Province.

The focus of the Guangdong pilot deals with the issue of portability between schemes for urban and for rural residents. The evaluation team was **shown that practical**



implementation has been faster than research and policy formulation: Instead of building its proposal testing based on research and evidence, it appears that in Guangdong the research is following directions that the administration has already taken up. This would confirm the finding that research in general is supposed to confirm policy plans that have already been adopted.³² The central level is aware of this development and selects them as ‘pilots’ and requests research on them with a view to generating methods that can be replicated elsewhere. This approach may be unconventional but bears the potential for success. Future evaluations might therefore focus on the question where the innovation is generated: at central or rather at provincial level from where it is then lifted to become a central role model for further testing in pilot projects.

In due course, the GoC may also develop own models of substantiating its policy formulation by more statistical evidence using its existing data more systematically for the introduction and forecasting of socio-economic developments and budgeting of its social protection reform.

4.7 Cross cutting issues

Finding 19: As explained in the context of the SPRP’s effectiveness (vide chapter 4.3) the project so far turned a blind side to expressively dealing with major cross-cutting issues in its research and analysis, which have been formulated in the project design.

As per SPRP planning documents, the project addresses four areas of crosscutting issues:³³

1. **Gender equality** with its various forms of discrimination against women that exist in China’s social security system, including unemployment, retirement age, social insurance coverage etc. which are topics in C1. So far, the Chinese Beneficiaries are not enthusiastic to support research based on gender-disaggregated data in order to better analyze gender discrepancies with a view to drawing policy conclusions. So far, the SPRP has not included gender issues explicitly in their activities although the importance of taking the issues into consideration is acknowledged. However, for 2017 the C1 program activities explicitly include Gender considerations. Chinese experts have already been recruited to conduct related research work.

On behalf of the EU consortium and the PL, the relevant questions have also not been promoted. Consequently, coherence and consistency with the new EU policy strategy to achieve gender equality in the EU and its External Actions has not been established. ³⁴ Recently NDRC and C1 had contacts with an EU team dealing with the promotion of the EU strategy on 22 March 2017.

2. **Persons with Disability** - The proposed project intended to pay special attention to improving social protection benefits for ‘disabled people’ under C3. Although MoCA is aware of the importance to provide adequate access to social assistance and

³² Unfortunately, the local researcher (whose research topics could not be indicated by the municipal DRC representative!) was not available for a confirmation

³³ Action Fiche, ibid. p.9, chapter 3.4.

³⁴ Council of the European Union, Council Conclusions on the Gender Action Plan 2016-2020, 13201/15, Brussels October 2015



services for persons with disabilities and claims to include the issues in their research, the visibility of inclusive approaches working towards the project objectives are not yet obvious. Concepts of inclusion as required by the Convention of the Rights of People living with Disability (CRPD) to which the PRC is a signatory are not integrated in the SPRP.

3. **Good Governance** issues are fairly well addressed in the SPRP, as the project will contribute to enhancing the institutional capacity of the GoC in social protection reform by promoting governance and the rule of law in social protection policy development as well as transparency and accountability in policy implementation.
4. **Human Rights** – Final beneficiaries, vulnerable to abject poverty and living with considerable disadvantages are addressed with their social and economic rights in society, consequentially contributing implicitly to further improving the overall human rights situation (though not worded explicitly). Likewise, the social assistance reform agenda (C3) which addresses protection of the most vulnerable groups in Chinese society (e.g. elderly, homeless, children, persons with disability) needs to reflect on developing relevant institutions, services, cash transfers and targeting respectively gate-keeping procedures of beneficiaries.

Such rights-based reflection across components and related policy formulation cannot be in done in general terms and is not sufficiently visible in project implementation.

With regard to compliance with other international human rights standards, it should be noticed that the project proposal identified youth aged 16-18 years and young workers aged 16-18 years as target groups for the social protection reform. Taking into account that the UN Convention on the Rights of the Child (CRC) and the ILO Convention on the Minimum Age of Employment of Minors (No. 138), consider minors being under 18 years of age and do not generally allow children to work³⁵, these 'vulnerable groups' are not visible anywhere in the project.

Nevertheless, at the relevant UN-monitoring committees, the GoC is closely monitored by these groups for the implementation and enforcement. C3 might have a look at the issue.

5 Conclusions and Recommendations

5.1 Conclusions

Conclusion 1: Overall, the project's progress in China is positively assessed despite some constraints of practical management. The main Programs are relevant and respond to the needs and capacities of the Chinese Beneficiaries.

NDRC and MoCA demonstrate a high ownership of the project and gradually the MoF will also become more actively involved. The relevance of the SPRP will further increase as the country moves ahead with its social security reform in forthcoming years, as it is part of the

³⁵ ILO Convention 148 authorizes work from age 16 as a general rule provided work below 18 is not jeopardizing health of the young persons.



13th FYP. This implies that the intervention logic of the project remains relevant and its activities respectively its achievements of result become important for policy formulation.

As long as the major social protection pillars, e.g. pensions and social insurance as well as social assistance schemes depend for a large share on the national budget, the GoC needs to adjust social protection systems that are effective, efficient and promote social equity. This process in turn requires ongoing economic growth and socio-economic development.

This MTE found sufficient evidence to confirm that the design of the SPRP, along with the chosen instruments of EU short-term experts, Chinese experts and researchers, panel discussions, study tours to EU countries and trainings provide models and practices from EU MS for the elaboration of policies and perspectives for the social protection system in the PRC.

Conclusion 2: The Grant Contract of the EU for such a complex and diverse project (in fact three projects) has some disadvantages for the project implementation. First, it creates an extensive and costly administration in Europe while the implementation in China depends on complicated decisions taken in Rome. Second, the REs are not assigned with enough decision-making power to effectively steer immediate processes and respond to simple Beneficiaries' requests.

Conclusion 3: The complex management structure and capacities in Europe are not very cost-effective and restrict the efficiency of project implementation in China.

Cost-effectiveness of a service contract as compared to a grant could not be further analyzed as part of this evaluation and can therefore not be commented on in detail.

Although the EUDEL and the PL with the Project IMC introduced major changes in the project management structure to allow the project to operate without too many delays in early 2016 the processes of coordination and decision-making are still time-consuming and complicated.

Overall, the REs and their Chinese Counterparts today are expressing satisfaction with the improvements on the functioning of the SPRP Project Team. However, the decision-making structure with the Project Leader, secretariats and coordinators – all based in Europe – plus the RE in Beijing, EUDEL and the Chinese beneficiaries, is overly complicated.

A positive aspect of this arrangement is that the current structure entails the provision of public institution's expertise, which can lead to entering into a long-term policy dialogue as the SPRP did on several occasions.

The SPRP has REs in place whose capacities are insufficiently used as long as so many services are performed in Rome and Paris.

Clarification: Based on the project design, there is the presence of European experts established in Beijing in order to coordinate and fully support the implementation of the project under the scientific point of view. This responsibility assigned to the role of RE is really heavy considering the complexity of this project in terms of scientific results to be achieved. For this reason, the logistics and organizational parts have been shared between the administration of the Beijing office and the support of a Secretariats that, regardless of their location, they manage more time consuming activities that are not under the responsibility of a technical expert.

It remains to be seen if the establishment of an affiliate office of SISPI in Beijing will diminish or overcome the administrative problems.

Conclusion 4: The EUDEL had announced the MTE early enough in 2017, however the PL in Rome was not involved enough in the coordination with the Beneficiaries. Public institutions like INPS are not very familiar with the DEVCO Grant procedure involving M&E missions; this resulted in late preparation of the key documents for evaluation: the second



interim report was only sent after the project's review in China. Misunderstandings on expectations between parties should have been resolved early in the process.

Conclusion 5: The organizational sequence of support – Chinese research, EU best practice, panel discussion, formulation of policy recommendations – lacks an important element, namely the synthesis of Chinese and European policy recommendations of individual researches undertaken with a view to developing and presenting comprehensive set policy recommendations based on Chinese and European experience later on.

Conclusion 6: Furthermore, no distinctive model of capitalization on the study visits and training Programs that would aim at the sustainability of the outcomes of these activities has been developed.

During study visits to the EU, Chinese delegations were partly confronted with Member States where the standards of social protection were lower than those in China. Hence, the learning effect here was very limited.

Conclusion 7: The lack of involvement of MoHRSS as a key stakeholder when it comes to implementing the future social protection reform is regarded as negatively influencing the project's progress. MoHRSS should have been more involved into the selection of research topics.

CASS provides a rich expertise in the preparation of research on social policy issues. It is advisable that this institution remains involved into the research activities of SPRP.

Conclusion 8: There is a lack of commitment from the side of the EU Member States. Some participating Member States in the consortium appear to have no clear role in the implementation; only few of them intend to establish bilateral cooperation agreements with GoC although these were in the focus of the EU's motivation to use the instrument of a grant contract for SPRP. There is also room for improving the project's public relations when it comes to involving EU Member States' embassies in Beijing and informing European companies doing business in China about the directions of China's social protection reform process.

