

# Social Protection Reform Project

## 5<sup>th</sup> Project Advisory Committee

### 23<sup>rd</sup> January 2019

### Meeting Minutes



Social Protection Reform Project  
中国-欧盟社会保障改革项目

*Prepared by the Project Team-Beijing*

**Location:** Delegation of the European Union to China

**Time:** 2:00 pm-5:30 pm

**Chairpersons:** Mr. **Chris Wood**, Minister & Deputy Head of Delegation, Delegation of the European Union to China- then Mr. **Asad Beg**, Minister Counsellor, Head of Political, Press & Information Section, Delegation of the European Union to China; Mrs. **Chen Hongying**, First Secretary, Department of International Trade & Economic Affairs, MOFCOM.

**Members:** Ms. **Tang Ling** (NDRC, Department of Employment and Income Distribution, Division Director); Mr. **Chang Hao** (NDRC International Cooperation Centre, Division Director); Ms. Wang Yingsi (NDRC International Cooperation Centre); Mr. **Yang Liangjin** (MOF Actuarial Division, Department of Social Security, Division Director); Mr. **Liu Xitang** (MoCA, Department of Social Assistance, Director General); Mr. **Mao Lipo** (MoCA, General Office, Department of Social Assistance, Deputy Division Director); Ms. **Xue Qiuji** (MoCA, Center for Monitoring and Verification of Low Income Families, Director); Mr. **Wang Guan** (MoCA, Center for Monitoring and Verification of Low Income Families, Principal staff member); Mr. **Yao Xiaodong** (Ministry of Human Resource and Social Security, Technical Cooperation Division, International Cooperation Department, Division Director); Ms. **Wang Xiaochen** (International Cooperation Department, Ministry of Human Resources and Social Security, Project Officer); Ms. **Liang Ying** (China Population and Development Research Center, Department of Information Consultation, Division Director); Ms. **Sakura Moretto** (EU Delegation, Attaché); Ms. Florence Caillol (Second Secretary, Economic Section, Embassy of Belgium in China); Ms. Anne Bruant-Bisson (Social Affairs Attaché, Embassy of France in China).

**Observers:** Mr. **Massimo Antichi** (INPS, Project Leader); Ms. **Valeria Bonavolontà** (INPS, C2 Coordinator); Ms. **Francesca Giannini** (Staff of the Project Leader); Mr. **Paolo Maria Ridolfi** (Staff of the Project Leader); Mr. **Laurent de l'Espinay** (Expertise France, Project Manager-Component 1 Coordinator and Project Secretariat C1-C3); Mr. **Marcin Grzegorz Pietruszka** (Ministry of Family, Labour and Social Policy, Poland, C3 Coordinator); Mr. **Pavel Janecek** (Czech Republic-Ministry of Labour and Social Affairs); Ms. **Adelaida Bosch Vivancos** (Ministry of Employment and Social Security, Spain); Ms. **Olivia Rusandu** (Romania – Ministry of Labour and Social Justice); Ms. **Maria Cristina Pescatori** (Italy-SISPI Secretariat); Ms. **Mihai Moise** (Second Secretary, Embassy of Romania in China); Ms. **Florence Caillol** (Second Secretary, Economic Section, Embassy of Belgium in China); Ms. **Anne Bruant-Bisson** (Social Affairs Attaché, Embassy of France in China); Mr. **Federico Roberto Antonelli** (Legal Affairs Counsellor, Embassy of Italy to the People's Republic of China); Ms. **Elisa Sales** (Bank of Italy attaché, Embassy of Italy to the People's Republic of China); Mr. **Andrea Angelo Coldani** (Intern, Embassy of Italy to the People's Republic of China); Mr **Uwe Stoffregen** (Social Policy Officer, Embassy of the Federal Republic of Germany).

**Secretariat:** Mr. **Michele Bruni** (EU Resident Expert C2 and Team Leader); Mr. **Jean-Victor Gruat** (EU Resident Expert C1); Ms. **Marzena Breza** (EU Resident Expert C3); Mr. **Zhang Guoqing** (Operation Expert for C1); Ms. **Ma Lan** (Project Assistant); Ms. **Valentina Pignotti** (C2 Assistant); Ms. **Sophie Shi** (C1 Assistant); Ms. **Iwona Rogacka-Hu** (C3 Assistant); Mr. **Lin Guowang** (Interpreter);.

## 1. Opening remark by the EUD and MOFCOM

*- Mr. Chris Wood, Minister & Deputy Head of Delegation, Delegation of the European Union to China*

Mr. Chris Wood, Minister & Deputy Head of Delegation welcomes all the participants and opens the 5<sup>th</sup> **Project Advisory Committee (PAC) meeting** of the **EU-China Social Protection Reform Project**.

He particularly recognizes Ms. Cheng Hongying, from **MOFCOM** and he thanks her for co-chairing this meeting. He recognizes European stakeholders, particularly Consortium Leader INPS, Mr. Antichi, as well as the other **European members of the project Consortium present** today. Other partners include the Ministry of Family, Labour and Social Policy of Poland, the Ministry of Employment and Social Security of Spain, the Ministry of Labour and Social Security of Romania, Expertise France, the Ministry of Labour and Social Affairs of the Czech Republic, and the so-called affiliated entity SISPI, and through them **the Resident Experts and local team**. He is very pleased to recognize also the Chinese representatives of the project attending the meeting: for **NDRC** Ms. Tang Lin, for **MoF** Mr. Yang Liangjin, and for **MoCA** Mr. Liu Xitang, the Chinese partners that lead the work of the three Components.

Mr. Wood thanks the observers to the PAC, the representatives from the **EU MS Embassies**, Belgium, France, Romania and Italy. Their participation is key to progressing towards longer term cooperation arrangements between the project's Chinese stakeholders and the European governments, which is also one of the project's objectives.

The EUD is glad to notice that the visa issues were addressed and the almost complete participation of the project stakeholders.

Mr. Wood underlines that we have come a long way from the start of this project in November 2014, through almost five years, so now we are in the 5<sup>th</sup> year of the project. The SPRP (with financing from the EU of EUR 6.7 million) started in November 2014 with an implementation time frame of four-years, and with the objective of **contributing to the improvement and inclusiveness of China's social protection system** through strengthening the institutional capability:

- for developing **policies**,
- for implementing **legal & regulatory frameworks** and
- for **supervising systems** of social insurances, social assistance and financial management in the area of social security.

Following the discussions in last year's PAC meeting (February 2018) the project requested a **12 months no-cost extension**, in a duration up to 16 November 2019. The extension was presented as instrumental in order to achieve a number of the project's expected results. The EU Delegation together with MOFCOM agreed late last year (in November 2018) to the extension of the EU-China Financing Agreement, as both acknowledged the SPRP's contribution to social equity and inclusiveness of economic development in China and the need of additional time for the project to accomplish its set tasks.

Given the extension, today is the 5<sup>th</sup> and final PAC meeting before the end of the project in November this year.

### A few words about the PAC meeting

1) As outlined in the Financing and Grant Agreements, the purpose of this PAC is to **supervise and support the implementation** of the project and to **ensure effective coordination** among the key Chinese stakeholders of the three project components.

Its **supervisory role** is to ensure that the activities, both implemented in 2018 and planned for 2019, **remain in line with the original financing** objectives as agreed between the EU and China in 2014 and in the contract signed with the implementing Consortium.

2) The PAC also plays an **advisory role** to ensure that the project remains **as relevant and responsive as possible**, taking into account needs and opportunities in China in the sector of intervention.

3) Thirdly, **coordination** is also important. In last year's PAC meeting we underlined the opportunity of enhancing **synergies** between the different components with regards to the topics being covered. We are very pleased to have seen during 2018 the formation of a **Task Force on internal coherence** as we recommended at the last PAC meeting.