5.2 Recommendations

The recommendations of the evaluation consequently mainly aim at improving the project's implementation process over the remaining two years of implementation to make up with some of its constraints:

Recommendation 1: The SPRP implementation modalities should continue as designed, with implementation variations between components supported through a flexible approach as well as clear rationale for variations in the SPRP step-by-step research validation process that supports the research with EU best practices and uses these reports/topics for the design and delivery of study tours, training visits and other Europe-based activities.

Recommendation 2: (to EUDEL) Large-scale actions such as SPRP might better be organized in the format of Service Contracts rather than grants. In order to reduce the complexity of project administration, decision-making should mostly remain with the PL and the resident team of experts instead of organizing overly complicated communication structures between several EU Member States and China. Less bureaucracy and flat hierarchies in decision-making would make the project more responsive and faster in the implementation processes.



In terms of reporting, the project management should follow the contractual arrangements and produce those reports (in particular annual and status reports) which are obligatory in order to facilitate the timely submission of such reports.

Recommendation 3: The Consortium/Project Leader should clarify the role and responsibilities of the Team Leader position in consultation with the project RE team and with the EUDEL. Resource allocations for this position should also be reconsidered, given that at that present time the position is effectively not operational.

Recommendation 4: The professional sequence of the production of reform proposals to the beneficiaries should be enriched with a Synthesis Phase in which Chinese and European experts - with guidance from the REs as planned for 2018 - produce a comprehensive set of recommendations that reflects both Chinese research and European experience and is adjusted to the needs of the beneficiaries.

Recommendation 5: The project team should develop a model related to the best possible capitalization on experience gained through cost-intensive study visits to and training programs in Europe. The model might include an assessment of expectations, the preparation of participants for institutions to be visited in Europe, feedback sessions during the trip to deepen the understanding of what has been learned, and follow-up workshops in China after the return. The joint assessment of the delegation's report and final survey regarding utilization of results six months/one year after the return to China will benefit all participants concerned.

Recommendation 6: (to Chinese Partners) - NDRC and MoF should involve MoHRSS more strategically into the development of social protection reform ideas and plans as well as into the testing of such ideas in practice (pilots).

In addition, the capacities of the CASS in social policy-related research should continue to be more actively involved into the research activities of SPRP for an exchange of information between the beneficiaries and CASS and the dissemination of the outcomes of the research undertaken in SPRP.

Recommendation 7: (to Project Team and EUDEL) – The SPRP Project Team (REs) together with EUDEL should aim at raising the commitment of the EU Member States (particularly those not directly involved into the project as consortium partners) by organizing and implementing briefings for the Embassies of the EU Member States in Beijing and events for enterprises from EU Member States doing business in China. More information about the project's achievements might raise Member States' interests in learning more about social protection reform in China; companies doing business in China might benefit from knowing more about the tendencies within GoC in relation to social protection reform.



Annexes



Annex 1: Specific Terms of Reference (ToR)



SPECIFIC TERMS OF REFERENCE
EU-China Social Protection Reform Project
Mid-Term Evaluation
FWC BENEFICIARIES 2013 - LOT 9: Culture, Education, Employment and Social
EuropeAid//132633/C/SER/multi
Request for the Service 2017/383373 Version 1

1. BACKGROUND

Social protection reform in China was initiated in 1984 and has made major progress since. China has already come a long way in regard to putting social protection systems in place. Within the last decade a comprehensive social protection system has been established where coverage has expanded widely in a rapid manner. The **pension coverage** extended from 359 million people in 2010 to 858 million people in 2015, an average annual growth of 27.7%; the medical insurance coverage expanded from 300 million people in 2005 to 1.33 billion people in 2015. On 17 November 2016 Chinese government awarded the Prize of Social Security Outstanding Achievement by the International Social Security Association. This recognises the great achievements made by Chinese government over the past ten years in expansion of social security coverage. The one of next targets of social protection reform is to reach a full coverage of social security for the entire population.

However, China's social protection system still faces many challenges at a time when the economy is entering a "new normal" and society is about to enter a deep-going ageing, including some common challenges encountered by both the industrial developed countries and the emerging countries. The latest statistic data indicates clearly a heavy burden on the old-age insurance system, especially the financial pressure.

The 13th Five-Year' Plan for Economic and Social Development of China (2016-2020) emphasises on equal opportunities, basic living standards and public wellbeing, in order to ensure everybody enjoying prosperity society. The plan sets up goals of providing more public services, prioritising employment strategy, reducing income gap, improving social security reform, dealing with population aging and securing basic rights of women, minors and persons with disabilities. Furthermore, the Central Economic Work Conference held in December 2016 requested to promote old age insurance reform and formulate top-design reform programme for the system in 2017.

Project objectives and results

The **Financing Agreement** between the EU and China for the "China-EU Social Protection Reform Project" was signed on the 18/12/2013 for an operational implementation period of 60 months. A grant contract for implementing the action was awarded to a Consortium of public authorities and mandated bodies specialised in social protection in the EU member states (Italian Institute of Social Security (Leader of Consortium), Federal Public Service Social Security - Belgium, Ministry of Family, Labour and Social Policy - Poland, Ministry of Labour, Family, Social Protection and Elderly - Romania, Ministry of Employment and Social Security – Spain, Fundación Internacional y para Iberoamérica de Administración y Políticas Públicas – Spain and Expertise France). The grant contract (operational duration: 48 months) signed on 17 Nov. 2014 and actual activity implementation started on February 2015.

The **overall objective** of the project is furthering social equity and inclusiveness of economic development throughout Chinese society.

The **specific objectives** are:

1. Greater effectiveness and inclusiveness of China's social security system through strengthening the institutional capacity for developing policies

2. Implementation of appropriate legal and regulatory frameworks for enhanced and sustainable financial management of social security system
3. Improvement of the legal framework and policy enforcement of social assistance system

The project contains three components aiming to achieve the project purpose as follows:

- Component 1: Consolidating institutional capacity for social protection policy development and reform in collaboration with National Development and Reform Commission (NDRC)
- Component 2: Enhancing the institutional capacity for financial management and supervision of social security system in collaboration with Ministry of Finance (MoF)
- Component 3: Improving the legal framework and policy enforcement for social assistance in collaboration with Ministry of Civil Affairs (MoCA)

The expected results¹ are:

Horizontal

- **R1** The mechanism for EU-China high level policy dialogue on social protection reform is established and partnerships between the specialized public bodies of EU member states and the National Development and Reform Commission (NDRC), the Ministry of Finance (MoF) and the Ministry of Civil Affairs (MoCA) of China on social protection have been set up and they are active.

Component 1

- **R2** Under the leadership of the NDRC, coordination of policy making among government agencies in areas related to social protection reform is strengthened.
- **R3** The capacity of the NDRC in policy development and implementation, notably establishing and enforcing a national policy evaluation technique in the area of social protection, is enhanced.
- **R4** National policy framework for a full coverage of old-age insurance system throughout China is consolidated by strengthening the interface of various schemes, pension funding pooling, old-age insurance scheme for civil servants/the employees of public agencies and the existing multi-layer pension system.
- **R5** Reform efforts in response to urbanization trends, in particular the harmonization and integration of the various basic social protection systems for different groups of beneficiaries, the portability of social insurances and better suited assistance schemes. New policies and regulations inspired from European best practices and focused on improving and standardising the quality and scope of legal aid have been adopted;

Component 2

- **R6** The capacity of MoF in financial management and supervision of central and local model of social security system and the extension of social security system coverage are enhanced, in particular in the fields of division of expenditure responsibilities, mid -terms budgeting of fund, and performance assessment model.
- **R7** Enhance the top level design ability in the basic pension insurance; establish actuarial analysis models for basic pension insurance reform.
- **R8** The capacity of the MoF in the management of social insurance funds, focusing on fiscal support budgeting, account system, investment techniques and adjustment mechanisms for pension benefits is strengthened.

¹ Upon the request of MOF, the results of component 2 mentioned in the original grant have been modified at the beginning of the project implementation.

Component 3

- **R9** The capacity of the MoCA for promulgating and enforcing the Social Assistance Law and the regulations on rural and urban minimum standards of living are strengthened; the skills of local officials in policy transmission and implementation are upgraded.
- **R10** The legal frameworks on a) formulation of unified standards for the estimation and calculation of social assistance benefits, b) recognition of social assistance target groups and c) identification of low-income families are consolidated.
- **R11** Efforts of the MoCA in improved care for poor rural people and disabled people are strengthened, and public information and transparency of social assistance policies are raised at provincial level.