Looking at the 2018 programme of activities, the Task Force reports that the three Components are implementing **38 topics** and of those **28 have inter-component interactions**, which underscore the importance of coordination among components.

We understand that **this coordination has been beneficial to the project** in a number of areas. In the first place it saves time for the components' work providing the other components research. For example, as viewed from the C1 perspective, works undertaken by C2 around the new mechanism for collecting contributions and the financial functioning of annuity funds saved a lot of time in C1 research dealing with reform structure for the pension system. Those inputs are quoted in C1 proposal for a reformed structure of the pension scheme. We have also seen very positive synergies and coordination emerging around the question of ageing, where the three components have worked together, and gender is another area where synergies have emerged.

I understand that the Task Force is reviewing on a regular basis the recommendations that are arising from the different components and whether these have cross-over aspects so that comprehensive conclusions and recommendations are being drawn on each.

### Project activities conducted

#### and in plan,

Mr. Wood makes some remarks on project activities conducted and in plan, while leaving the detailed review of the project's achievements in 2018 and proposed plan for 2019 for the next sessions of the PAC today.

The first point - as we come to the end of this project - concerns drawing some conclusions at the macro-level on the impact and results of the EU funded project in this highly technical field of social protection.

1) **Firstly, on the SPRP and China's 13th 5 year plan.** EUD is very interested in taking stock of what was the contribution of the project has made in achievements of the targets to date; and what can we say about the project's workplan in 2019?

2) **Secondly, and related to this is, what will be the project's contribution** to the identification of social policy priorities that will be included in the next **14<sup>th</sup> Five-year plan**. EUD understands that the activities for this year will include a **mid-term assessment of the relevant chapters of the 13<sup>th</sup> 5-year plan** relevant to social protection in order to support ongoing reflections.

**The EUD would add to this a synthesis / or coherent review from an inter-component perspective of the last 4 years of project supported research, in order to complement this said analysis.** The Task force on internal coherence is well placed to ensure the work started last year can continue in support of this result for 2019.

EUD looks forward to the project making recommendations on how the findings can play on the 14<sup>th</sup> 5 year plan for the consolidation of the options being formally adopted during the current plan.

3) **Thirdly, a word on the pilots.** In 2018 there are still a **number of pilot activities** which need to be completed and evaluated. We recognize that the use of pilot projects, the interaction between the center and the provinces, is in conformity with the traditional approach to reform in modern China as far as social protection is concerned. **The additional time needed for the pilots** was in fact **the key reason** underlying the agreement to an extension of 12 months, so that adequate time remains for their full implementation and evaluation.

A concrete synthesis or conclusion, that links the pilot with relevant policies and legislation is therefore a fundamental final output of the project.

This applies:

- Firstly to the pilots relevant to the **social assistance component** and to the **inputs of the Social Assistance Law under discussion**, which is in fact relevant to all three of the project's expected results under Component 3
- Secondly to the **pilots conducted under Component 1**: we understand the four topics of pilots being on ageing, rural urban integration, migrant workers and social security governance, feed into the parts of the reform related to improving governance in social insurance, improving migrant workers' protection and ensuring sustainability of the pension system and other social protection mechanisms (dependency insurance).
- Under Component 2 we understand there may be some local level activities also planned in 2019.

From EUD perspective concrete project deliverables on all three of these policy areas allows the Delegation to report, also to our European taxpayers, on important results achieved in the implementation of our development cooperation with China.

Today's meeting also gives an opportunity to have preliminary discussion and of course **hearing from the Chinese government stakeholders on how project outputs will feed into ongoing reforms.** It is an important opportunity for the EU, as EUD representatives are not involved in the day to day implementation of the project and interactions with you, to have a "reality check" so to speak.

4) **A last word then on the SPRP and the SDGs.** As the EU development policy objectives are framed within the 2030 Sustainable Development Goals, we also want to know how this project links with China's National SDG implementation plan.