State of Implementation

During the first year of implementation, the focus of project was on recruiting EU resident experts, developing relations with Chinese counterparts and designing activity plan. Soon after the start of the project implementation, the original project secretariat had difficulty to fulfil its role in the project due to restructuring of the Institution. It resulted in rather difficult situation for implementation of project activities, especially lack of proper administration and financial resource management. With strong engagement of EU Resident Experts (the Component 1 and Component 3) and Chinese counterparts, especially NDRC and MoCA, both components completed smoothly the planned activities of the first year with good results. The Consortium changed the project secretariat and modified its project management organisation at the beginning of second year, and then substantial progress was made on overall project management and activities of the Component 1 and 3. Both components delivered policy reform proposals to the central government on pension reform, employment promotion, function of social security, ageing population and social assistance system. Three EU-China high level events on social assistance legal framework, relations between employment and social protection were organised by the Component 3 and Component1 in 2015 and 2016 respectively. The C1 pilots in three provinces (Shanghai, Guangdong and Sichuan) have benefited from the project since 2016.

Two external Results Oriented Monitoring (ROM) exercises were carried out in October 2015 and 2016 respectively, which found that the project is well performing concerning the Component 1 & 3, but pointed the weaknesses of the C2 and remarked necessary measures for improvement.

2. DESCRIPTION OF THE ASSIGNMENT

2.1 Global objective

The mid-term evaluation will provide an understanding of the extent to which the project has achieved its purpose to date; the extent to which the project has attained concrete outputs and verify the actual condition/steps to be taken for its successful completion.

2.2 Specific objective(s)

The specific objective of the mid-term evaluation is to evaluate the project according to the five DAC evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability, especially:

- to assess the achievements and short-comings of the project to date, with regard to the five criteria of the various interventions.
- to draw conclusions and recommendations what types of corrective actions should be taken to improve the project performance and to increase the project prospects for achieving its objectives and results.

A set of indicative questions to be considered for each criteria are included below:

Relevance: how the project is suited to the priorities and policies of the main stakeholders.

- To what extent are the objectives of the project still valid?
- To what extent have the expected results identified in the Financing Agreement been achieved by way of the implementation of the project?
- Are the activities and outputs of the project consistent with the overall goal and the attainment of its objectives?
- Are the project activities and outputs aligned with the demands of Chinese counterparts on social protection reform and how are the project outcomes supported the reform process?
- Is the project coherent with the policies of the EU's external action and cooperation and supportive to the EU-China strategic partnership?
- The quality of the identification of key stakeholders and target groups (including gender analysis and analysis of vulnerable groups) and of institutional capacity issues;
- How well is the project aligned with new government policy developments and what areas are recommended for further development to increase added value of the project?
- Are the objectively verifiable indicators of project logic framework SMART?

2. Efficiency: sound management and value for money.

- Is the management and operation set-up appropriate for the implementation of the project activities?
- Has the project been implemented in line with the annual work plan and produced planned deliverables in time?
- What are the consequences of the delays if any and how can they be improved?
- How well are resources used in terms of funds, human resources, time and expertise and do the results achieved justify the costs?
- How efficient have the resources (financial and non-financial) of all project partners been used for the project?
- Have the contributions from Chinese institutions and government, target beneficiaries and other local parties been provided as planned?
- To what extent has the project cooperated with all essential stakeholders in the field of social protection in China?
- To what extent and how well is the project monitoring system in terms of quality control of performance and results?
- The appropriateness of cooperation and communication between: (1) the project partners; (2) between the project and other project stakeholders (e.g. Delegation, public authorities, academics, business, industries and others).
- How are the quality and adequacy of the project knowledge management mechanisms, visibility measures and communication tools? How could they be improved during the remaining phase of the project?

Effectiveness: achievement of purpose.

- What has been achieved (objectives, results/outcomes) so far when compared to what is stated in the project log frame?
- To what extent has the added value of EU cooperation (EU experience, best practices and lessons) been elaborated in the project key outputs/outcomes for the reference of Chinese government?
- To what extent the project outputs/outcomes to date meet the expectation of Chinese government?
- To what extent results and –consequently- objectives are likely to be achieved at the end of project?
- What are the major factors influencing the achievement or non-achievement of results and objectives and how to be dealt with?
- Have the intended beneficiaries participated in the intervention?
- How effective have the project resources (financial and non-financial) been used compared to the output produced to date?

- To what extent has the project created synergies/integration among the components on common interested topics related to the project objective?
- How have 'cross-cutting' issues been considered during implementation, in particular gender equality aspects, in line with the requirements of the Council conclusions on Gender Action Plan 2016-2020?

Impact: assess the positive and negative changes produced by the project so far, directly or indirectly, intended or unintended.

- How can the impact of the project to date be assessed?
- What is the potential impact of the project outcomes on social protection policy making and implementation in China?
- Is the project strategy and project management steering towards impact? How could this be improved by creating favourable conditions for the remaining project period?
- Is there any clear indication on the added value produced by the project for social protection reform in China?

Sustainability: measure whether the benefits of the project are likely to continue after the implementation period.

- To what extent are the benefits of the project likely to continue after EU funding ceases?
- How likely the Chinese beneficiaries appear to be capable and willing of continuing the operation of project beyond the end of the project?
- What are the major factors influencing the achievement or non-achievement of potential sustainability of the project?

These points will be reviewed and confirmed with the experts during the initial (inception) period of the assignment as well as be further elaborated on how the experts will respond to them.

2.3 Requested services

The Contractor is required to carry out this assignment in accordance with the Project Cycle Management (PCM) Guidelines and the Evaluation Methodology of the European Commission.

The evaluation team is requested to:

- Review background materials and prepare a mission plan
- Attend a briefing session with the EUDEL;
- Meet relevant counterparts and stakeholders including but not limited to NDRC, MoF, MoCA, Ministry of Commerce, Ministry of Human Resources and Social Security Member States and other relevant stakeholders based in Beijing;
- Meet relevant counterparts, stakeholders and beneficiaries at central level and at local level (in one of three pilot provinces (Shanghai, Guangdong or Sichuan));
- Organize a debriefing to the EUDEL and key beneficiaries;
- Prepare a Draft Final Evaluation Report and proposed updated Logical Framework Matrix (and then, subsequent to comments being received to the Draft, a Final Evaluation Report) which documents the findings, conclusions and recommendations in accordance with the requested services outlined above and according to the report structure included in these Terms of Reference (Annex II);

2.4 Required outputs

- A Mission Plan with an appreciation and further articulation of the questions related to the specific objective of the mission (point 2.2) and a detailed schedule of meetings, which will be delivered 2 working days after arrival in Beijing and agreed by the EUDEL (10 pages max.) .

- PowerPoint presentation at the end of the field mission (de-briefing at the EUDEL)
- Draft Evaluation Report including proposal for the updated Logical Framework Matrix
- Final Evaluation Report including proposal for the updated Logical Framework Matrix

2.5 Language of the Specific Contract

The language of the specific contract is English.

2.6 Subcontracting

Subcontracting is not foreseen under this specific contract.

3. EXPERTS PROFILE or EXPERTISE REQUIRED

3.1 Number of requested experts per category and number of man-days per expert or per category

Expert No. 1: Category I Team Leader (26 working days)

Expert No. 2: Category I Social Sector Expert (23 working days)

3.2 Profile per expert or expertise required:

Each expert must meet the following minimum requirements:

- Master degree or in its absence equivalent professional experience of at least 5 years on top of the general professional experience of twelve years in thematic fields relevant to this assignment;
- At least 12 years of general professional experience in sectors relevant to the lot;
- Within these 12 years, at least 5 years of specific professional experience in working in the field of social protection, preferably in the EU member states or transition countries;
- Excellent computer literacy.

Moreover, the designated Team Leader must have

- proven experience in the evaluation of international cooperation projects, out of which a minimum of 1 shall be an EU external action;
- proven experience of leading/managing a team.

In addition the expert team is required to provide the following expertise:

- Specific professional experience in working on projects in support to institutional reform, policy formulation and revision, or capacity building, in the field of social protection at government level, preferably in EU countries or in China.
- Experience in working on international cooperation projects, preferably the EU funded projects;
- Proven knowledge of Project Cycle Management (PCM) and Logical Framework Approaches.
- Experience in gender analysis and analysis of vulnerable groups such as disabled, preferably in relation to social protection.
- Knowledge of key policy issues in the field of social protection in China would be an asset.
- Relevant working experience in China and/or with Chinese government in the fields relevant to the assignment or in countries facing similar challenges or comparable in other ways would be a distinct asset considered positively in the evaluation.

Languages:

All experts must have proficiency in written and spoken (incl. comprehension) English

4. LOCATION AND DURATION

4.1 Starting period

The assignment is foreseen to start in the beginning of March 2017.

4.2 Foreseen finishing period or duration

Based on the expected starting date, the assignment, including reporting, should be completed within 360 calendar days from its start.

4.3 Planning including the period for notification for placement of the staff as per art 16.4 a)

Contractor will cooperate with the EU Delegation to China's Cooperation Section, located in Beijing. Background information will be made available to the Contractor during the desk study and preparation period, i.e. before travel to China (see Annex I).

All meetings and visits to the project pilots in China should be arranged by the expert team in coordination with the EU project Resident Experts and the EU Delegation in China no later than 2 working days after the experts' arrival in Beijing, notably at the end of initial phase (see the table below), in order to make the most effective use of their visit.