Final words

**EU cooperation with China in the social sector has been in place for over a decade**, covering many aspects of the social policy. Mr. Wood is therefore very pleased that as this project comes to an end, EUD has committed to new engagement under the framework of the EU-China cooperation on employment, social affairs and inclusion (with a budget of 5 million Euros).

As the European Union, **we see a strategic importance in promoting reform and innovation to support the transformation of China's economic and social model into a more sustainable and inclusive one**. EUD supports the alignment of China's national policies and standards with international principles, not least because EUD expects that improvements in China's employment, social affairs and inclusion will contribute to resilience within the EU - the promotion of fair and equal competition based on international social standards will mitigate the downward pressure on social conditions globally.

**The EU, with its Member States, is proud to be world's largest provider of Official Development Assistance**, and development cooperation remains a priority in a global strategy.

It is recognized that the quest for inclusive or "people centred development", as framed in the Sustainable Development Agenda 2030 and also in China's 13th 5 year plan **requires new partnerships between the state, NGOs and the private sector**. In China as elsewhere we continue to support all actors of development, among them: **the Civil society as an actor of development is a core feature in all of our programmes** and well as through dedicated funding. Hence, we fully support the SPRP plan in this perspective, what has already been achieved and what has still to come in 2019.

We are now a little away from 2030 and that means we still have a lot to achieve and to do which also means an equal opportunity **to increase investment- both public and private**. Last October the European Union published a strategy document **"Connecting Europe and Asia"**, which is the latest example of a commitment to **boosting cooperation with our Asian partners in key areas like connectivity and sustainable development**.

For instance, EU will focus more on investment, using initiatives such as the European Investment Plan. Between 2021 and 2027, with the plan to provide 60 billion euros, the aim being to leverage investment of half a trillion euros. For this the EU **is looking to partner closely, not only with European financial institutions but also multi-lateral development banks and is exploring new cooperation opportunities both domestically as well as in partnership with China in third countries**.

In the area of social protection, EUD is also **interested in hearing the Chinese stakeholders views on what role the EU could play in the future to further accomplish domestic social protection reforms in China and in support of China's own development cooperation in third countries**, working with civil society and partnerships with European and multilateral investment development banks.

**- Mrs. Chen Hongying, First Secretary, Department of International Trade & Economic Affairs, MOFCOM**

Ms. Chen highly agrees with what has been said by Mr Wood with regards of the contribution and result of the SPRP in the field of social protection. On behalf of MOFCOM, she expresses great gratitude towards the support received from EUD and other stakeholders in helping China with the development of its social protection system.



The year 2018 marks the 40<sup>th</sup> anniversary of the Opening Up Policy of China. The achievements of these 40 years should be attributed not only to the governance of the CPC but also the cooperation with international community, including the EU. The cooperation between the Chinese government and the EU in the field of social development and international cooperation has been going on for more than 30 years. China is now entering a new stage of development in which the quality of development is the strategic priority. How to achieve such kind of quality-oriented development is a challenge for China which invites constant support from international community, including the EU.

China ranks 2<sup>nd</sup> in terms of GDP, but still is a developing country. The challenge of imbalanced development as well as three major battles to be fought, high fiscal risk, pollution, and poverty alleviation, are still pressing issues to be dealt with. The SPRP project bears high relevance in the above-mentioned areas, and its activities in the coming year are without doubt going to contribute to the policy-making and mechanism refinement in the field of social protection in China.

The completion of the project will be a very good tribute to the 70<sup>th</sup> anniversary of the founding of PRC. In September 2015, in occasion of the UN Development Summit, President Xi announced to set up a South-south cooperation fund and research institute; in 2016, Premier Li also confirmed the initiatives and China took up in strengthening south-south cooperation. These actions are clear indication that while focusing on its own development, China is also dedicated to support the development of other developing countries with the aim of achieving the 2030 Sustainable Development Goals. Thus, China is looking forward to cooperating with the EU in the process of helping other developing countries to achieve the 2030 SDGs.