Travel in Beijing and from Beijing to relevant provincial sites (Shanghai, Guangdong or Sichuan provinces) and accommodation, will be arranged and paid by the Contractor according to a schedule and itinerary determined by the mission Team Leader in coordination with the EU Delegation to China.

Expert team members shall bring their own laptop computers, using word processing software mutually compatible and adequately protected against viruses.

The indicative timetable and description of activities is given below. The proposed planning for working days should be included in the Organisation & Methodology to be submitted as part of the offer.

The overall input of the mission will be 49 man-days divided as follows:

Location	days Expert 1	# days Expert 2	activity
Expert's place of residence	2	2	Desk study and preparation of initial mission plan
Travel to China			Travel days from and to the place of residence are not considered as working days
China – Beijing – Initial phase	2	2	<ul style="list-style-type: none">• Briefing with the Delegation and with the Project Resident Experts (project team)• Finalisation of the mission plan

Location	days Expert 1	# days Expert 2	activity
China - Field work phase	13	13	<ul style="list-style-type: none"> • Briefing with the team of project staff, NDRC, MoF, MoCA and MoFCoM in Beijing. • Interviews/meetings with project stakeholders and project beneficiaries/ participants. • Visit project pilots in one of three provinces (Shanghai, Guangdong or Sichuan) and interviews/meetings with project beneficiaries/participants • Final debriefing with the EU Delegation, project team, NDRC, MoF, MoCA and MOFCOM
Travel back to Experts' place of residence			Travel days from and to the place of residence are not considered as working days
Travel to / from Rome (place of the Consortium Leader (INPS))			Travel days from and to the place of residence are not considered as working days
Rome, Italy	2	0	Meeting with INPS (Leader of the Consortium)
Experts' place of residence	5	5	Prepare draft report and submit to EU Delegation
Experts' place of residence	2	1	Finalising report and submitting to EU Delegation
Total working days	26	23	

* This schedule is indicative and should be adjusted according to detailed arrangements to be made with the prior approval of the EU Delegation. The experts are allowed to work on national holidays and weekends for travel and reporting only upon the Delegation's ex-ante approval.

4.4 Location(s) of assignment: in case of more than 1 location of assignment, identify for each location the working days per expert needed

The assignment will take place at the experts' place of residence, Rome Italy and in the People's Republic of China. Travel to and from these locations and inside China to one province should be budgeted in the offer.

The Contractor should indicate the experts' place of residence in their CVs.

5. REPORTING

5.1 Content

The mission team is required to produce the following reports and documents:

- A presentation in power-point format at the end of the field mission (de-briefing with the EUDEL and key stakeholders) which will synthesize the main conclusions of the evaluation and the recommendations.
- A Draft Final Evaluation Report, which will answer the evaluation questions and provide a synthesis of all findings, conclusions and recommendations. The draft report will be circulated by

the EUDEL to the Chinese counterparts, the EU Consortium, relevant European Commission services and other stakeholders for comments. The structure of the Evaluation Report is provided in Annex II of these Specific Terms of Reference.

- The Final Report, which will integrate the comments received to the Draft version. The evaluation team will provide a separate document explaining how the comments were integrated.

The Framework Contractor has to ensure the timely submission and the quality control of the final evaluation report so as to comply with the high quality standards required under the specific objectives and the requested services.

5.2 Language

All documents will be written in English.

5.3 Submission/comments timing

- The first Draft Evaluation Report and logical framework will be delivered to the EUDEL by mail 10 working days after the completion of the mission in China (date to be confirmed by the EUDEL).
- The Delegation will forward its detailed comments at the latest 30 days after the official sending of the first Draft Final Evaluation Report.
- The Final Report, including all annexes requested, should be presented to the EU Delegation within 10 working days after receiving the comments by the EUDEL (date to be confirmed by the EUDEL)
- The Delegation will forward its detailed comments at the latest 30 days after the official sending of the Final Report.

The European Commission reserves the right to have the reports redrafted by the consultant as many times as necessary to achieve an acceptable Final Report

5.4 Number of report(s) copies

The reports will be submitted electronically to the Project Officer, Ms. Xiaolin Yi:
Xiaolin.yi@eeas.europa.eu

In addition, three (3) hard copies and one (1) electronic copy (CD or USB) of the Final Evaluation Report, including annexes, will be transmitted to the EUDEL after the final draft report has been approved by the EUDEL. The latter will arrange distribution to stakeholders.

If the expert team proves to be unable to meet the level of quality required for drafting the report, the Framework Contractor will provide, at no additional cost to the European Commission, immediate technical support to the team to meet the required standards.

6. INCIDENTAL EXPENDITURE

Other limitatively identified reimbursable costs include:

- Per diems
- International travel
- Domestic travel within China
- Interpretation services of 13 days

No costs incurred by the Framework Contractor in preparing and submitting the offer are reimbursable. All such costs must be borne by the Framework Contractor. No telecommunication

costs and no secretarial costs for preparing/editing/sending reports or for additional copies of the reports are authorized.

7. OTHER REMARKS

7.1 Methodology for the submission of the offer which will be evaluated by the EUDEL

The Framework Contractors are required to submit a brief description (max. 3 pages) of the Organisation & Methodology (O&M) that will be used to carry out this assignment. Particular emphasis will be put in describing how the evaluation mission will assess the level of attainment of the intended results/outcomes related to institutional capacity and policy making.

7.2 Conflict of interest

In addition to the provisions described in article 9 of the General Conditions and in article 8.5 of the Global Terms of Reference, the following is a non-exhaustive list of specific cases for which the Contractor or the proposed experts could be considered as having a conflict of interest in performing the evaluation:

- if the proposed experts are currently employed by the Project's contractors, partners or consortia members;
- if the proposed experts have been employed on a short- or long-term basis by the Project's contractors, partners or consortia members within the duration of the Project.

The experts are expected to be autonomous and must be independent and free from conflicts of interest in the responsibilities according to them. Note that civil servants and other staff of the public administration in China cannot be recruited as experts, unless prior written approval has been obtained from the EUDEL.

When contacting government authorities or any other organisation, the experts will clearly identify themselves as independent consultants and not as official representatives of the European Commission.

Financial penalties will be applied if schedules indicated for the submission of reports (draft and final) are not strictly adhered to.

These terms of reference may be elaborated further by the Delegation during briefings.

ANNEX I: INFORMATION THAT WILL BE PROVIDED TO THE EVALUATION TEAM

- Project action fiche
- Project financing agreement, technical and administrative provisions
- Grant contract with the EU Consortium
- Project's progress reports
- EU's Result Oriented Monitoring Report

Note: The evaluation team has to identify and obtain any other document worth analysing, through its interviews with people who are or have been involved in the design, management and supervision of the project / programme. Resource persons to collect information and data are to be sought in the EC services, implementing body and / or public service in the partner country.

ANNEX II: STRUCTURE OF THE EXECUTIVE SUMMARY & FINAL REPORT

The final report should not be longer than the number of pages indicated (30 pages). Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes.

The cover page of the report shall carry the following text:

“ This evaluation is supported and guided by the European Commission and presented by [name of consulting firm]. The report does not necessarily reflect the views and opinions of the European Commission”.

The main sections of the evaluation report are as follows:

Executive Summary

A tightly-drafted, to-the-point and free-standing Executive Summary is an essential component. It should be short, no more than five pages. It should focus on the key purpose or issues of the evaluation, outline the main analytical points, and clearly indicate the main conclusions, lessons to be learned and specific recommendations.

Introduction

A description of the project/programme and the evaluation, providing the reader with sufficient methodological explanations to gauge the credibility of the conclusions and to acknowledge limitations or weaknesses, where relevant.

Answered questions/ Findings

A chapter presenting the evaluation questions and conclusive answers, together with evidence and reasoning.

Overall assessment

A chapter synthesising all answers to evaluation questions into an overall assessment of the project/programme. The detailed structure of the overall assessment should be refined during the evaluation process. The relevant chapter has to articulate all the findings, conclusions and lessons in a way that reflects their importance and facilitates the reading. The structure should not follow the evaluation questions, the logical framework or the five evaluation criteria.

Conclusions

This chapter introduces the conclusions of the evaluation. The conclusions should be organised in clusters in the chapter in order to provide an overview of the assessed subject.

A paragraph or sub-chapter should pick up the 3 or 4 major conclusions organised by order of importance, while avoiding being repetitive. This practice allows better communicating the evaluation messages that are addressed to the Commission.

If possible, the evaluation report identifies one or more transferable lessons, which are highlighted in the executive summary and can be presented in appropriate seminars or similar events.

Recommendations

They are intended to improve or reform the project/ programme in the framework of the cycle under way, or to prepare the design of a new intervention for the next cycle.

Recommendations must be clustered and prioritised, carefully targeted to the appropriate audiences at all levels, especially within the Commission structure.