## **2. Opening remark by the Project Leader**

### **Project status updates from a financial point of view and explanation of the structure of the year 2019**

Mr. Antichi also believes that the SPRP gives the opportunity to strengthen the friendship among EU countries and China. In the final year of the SPRP, INPS wishes the project stakeholders a successful conclusion of project activities.

Following last year's PAC meeting, a formal request of project extension was made to the EU to fully reach the scientific objectives of all the components, also in consideration of the financial availability of the project.

Looking at the financial overview of the project, Mr Antichi recalls that the project received 4,37 million Euro and has spent 3,91 million Euro. Moreover, considering the forecast for 2018, INPS has realized that the project had enough financial resources to sustain one more year of activities. This was possible also thanks to a good financial management of the project. Hence, for the last year of the project there will be enough budget to support activities until November 2019.

He then recalls the resources spent by each component, and the amount of money available to each of them for the year 2018-19, as well as the budget available for horizontal activities. More specifically, C1 has used more or less 60 percent of its resources in the years 2015-2017 and 25% in 2018, so that for the last year 17 % of resources are still available. The situation is similar for C2, the expenditure for the first three year being 54%, while for C3 is 63%. For the horizontal activities, in the first three years the project spent 54% of the resources available.

Looking at the timeline of the extension year, all the scientific activities must be completed and the related results fully achieved by the end of July 2019; during the month of August the Resident team will work to finalize the project documents to be delivered to the Chinese Beneficiaries and on the

finalization of the task force activities, also in preparation of the Project Closing event. The project stakeholders should decide together when to hold the closing event, between September and November 2019. Anyway, at August 31<sup>st</sup> the Beijing office will officially close, and in the period from September to November 2019 the project Secretariats will mainly deal with management activities and expense reporting.

### 3. Introduction of project fourth year outcomes (2018)

Coordinator of the session: Mr. Asad Beg, Minister Counsellor, Delegation of the EU.

This session will cover the 2018 outcomes.

The EUD notes that most activities were executed as planned in the 2018 Aide Memoire, with only a few postponed to the extension period of 2019.

Mr. Asad Beg **invites the 3 project component Coordinators** from Expertise France, INPS and the Polish Ministry of Family, Labour and Social Policy to present the reviews of the activities of each component.

As mentioned in the opening, the PAC offers the opportunity both to look at the technical level and to reflect on the macro-trends. For what relates to the latter, as mentioned by Chris Wood, EUD is interested to better understand, through the three Components' assessments of **the 2018 activities, their contributions to the 13th and 14th 5 year plans objectives** (implementation of the 13<sup>th</sup> plan and possible directions deriving from activities undertake which will be carried forward in the 14<sup>th</sup> 5 year planning under preparation) as well as to know the extent to which the 2018 activities have **contributed to China's SDG national implementation** as relevant to SDG 1, SDG 8, SDG 3, SDG 5 and SDG 10.

A specific review of the **project's progress on inter-component interactions** (topics and policy impact) as pursued via the **Task Force** for internal coherence, is also welcomed.

- **Component 1 Coordinator and Project Secretariat of Component 1 and 3 – Mr. Laurent de l'Espinay, Project Manager, Expertise France**

Component 1 activities in 2018 have been accomplished by the Component team in Beijing hand in hand with our Chinese counterpart of NDRC and provincial DRC, as well as all the European partners who have mobilized their resources to host events in participating in the project.

Different categories of activities are summarized which can be found in the document pack. Just to go through them briefly, research works completed last year focus generally on the contribution of social protection to upholding societal changes, which includes topics on quality-oriented development & capacity building for the labour force, employment and population movement, tools for income distribution, universal pension system: Chinese situation and prospects, Active Ageing Index for China as well as a proposal for a reformed structure of the Chinese pension system for urban employees.

All the research outcome is included in the Assessment Report in both languages. For the active ageing index a special publication format concerning this topic is under construction which will come in the next few weeks.