Annexes of the report

The report should include the following annexes:

- The Terms of Reference of the evaluation
- The names of the evaluators and their companies (CVs should be shown, but summarised and limited to one page per person)
- Detailed evaluation method including: options taken, difficulties encountered and limitations. Detail of tools and analyses.
- Intervention logic / Logical Framework matrices (original and improved/updated)
- Map of project area
- List of persons/organisations consulted
- Literature and documentation consulted
- Other technical annexes (e.g. statistical analyses, tables of contents and figures)
- Detailed answer to the Evaluation questions, judgement criteria and indicators (evaluation matrix)

Annex 2: Profile of Evaluation Team

Expert 1/ Team Leader:

Beate Scherrer is a trained anthropologist and rural sociologist who has been working in the field of development cooperation since 1986. After many years in non-governmental organizations, she founded the development Service Office JIGSAW 1998, together with three other colleagues. She has since been working as an independent consultant for international and national as well as non-governmental organizations in (rural) social and economic development with a focus on social protection for disadvantaged groups. As consultant and evaluator, Beate Scherrer was involved in major societal reform processes, including social protection and employment reforms. Over the years, she has acquired extensive expertise in disaster risk reduction, as well as in development-oriented humanitarian assistance, including (former) conflict countries. The enforcement of human rights conventions including the UN Convention on Social Economic and Cultural Rights form a focal aspect of her activities. Her services are based on skills in sound analysis and assessments, program and project management, and organizational development, as well as strengths in planning, implementation and evaluation.

Expert 2:

Michael Gericke is a lawyer by profession and has almost 20 years of work experience with the public service in Germany where he worked for the Public Employment Service and the Ministry of Labor and Social Affairs. In the last 13 years, he has been working as a freelance consultant mainly on projects with a focus on public institutions in the area of EU Structural Funds, Employment and Social Protection. Besides doing short-term assignments, Michael prefers acting as long-term Key Expert in such projects. He has longstanding experience as Team Leader, which he gained in such diverse countries as Hungary, China, Turkey or the occupied Palestinian territories. Michael is a seasoned trainer with 20 years of experience under his belt. He has also gained significant experience as evaluator of employment and social protection programs in various countries. Michael's work experience covers the whole life cycle of program and project work: He has been responsible for the development of programs as a Ministry employee, supported the implementation of programs and projects as provider of Technical Assistance, participated in the implementation of projects, and analyzed and evaluated programs and projects as an independent evaluator.



Annex 3: Schedule for Interviews China

Day	Date and Time 2017	Type of Meeting	Person and Title	Place	Address
Wednesday	April 5th Morning 10:00 am	Briefing Meeting	Ms. Yi Xiaolin (Project Officer) and Mr. Lars Gronvald (Head of Cooperation Section)	EUD	朝阳区三里屯西六街6号乾坤大厦D区4层/4th Floor, Entrance D, Qiankun Mansion
Wednesday	April 5th Afternoon 14:00 pm	Interview with RE	Ms. Marzena Breza, C3 Resident Expert	SPRP BJ Office	中国北京市朝阳区朝阳门外大街17号光耀公寓1008室 /Room 1008, Guangyao Apartment, No. 17th Chaowai Dajie, Chaoyang District
Thursday	April 6th Full Day		Preparation of Mission Plan		
Friday	April 7th Morning 09:00 am	Interview with Chinese Beneficiary	Mr. Di Donghui, Division Chief of Social Security Dept./Mr. Yang Liangjin, Division Chief	MOF	三里河南横街2号/No. 2, Nanheng Jie, Sanlihe, Haidian District, Beijing
Friday	April 7th Afternoon 14:30 pm	Interview with Chinese Beneficiary	Ms. Tang Ling (Director, Employment and Income Distribution Dept.)	NDRC	白云路1号国际合作中心7层 /7th Floor, International Cooperation Center, No. 1 Baiyun Lu, Xicheng District, Beijing
Saturday	April 8th Full Day		Review of documents and submission of Mission Plan	Hotel	
Sunday	April 9th		Weekend		
Monday	April 10th Morning 10:30 am	Interview with RE	Michele Bruni, Team leader and C2 Resident Expert	SPRP BJ Office	中国北京市朝阳区朝阳门外大街17号光耀公寓1008室 /Room 1008, Guangyao Apartment, No. 17th Chaowai Dajie, Chaoyang District
Monday	April 10th Afternoon 15:00 pm	Interview with Chinese Beneficiary	C3 Chinese partner: Mr. Liu Xitang (DG of Social Assistance Dept.)	MoCA	北河延大街147号国家民政部/No. 147, Beiheyang Dajie, Dongcheng District, Beijing



Tuesday	April 11th Morning 10:00 am	Interview with RE	JVG, C1 Resident Expert	SPRP BJ Office	中国北京市朝阳区朝阳门外大街17号光耀公寓1008室 /Room 1008, Guangyao Apartment, No. 17th Chaowai Dajie, Chaoyang District
Tuesday	April 11th Afternoon 14:00 pm	Interview with C1 Chinese Experts	Mr. Zhang Guoqing/Mr. Fang Lianquan	SPRP BJ Office	中国北京市朝阳区朝阳门外大街17号光耀公寓1008室 /Room 1008, Guangyao Apartment, No. 17th Chaowai Dajie, Chaoyang District
Wednesday	April 12th Morning 10:00 am	Interview with Chinese Beneficiary	Ms. Wang Jue, Division Chief, Dibao Department	MoF	三里河南横街2号/No. 2, Nanheng Jie, Sanlihe, Haidian District, Beijing
Wednesday	April 12th Afternoon	Field visit to C1 Pilot	Fly to Guangzhou City	Guangzhou	
Thursday	April 13th Morning	Field visit to C1 Pilot	Meeting Guangzhou People Mr. Zhuo Qiang, Dep. Director, Guangdong Prov. HR and Soc. Sec. Bureau and colleagues	Guangzhou	
Thursday	April 13th Afternoon	Field visit to C1 Pilot	Travel to Huizhou by Bus (two hours)	Huizhou	
Friday	April 14th Morning	Field visit to C1 Pilot	Meeting with Huizhou people Mr. Ding Yao Hua, Dep. Director General, Huizhou Municipality Soc. Sec. Bureau And colleagues	Huizhou	
Friday	April 14th	Field visit to C1 Pilot	Return to Guangzhou	Guangzhou	
Saturday	April 15th	Travel	Return to Beijing		
Sunday	April 16th		weekend		
Monday	April 17th morning 10:00 am	Interview with C3 Chinese Expert	Mr. Guan Xinping (By Skype)	Skype: guanxp3	N/A