Regarding the meetings and workshops organized in 2018, we have the panel discussion organized in Beijing last September followed by an international workshop in Brussels on employment issues, and the seminar on gender issues in social protection will be organized in two days. C1 also participated in the project event on Ageing which will be briefed by our colleagues from C2. A round table meeting on the prospect of universal pension system in China is postponed to 2019.



Concerning the overseas activities, there was two-week training for 20 NDRC officials at both central level and provincial level in Italy on the topic of effects and tendency of income redistribution policies which is organized by our partnership in Italy INPS and SISPI. Dialogue and study visit on relations between economic development and active labour market policies supported by social protection reform in Belgium, Poland and Denmark was organized alongside with the international workshop in Brussels. Belgium and Poland are among the most active member countries within the project, we also managed to organize activities around the issues in active labour market policies in Denmark, a lead European country in this respect.

Last but not least, we have the meeting in Spain where NDRC signed MOU with Spanish Ministry of Labour, Immigration, and Social security on demographic ageing.

For the pilot activities, a pilot mission in Guangdong province was organized in December as a follow up on the one organized in March 2017. The topics are social protection awareness raising and statistics as tool to help in making policy decisions. The Shanghai pilot on demographic ageing is also postponed to 2019.

- **Component 2 Coordinator – Ms. Valeria Bonavolontà, Executive manager of Central Directorate for Studies and Researches, INPS**

The presentation focuses on the following sections: 1) the topics tackled in 2018; 2) the research activities; 3) the panel discussions and workshops; 4) the overseas activity; 5) the Conference on Ageing; 6) Visibility; 7) Pilot sites.

#### 1) The topics tackled in 2018

In 2018, C2 focused on three main topics: i) Alternative policy measures to cope with the impact of ageing on the financial sustainability of the social security system; ii) Social contribution collections: toward a unified system; and iii) The role of public finance and enterprise annuities funds in the Chinese social security system. These topics are strictly connected to topics addressed in the first three years, and some of them have synergies with the other two components, so the component's effort was to be coherent with the work done in the past years and the research carried out by the other two components.

#### 2) Research activities

On this regard, Ms. Bonavolontà recalls the research on the impact of ageing on the financial sustainability of the social security system, the research on social contribution collection, and the research on the role of public finance and annuities funds. Both Chinese and EU experts have been involved in these activities.

#### 3) Panel discussions and workshops

In February 2018 C2 organized a Workshop in Beijing that concluded the activities for 2017. Regarding the 2018 activities, the output of the research work was shared in a dedicated Panel Discussion held in June, while the policy proposals were presented in a follow up Workshop, in October.

#### 4) Overseas activity

In mid-July Italy hosted a 2 week training course in Rome and Milan on the topic: “Financing the social security system in an ageing society: the role of public finance and private supplementary funds”. 18 national and provincial MoF officials took part in the training. The group was led by Mr.

Wang Xiong, Division Director of the Urban and Rural Minimum Income Benefit Division, Department of Social Security.

5) Another important event, organized by C2 in September 2018, was the Conference on Ageing, in occasion of the 2018 international day of older persons. The event was attended by more than 60 participants.

#### 6) Visibility

C2 contributed to the visibility actions of the project, together with the other components.

#### 7) Pilot sites

C2 also carried out a pilot mission in Chongqing on policy innovation of social assistance, elderly services and long-term care insurance that just ended the 22<sup>nd</sup> of February, that is the day before the PAC. It was the first pilot of the component that will be followed by other pilot activities in 2019.

- **Component 3 Coordinator – *Mr. Marcin Grzegorz Pietruszka, Ministry of Family, Labour and Social Policy***

Mr. Pietruszka announced that with MoCA many activities and targets have been accomplished. Mr. Pietruszka said that the main goal of C3 was the improving of legal framework and policy for SA in collaboration with the MoCA, responsible for policy development in the area of SA and the operation of the SA/welfare system. The work focused on the providing services for social assistance beneficiaries and the publicity of SA law and regulations, meaning the techniques and instruments used for dissemination of information.

The scientific activities between C3 research of 2018 that consist of all the reports are compiled into volume of 2018. Mr. Pietruszka stressed that C3 have prepared a number of events in China and he has named a few as examples. Mr. Pietruszka said there were missions and conferences in China and overseas, mainly concentrated on SA legal framework and benefits targeting. Mr. Pietruszka mentioned that in October they have a study visit to Slovenia and Czech Republic mainly on cash benefits and IT system support in SA; in December they have MoCA ministerial visit in Poland and Belgium with the result of signing MoU between MoCA and MRPiPS that gives further opportunities to start better cooperation.

Mr. Pietruszka mentioned the importance of implementing pilot sites that started in March at Nanjing University. Mr. Pietruszka said in July baseline reports were prepared and in August pilot sites were officially launched in Beijing. Mr. Pietruszka said C3 has contributed to the visibility of the project by publishing newsletters, via website and by making different publications, TV program and contribution to the large number of the outside events which are listed at the ppt presentation. All was to finish the C3 2018 work program goals.

#### **4. Discussion on the fourth-year outcomes (2018)**

- **Ms. Sakura Moretto, Delegation of the European Union to China**

Ms. Moretto, first of all takes stock of the project's results to date 2018.

The "red-thread" to use the project's own terminology for the 4th year of 2018 was about the **role of social protection reform in upholding societal changes** for C1; the **sustainability of the welfare system in an ageing society** for C2 and preparation for the pilot testing for C3.

**In 2018, project activities have accompanied substantive reforms** that were anticipated and prepared over previous years. Of major relevance are:

- The introduction of a mechanism for pension financing compensation across the Provinces and the progressive implementation of simplified mechanisms for the vesting of pension rights – called for under C1 proposals since 2015 –
- The delegation to the Ministry of Finance of the national responsibility for collecting social security contributions – falling under C2 framework for action -, and
- The progressive design and implementation of standardized rules and criteria for the service of social assistance benefits – which has been the subject of C3 research work since the inception of the project.

**Other substantive fields of action** have benefitted from dedicated project activities, notably:

- Confronting the effect of demographic ageing on social protection, which has been pursued by all three components at the initiative of Component 2;
- the rationalization in the structure of the pension system and the prospects for an expanded, multi-pillar coverage – as well as the quest for more efficient income distribution mechanisms including through social security, as envisaged in C1 programme of action;
- as well as, for C3, the better targeting of social assistance measures, with an increased awareness of the need to combine cash benefits and benefits in kind.
- Finally, a substantial part of project efforts, notably under C1 framework, was dedicated to the desired modernization of the Chinese economy in its relations with employment under the “new normal”, with research into quality-oriented development and capacity building of the labour force, as well as population movement for employment which are at the core of government preoccupations at times of slowing down risks for economic growth.

The different components worked in synergies, and EUD is pleased to note a reflection from the project on some of the positive effects of the focus on 'internal coherence'.

On the activities:

- **For Component 1:** We are pleased to note that the four expected results from Component 1 have practically all been achieved and that the technical fields covered through project activities went beyond the anticipated topics. Component 1 accompanied the orientations retained in the 13<sup>th</sup> 5 year plan in the areas of social security, income distribution and employment.

We are pleased to note that **one further MoU was signed in 2018** on 29 November 2018 between the NDRC and the Spanish Ministry of Labour, Migration and Social security and that the project will provide initial support for its implementation.

Some delayed activities ("**gender considerations in pension reform activities**" and "**ageing population and possible strategy for dealing with the situation**") have been push into 2019.

- **For Component 2:** Also for component 2 the project has largely met the results originally planned working on MoF capacity of financial management and supervision, policy design ability, management of social insurance funds.

In 2018 C2 implemented a series of activities (research, capacity building, workshops, panel discussions and a special event on ageing) which mainly tackled the issue of the ageing society and financial sustainability of the social protection system. These activities while promoting the mechanism of EU-China high level policy dialogue, produced a set of policy suggestions and discussions on: the implementation of a unified system of social contribution collection to improve the efficiency of collection and management; suggestions on how to formulate the scheme of progressively raising the retirement age; a set of measures to advance the development of the Third Pillar.