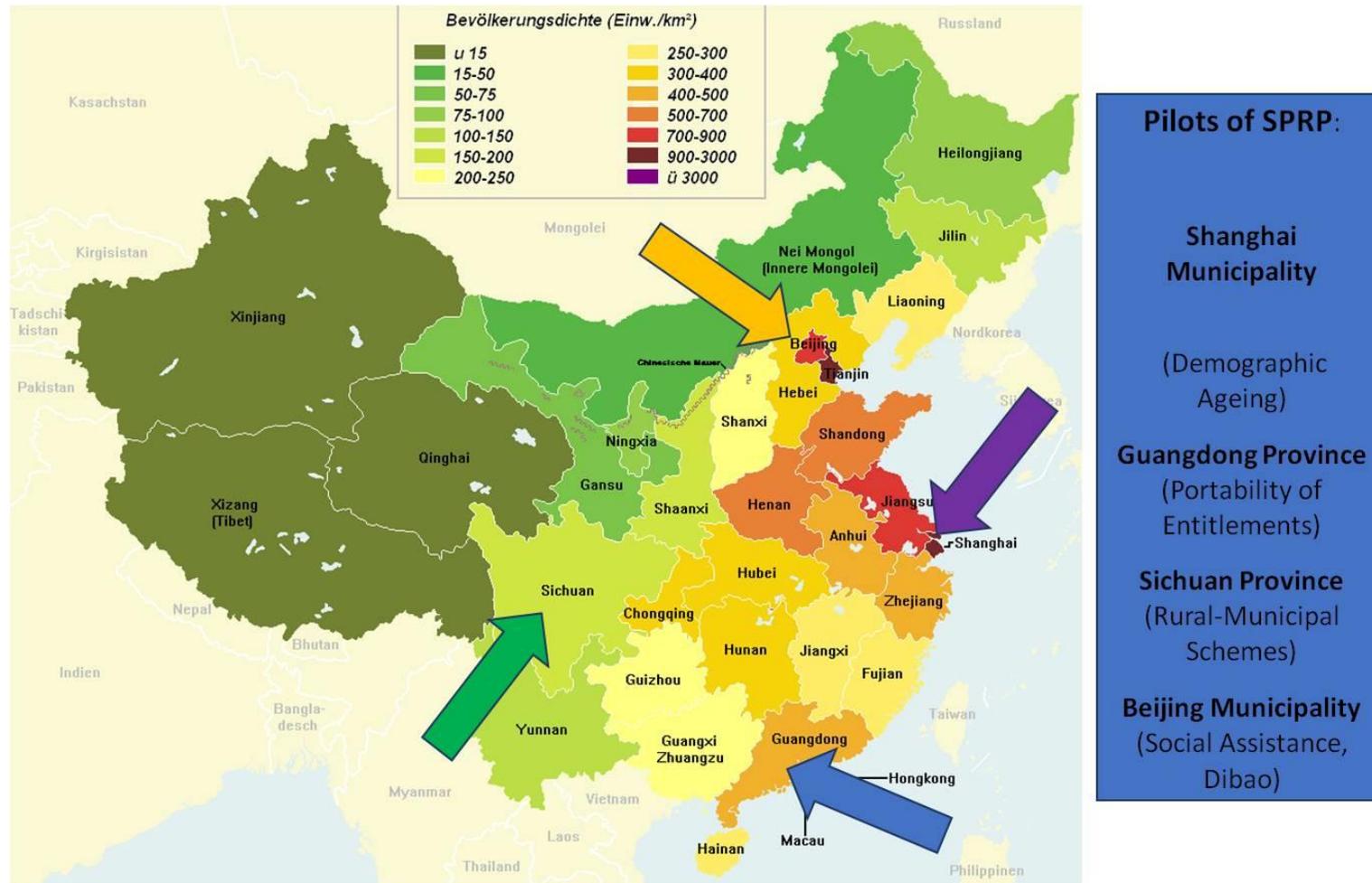
Monday	April 17th afternoon 14:30 pm	Interview with C2 Chinese Expert	Ms. Li Zhen	Renmin University	人大求实楼306会议室/Room306, Qiushi Mansion, Renming University
Monday	April 17th Afternoon 16:00 pm	Interview with C2 Chinese Expert	Ms. Wang Xiaojun	Renmin University	人大明德主楼10层1020房间/Room 1020, 10th Floor, Mingde Mansion, Renming University
Tuesday	April 18th morning 10:00 am	Interview with ILO	Ms. Li Qingyi	ILO Beijing Office	塔园办公楼东区10层/10th Floor, East Wing, Tayuan Office Building, No. 14, Liangmahe Nanlu, Chaoyang District
Tuesday	April 18th afternoon 14:00 pm	Interim Meeting	Ms. Yi Xiaolin (Project Officer) and Mr. Lars Gronvald (Head of Cooperation Section)	EUD	朝阳区三里屯西六街6号乾坤大厦D区4层/4th Floor, Entrance D, Qiankun Mansion
Wednesday	April 19th Morning 10:00 am	Interview with Chinese Beneficiary	Ms. Dong Minghui, DDG of Beijing Civil Affairs Bureau	MoCA	北河延大街147号国家民政部/No. 147, Beiheyang Dajie, Dongcheng District, Beijing
Wednesday	April 19th Afternoon		Preparation of ppt presentation for debriefing		Hotel
Thursday	April 20th Morning	Meeting with MoHRSS	Mr. Yao Xiaodong	MOHRSS	No.3 Hepingli Dongjie, Dongchang District, Beijing
Thursday	April 20th Afternoon 14:00 pm	Interview with World Bank	Ms. Elena Glinskaya (Program Leader, Education, Health, Social Protection and Labour, China Mongolia and Korea Country Management Unit, The World Bank) (C3 partner)	World Bank	国贸2座16层/16th Floor, Building No. 2, China World Trade Center, No. 1, Jianguomenwai Dajie, Chaoyang District, Beijing
Friday	April 21th Morning 10:00 am	Presentation to Project Team	Project Team	SPRP BJ Office	中国北京市朝阳区朝阳门外大街17号光耀公寓1008室 /Room 1008, Guangyao Apartment, No. 17th Chaowai Dajie, Chaoyang District
Friday	April 21th Afternoon 14:00 pm	Final Debriefing with EU Delegation	Ms. Yi Xiaolin (Project Officer) and Lars Gronvald (Head of Cooperation Section)	EUDEL	朝阳区三里屯西六街6号乾坤大厦D区4层/4th Floor, Entrance D, Qiankun Mansion



Saturday	April 22th 01:00 am	Travel Back to Europe			
Italy					
Thursday	May 18th morning 09:30 am	Meeting with Project Leader	Mr. Giuseppe Conte, former Project Leader	INPS	Via Ciro il Grande, Rome Italy
	May 18th morning 11:30 am	Meeting with Project Leader	Meeting with Mr. Antichi, Project Leader	INPS	"
	May 18th afternoon 14:00 pm	Meeting with Project Leader	Meeting with Ms. Valeria Bonavolontà, Component 2 Coordinator	INPS	"
	May 18th afternoon 16:00 pm	Meeting with Project Leader	Ms. Valeria Bonavolontà, Component 2 Coordinator and Mr. Michele Bruni Team Leader	INPS	"
	May 18th afternoon 16:00 pm	Meeting with Project Leader	Meeting with SISPI, Component 2 and Horizontal Secretariat	INPS	"
Friday	May 19th morning 10:00 – 12:00 am	Conference Call	Mr. Laurent de l'Espinay, Component 1 Coordinator, and Ms. Monika Szostak, Component 3 Coordinator	INPS	"
	May 19th afternoon 14:00 – 17:00 pm	Meeting with Project Leader	Introduction of the main evaluation findings, conclusions and recommendations and final discussion	INPS	"



Annex 4: Map of the People's Republic of China with population density – indicating SPRP Pilot Provinces



Annex 5: References

- Action Fiche for EU-China Social Protection Reform Project (SPRP) CRIS number: DCI-ASIE/2013/023-119, see: http://ec.europa.eu/europeaid/documents/aap/2013/af_aap_2013_chn.pdf
- China-EU Social Protection Reform Project financing agreement (18/12/2013)
- Council of the European Union, Council Conclusions on the Gender Action Plan 2016-2020, 13201/15, Brussels October 2015
- D23119-Consolidated ROM Report_20161205
- EU-China 2020 Strategic Agenda for Cooperation, see: http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf
- Joint Communication to the European Parliament and the Council on Elements for a new EU strategy on China, Brussels 2016; see: <https://www.clingendael.nl/sites/default/files/2016-%2007%2019%20-%20EU%20New%20Strategy%20on%20China%20-%20George%20Cunningham.pdf>
- Second Interim Report 2016 (17th November 2015 - 16th November 2016)
- SPECIFIC TERMS OF REFERENCE: EU-China Social Protection Reform Project, Mid-Term Evaluation, FWC BENEFICIARIES 2013 - LOT 9: Culture, Education, Employment and Social; EuropeAid/132633/C/SER/multi, Request for the Service 2017/383373, Version 1
- SPRP Coordination Meeting 2017, 12th January 2017, EUDEL, re Review of the Components' progress made in 2016 and issues to be considered in 2017; see: [file:///C:/Users/scherrerb/ownCloud/beates_dat/en/in%20Arbeit%202017/GFA%20China%2004-17/GFA%20China%20Informationen/SPRP%20Docs/Coordination%20Meetings/SPRP%20Coordination%20Meeting%20Minutes-12th%20January17.yi%20com.%20docx%20\(002\).pdf](file:///C:/Users/scherrerb/ownCloud/beates_dat/en/in%20Arbeit%202017/GFA%20China%2004-17/GFA%20China%20Informationen/SPRP%20Docs/Coordination%20Meetings/SPRP%20Coordination%20Meeting%20Minutes-12th%20January17.yi%20com.%20docx%20(002).pdf)
- Standard Operating Procedures of the European Consortium, dated 2016
- 13th Five-Year' Plan for Economic and Social Development of China (2016-2020), Compilation and Translation Bureau, Central Committee of the Communist Party of China, Beijing, China, Part XV, Chapter 63ff.; <http://en.ndrc.gov.cn/newsrelease/201612/P020161207645765233498.pdf>



Annex 6: Logical Framework SPRP

The attached Logical Framework is the one revised in 2017 following an agreement in the PAC. The Mid-Term Evaluation's comments on the weakness of indicators particularly in the area of Component 2 have already been dealt with and significantly improved.

For activities in 2017, it appears too late to propose any significant revision of the Logical Framework. Hence, all proposals below are relevant for the final year of project implementation (2018).

In relation to the horizontal approach of the SPRP project, the Evaluation Team's proposals for a revision of the Log Frame are outlined in the following table:

Result	Indicator	Verification	Rationale
1	At least 3 Member States have signed or are negotiating MoUs with the GoC on cooperation in the area of social protection	MoU drafts, signed MoUs	To demonstrate EU Member States' interests in bilateral cooperation with China on social protection issues
1	EU Member States Embassies thoroughly informed about SPRP Project achievements in at least 2 Information Events	Project reports, participation lists	To make sure that EU Member States (particularly those not involved in the project as consortium partners) are well-informed about social protection reform plans in China
1	Foreign companies doing business in China – particularly those from EU Member States – are informed about China's social protection reform plans through 2 Information Events	Project reports, participation lists	To make sure that foreign companies doing business in China – particularly those from EU Member States – understand the direction of China's social protection reform plans and the EU's efforts to influence them

In relation to Component 1, the Evaluation Team – in line with the respective Resident Expert – proposes to introduce additional indicators as outlined in the following table:

Result	Indicator	Verification	Rationale
2	Analysis and proposals developed under project auspices are made known to a broad audience, nationally and internationally	Participation in national and international events organized outside the scope of the project	To ensure that NDRC and the project 'go public' with proposals generated by the SPRP Project
3	Interrelation between social protection and employment policies is documented and used for evaluation purposes	Project reports	To demonstrate NDRC expertise in inter-governmental cooperation
3	Memoranda of understanding or equivalent instruments are	MoUs drafted and signed	To underline the potential of NDRC for continued



	discussed and concluded between NDRC and European partners, to use as a basis for continued cooperation in social protection		cooperation at international level
5	Proposals for bilateral Europe-China cooperation at the decentralized level are developed and start being implemented in response to the growing urbanization trend and labor mobility across the country	Project documentation, reports from Provincial authorities	To show NDRC is covering the whole territory and is not just an emanation of the central government

In relation to Component 3, the Evaluation Team has no proposals to revise the Logical Framework.



2.1.3. Logical Framework

	INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	SITUATION BY DECEMBER 2016	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
Overall Objective	Furthering social equity and inclusiveness of economic development throughout Chinese society	-Social protection coverage, income distribution, poverty levels, government budget and GDP shares allocated to social protection		- National and provincial statistics.	-Guidelines and priorities of the Chinese government regarding the reform do not change -The EU and Chinese institutions remain interested in the project activities
Specific Objectives	C1. Greater effectiveness and inclusiveness of China's social security system through strengthening the institutional capacity for developing policies	-Comprehensive reforms proposals are developed and subject of public discussion	- Comprehensive reform proposals have been developed in conjunction with the preparation of XIII Five-year plan in the realm of pensions. They were submitted to debate in meetings at different levels, and their contents shared with pilot provinces' authorities	- See C1 six-months reports - COMPENDIUM OF FIRST SET OF PENSION REFORM PROPOSALS (EN-CN) http://sprp-cn.eu/reports/2015DraftReformProposalsEN.pdf http://sprp-cn.eu/reports/2015DraftReformProposalsCN.pdf	-NDRC, MoF, MoCA and other Stakeholders remain fully committed to share the experience, the Best Practices and the proposals suggested by the Consortium; -NDRC, MoF, MoCA, Chinese Expert, and other Stakeholders ensure their availability for operational meeting, interviews etc, according to the plan shared in order to contribute actively to the project;
	C2. Implementation of appropriate legal and regulatory frameworks and for enhanced and sustainable financial management of the social security system	-Mechanisms for Social security financial management are clarified and subject of public discussion	PAC meeting minutes.	-PAC meeting minutes -Evidence of public debate (e.g. media excerpts) -Statistical reports from MoCA	-The EU and Chinese institutions remain interested in long-term cooperation/partnership

	C3. Improvement of the policy and legal framework and policy enforcement of social assistance.	-Reports concerning access to social assistance show improvements in benefits targeting	PAC meeting minutes.	-PAC meeting minutes -Evidence of public debate (e.g. media excerpts) -Statistical reports from MoCA	
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	INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	C1:SITUATION BY DECEMBER 2016 C3: AS FOR JANUARY 2017*	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
Results	<p>R1. Mechanisms for EU-China high level policy dialogue on social protection reform is established and partnerships between Specialized Public Bodies of EU Member States and the National Development and Reform Commission (NDRC), the Ministry of Finance (MoF) and the Ministry of Civil Affairs (MoCA) on social protection are developed</p>	<ul style="list-style-type: none"> - High level conferences attract attention of the technical specialists and of the media - Mechanisms for further high level dialogue on social protection policy development, financial management and social assistance after the end of the project agreed; - Dedicated Project Website updated every month; - 2 Electronic Newsletters a year; - List of users registered to the Electronic Directory of Contacts is widespread among the participants each quarter; - Cooperative work between EU and 	<ul style="list-style-type: none"> - C1: First Dialogue mechanisms with EC started in 2016. Dialogue with individual countries started in 2015 - C1: repository for component 1 created in 2015, regularly updated (http://www.sprp-cn.eu) - C1: newsletters published quarterly, En and CN. - Mailing list of over 150 addresses maintained - C1: Newsletters and project website keep records of cooperative work - C3: High Level Forum on Social Assistance (Beijing 2015) gathered ministers from China and EU countries; a. 30 EU participants for a comprehensive exchange on the social assistance in EU and China. - C3: High Level Policy Dialog meeting was held in Warsaw; 	<ul style="list-style-type: none"> - External project evaluation reports; - NDRC, MoF, MoCA and local government publications, documents and reports; - National and ministerial statistics; - National audit reports; - Media & news report; - Project Website; - Electronic Newsletters; - Directory of Contacts; - Constitutional PAC meeting, Press Conference, High Level International Conferences and Closing Conference minutes. 	<ul style="list-style-type: none"> - NDRC, MoF, MoCA and other Stakeholders remain fully committed to share the experience, the Best Practices and the proposals suggested by the Consortium; - NDRC, MoF, MoCA, Chinese Expert, and other Stakeholders ensure their availability for operational meeting, interviews etc, according to the plan shared in order to contribute actively to the project; - The EU and Chinese institutions remain interests in long-term cooperation/partnership; - The main Chinese stakeholders promptly satisfy operational

		national stakeholders in social protection is documented	<ul style="list-style-type: none"> - C3: Signing the Memorandum (second one) between MRPIPS and MoCA - C3: Other individual policy dialog countries started in 2016 - C3: newsletters published quarterly, EN and CN. - Mailing list of over 130 addresses maintained - C3: Newsletters and project website keep records of cooperative work 		requests of the Consortium.
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	INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	SITUATION BY DECEMBER 2016	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
Results	<p>R2. Under the leadership of NDRC, coordination of policy making among government agencies in areas related to social protection reform is strengthened.</p>	<ul style="list-style-type: none"> - NDRC proposals on social protection reform for inclusion in the XIII Five-years Plan are shared with other stakeholders and taken as a basis for discussion in preparatory works; - A comprehensive proposal for social administration systems reform is elaborated and disseminated to interested stakeholders under project auspices. 	<ul style="list-style-type: none"> - The project contributed to the elaboration of NDRC proposals for inclusion in XIII Five-year plan. Those were discussed in a broadly opened meeting in January 2016 - A report containing comprehensive proposal for social insurance administration systems reform was produced in July 2015 	<ul style="list-style-type: none"> - See NDRC website and report on 2015 activities 	<ul style="list-style-type: none"> - NDRC and other Component 1 Stakeholders remain fully committed to share the experience, the Best Practices and the proposals suggested by the Consortium ; - NDRC, Component 1 Chinese Expert, and other Component 1 Stakeholder ensure their availability for operational meeting, interviews etc., according to the plan shared in order to contribute actively to the project;
				<ul style="list-style-type: none"> - See component repository http://sprp-cn.eu 	
	<p>R3. Capacity of NDRC in policy development and</p>	<ul style="list-style-type: none"> - A national policy evaluation technique 	<ul style="list-style-type: none"> - Evaluation techniques to be addressed in 2017 		

INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	SITUATION BY DECEMBER 2016	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
<p>implementation, notably establishing and enforcing a national policy evaluation technique in the area of social protection, is enhanced.</p>	<p>in the area of social protection is developed and tested under the auspices of the project;</p> <ul style="list-style-type: none"> - At least two-thirds of local officers involved in the training in China and in Europe demonstrate a high level of approval of the training activities; - Clear goals are assigned to the pension system in terms of replacement of past income and minimum living standards - A methodology to assess gender implications of proposed social protection reforms is developed 	<ul style="list-style-type: none"> - High rates of satisfaction for participants in training activities - Remains to be thoroughly addressed - To be addressed under 2017 and 2018 programmes of activities 	<ul style="list-style-type: none"> - See evaluation reports from respective activities 	<ul style="list-style-type: none"> - The EU and Chinese institutions remain interests in long-term cooperation/partnership

INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	SITUATION BY DECEMBER 2016	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
<p>R4. National policy framework for a full coverage of old-age insurance system throughout China is consolidated by strengthening the interface of various schemes, permission funding pooling, old-age insurance scheme for civil servants/the employee of public agencies and the existing multi-lawyer pension system</p>	<ul style="list-style-type: none"> - A comprehensive model for multitier design of the pension system is developed under project auspices; - A comprehensive policy for developing a universal social pension model is developed and disseminated under project auspices; - An analysis of the consequences of demographic ageing on the pension system is conducted and discussed under project auspices. 	<ul style="list-style-type: none"> - A model was developed and transmitted to NDRC in July 2015 - Universal social pension model not yet addressed - In June 2016 a training in Spain upgraded NDRC's understanding on the subject, a report with policy recommendation was produced in September 2016 	<ul style="list-style-type: none"> - See component repository http://sprp-cn.eu - See component repository http://sprp-cn.eu/HLE2016/ 	
<p>R5. Reform efforts in response to urbanization trends, in particular the harmonization/integration of the various basic social protection systems for different groups of beneficiary, the portability of social insurances and better suited assistance schemes are supported</p>	<ul style="list-style-type: none"> - Model provisions for totalization and vesting of pension rights across regions are developed and piloted in selected places - An analysis of the interrelation between social and economic development and the 	<ul style="list-style-type: none"> - A model was elaborated and shared with NDRC in November 2015. Works continued in 2016. Model was popularized at pilot provinces' level (Apr.16) - Interrelation between economic development and suitability/sustainability reviewed in 2016 – extended to 	<ul style="list-style-type: none"> - See component repository http://sprp-cn.eu - See component repository http://sprp-cn.eu/HLE2016/ 	

	INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	SITUATION BY DECEMBER 2016	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
		suitability and sustainability of pension schemes is developed, and used for macro projections to support systemic reform proposals.	relations between social protection and employment promotion (2 assessment reports, European research report, 7 European country profiles all EN-CN)		

	INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	SITUATION BY JANUARY 2017	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
Results	R6 The capacity of MoF financial management and supervision of central and local model of social security system and the extension of social security system coverage are enhanced, in particular in the fields of division of expenditure responsibilities, mid - terms budgeting of fund, and performance assessment model.	<ul style="list-style-type: none"> - A comprehensive policy proposal on division of decision power and expenditure responsibilities between central and local government is developed under project auspices - Methodologies and tools for managing social protection expenditure, financial resources, and strategies to extend the social insurance coverage are elaborated under the project auspices - A comprehensive policy proposal for the promotion of a coordinated management of the social 	<ul style="list-style-type: none"> - The project contributed to identification of practices introduced and debated with MoF officials - A report with policy recommendations has been drafted and will be submitted to MoF in March 2017. - Practices in the field of the extension of social insurance coverage have been debated and analyzed. - A training in Italy upgraded MoF's officials' knowledge on the field. -To be addressed in 2017 	<ul style="list-style-type: none"> - PAC meeting minutes; - Approval surveys at the end of the Training / Study Visit in China and in Europe; - Minutes and reports of the Workshops /Panel Discussion/ in China; - Project Website Documentation on C2 	<ul style="list-style-type: none"> - MoF and other Component 2 stakeholders remain fully committed to share the experience, the Best Practices and the proposals suggested by the Consortium; - MoF, Component 2 Chinese Expert, and other Component 2 stakeholder ensure their availability for operational meeting, interviews etc, according to the plan shared in order to contribute actively to the project; - The EU and Chinese institutions remain

		<p>assistance system is developed under project auspices.</p> <ul style="list-style-type: none"> - A set of social security performance indicators is developed, tested and discussed with interested stakeholders - An analysis on the development of old age services and the suitability and sustainability of a Long Term Care Insurance scheme is developed, and used to support reform proposals. 	<ul style="list-style-type: none"> -To be addressed in 2018 - To be addressed in 2017 		<p>interested in long-term cooperation/partnership.</p>
	<p>R7 Enhance the top level design ability in the basic pension insurance; establish actuarial analysis models for basic pension insurance reform.</p>	<ul style="list-style-type: none"> - A comprehensive reform proposal for the establishment of a multi-pillar pension system is proposed under project auspices and debated with interested stakeholders for future implementation; - A set of methodologies to assess the economic sustainability and adequacy of the Chinese pension system are proposed to MoF under 	<ul style="list-style-type: none"> - A reform model for the development of a multi-pillar pension system was transmitted to MoF and tabled for future implementation. - Pro and Cons of EU pension models based on a NDC system were comprehensively debated in a Training program - Actuarial models for the long-term sustainability of the social protection system were analysed and debated in the workshop. The Training activity in Italy raised MoF officials knowledge on 		

		<p>the project auspices and debated for future policy development</p> <ul style="list-style-type: none"> - Actuarial models are analyzed and disseminated under project auspices. 	<p>actuarial forecasting methodologies.</p> <ul style="list-style-type: none"> - Policy proposals to establish a regular national social security valuation system have been drafted and debated. 		
	<p>R8 The capacity of the MoF in the management of social insurance funds, focusing on fiscal support budgeting, account system, investment techniques and adjustment mechanisms for pension benefits is strengthened.</p>	<ul style="list-style-type: none"> - A set of strategies for the investments of pension funds and techniques to strengthen risk control management are introduced and discussed under project auspices. - A comprehensive policy to promote the management of pension funds is developed and discussed. 	<ul style="list-style-type: none"> - To be addressed in 2017 - To be addressed in 2018 		

	INTERVENTION LOGIC	OBJECTIVELY VERIFIABLE INDICATORS	AS FOR JANUARY 2017*	SOURCES AND MEANS OF VERIFICATION	ASSUMPTIONS
Results	<p>R9. Capacity of MoCA for promulgating and enforcing the Social Assistance Law and the regulations on rural and urban minimum standards of living are strengthened; the skills of local officials in policy</p>	<ul style="list-style-type: none"> - The legal framework for social assistance is reviewed and widely discussed, reform proposals are developed and tested under project auspices; 	<ul style="list-style-type: none"> - Review of the government documents have been included in the 2015 Volume on research topics of 2015 and deeply discussed with MoCA during several events organised with 	<ul style="list-style-type: none"> - PAC meeting minutes; - Approval surveys at the end of the Training / Study Visit in China and in Europe; - Minutes and reports of the High Level Event on Social Assistance/Panel Discussion/ Workshops in China; - Approval surveys at the end of the Workshops in China. 	<ul style="list-style-type: none"> - MoCA and other Component 3 stakeholders remain fully committed to share the experience, the Best Practices and the proposals suggested by the Consortium; - MoCA, Component 3 Chinese Experts, and other Component 3 stakeholder ensure their availability for

	<p>transmissions and implementation are upgraded.</p>	<ul style="list-style-type: none"> - At least two-thirds of local officers involved in the training in China and in Europe demonstrate a high level of approval of the training activities; - Better access of clients to social assistance mechanisms (at urban and rural levels) is documented through project activities; 	<p>active participation of the EU experts.</p> <ul style="list-style-type: none"> - Preliminary policy proposals report shared with MoCA. - Several research outputs within the Volume 2016 for publishing in February 2017 - Local visits to several provinces across China performed - High rate of satisfaction of the events organised based on the evaluation reports - Not applicable yet. 		<p>operational meeting (panel discussion), interviews etc, according to the plan shared in order to contribute actively to the project;</p> <ul style="list-style-type: none"> - The EU and Chinese institutions remain interests in long-term cooperation/partnership.
	<p>R10. The legal frameworks on a) formulation of unified standards for the estimation and calculation of social assistance benefits, b) recognition of social</p>	<ul style="list-style-type: none"> - A set of proposals for unification of benefits standards in social assistance is developed, discussed and tested under project auspices; 	<ul style="list-style-type: none"> - Review of the government documents have been included in the 2015 Volume on research topics of 2015 and deeply discussed with MoCA during several events organised with 		

	<p>assistance target groups and c) identification of low-income families are consolidated.</p>	<ul style="list-style-type: none"> - A methodology for functional identification of social assistance beneficiaries (target groups) is developed, discussed and tested under project; - A definition and quantification of goals to be assigned to social assistance benefits are developed and discussed under project auspices. - A methodology for and requirement for social assistance services is developed; 	<p>active participation of the EU experts.</p> <ul style="list-style-type: none"> - Preliminary policy proposals report shared with MoCA. - Local visits to several provinces across China performed - Special EU-China exchanges (including one thematic report) on the data collection and monitoring of social assistance performed in 2016 - Not yet addressed by C3 - Special EU-China exchanges (including one thematic report) on the social services and the role of NGOs within social assistance performed in 2016 		
	<p>R11. Efforts of MoCA in improved care for poor</p>	<ul style="list-style-type: none"> - Targeting of social assistance towards the 	<ul style="list-style-type: none"> - Review of the government 		

	<p>rural people and disabled people are strengthened, and public information and transparency of social assistance policies are raised at provincial level.</p>	<p>specific groups (children, elderly, people with disabilities, poor rural people); service delivery for them is documented and discussed under project auspices, mechanisms for improving the situation are developed and tested.</p> <p>- Tools for public information and its transparency i.a. via campaigns and awareness on social assistance, are developed and tested under project auspices.</p>	<p>documents have been included in the 2015 Volume on research topics of 2015 and deeply discussed with MoCA during several events organised with active participation of the EU experts.</p> <ul style="list-style-type: none"> - Preliminary policy proposals report shared with MoCA. - Local visits to several provinces across China performed <p>- To be addressed in 2018 and partly during the pilots which starts in 2017</p>		
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*all outputs bilingual



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