Research activities have covered the 10 topics listed in the 2018 A-M.

We note the **pilot in Chongqing was postponed.**

- **For Component 3:** During 2018 C3 continued to support MOCA in knowledge and information sharing on the legal framework on social assistance which mainly relates to result 9 which aims at the capacity of MOCA for promulgating and enforcing the Social Assistance Law.

The pilots started implementation in March 2018. The second phase from November 2018 to May 2019 will enable the testing of new methods in social assistance which are being developed based on European experiences, the extension also allowing exchange of lessons learned between the four pilot provinces

The second main objective of the extension (the first one being the work pertaining to expected result 2 – relating to the NDRC) was in fact to allow the project to complete work aimed at supporting MOCA in promulgating and enforcing the Social Assistance Law (project Component 3). This project component is currently in the policy experimentation stage with four provincial pilots underway and with expected timeframe for completion of July 2019.

The extension was considered essential to enable: a) the pilots to be fully implemented and evaluated; b) and then for policy recommendation to be drawn and c) to feed into the legislation under preparation and possible national roll-out of the reforms.

The provincial pilots will provide the testing ground for a number of final policy recommendations both in terms of inputs to the Social Assistance Law under preparation, the consolidation of benefits standards, eligibility criteria and procedures. During the extension, activities are also planned to support the delivery of social assistance through capacity building at provincial level for enhanced transparency and public information as well as improved care for social assistance beneficiaries. These activities will provide the bridge from the project's activities delivering research to their practical application and sought for policy impact and concern the achievement of all of Component 3's results ("Expected Result 9, 10 and 11").

On the **Task Force for internal coherence**, we also note the good progress. The Task force, as we have heard earlier has reported that taking 2018 programme of activities into account, the three Components are implementing 38 topics (more specifically, C1: 17 topics, C2: 10 topics, C3: 11 topics). **Of these 38 topics, 28 have inter- component interactions** (10 have no immediately visible interaction).

As mentioned earlier, **the EUD is keen to see this work continued and streamlined into the planned activities in 2019.**

- **NDRC, Ms. Tang Ling**

**Ms. Tang** shares her thoughts on behalf of NDRC. She comments on the results and achievement of the activities in 2018 that a lot of events and activities have taken place in 2018, yet the most significant one should be the MOU signed with Spain which will provide a model and platform for long-term cooperation between Chinese government and EU countries in deepening social development.

With regards to the content of C1 activities, it is clear that C1 managed to cover areas not only in the field of social protection but also employment and income distribution, and the policy recommendations made from the research activities are more applicable and comprehensive in terms of daily work within NDRC.

As for the effect of activities especially for the pilot activities, the feedback is very positive. Both European experts and Chinese experts are invited to take part in the survey trip at provincial pilot sites. We are all very glad to witness the progress made at local level of governance in terms of public management and policy implementation compared with that of 4 years ago. The progress comes from not only the effort of Chinese government but also the dedication of expertise from international cooperation like SPRP.

By the end of 2018, C1 has accomplished most of the tasks and goals set up by the logical framework in the Financing Agreement; as a matter of fact, the coverage of C1 activities further expanded during the 4-year implementation. All the outcomes have contributed to the drafting of related policy documents and reform proposals in China. The project is one based on mutual communication with profound dialogue and discussion, through which process both China and the EU further improves the capacity in area of social protection.

Finally, what needs to be stated is that within this project, Chinese government is not only the beneficiary but also the co-contributor. Just as what was mentioned by Mr. Antichi about the financial input of the EU, Ms. Tang would like to point out that Chinese government has also put a lot of resources in the project – for C1 activities, more than 6 million RMB has been granted by the Chinese government since the start of the project.

- **MoF, Mr. Yang Liangjin**

Mr. Yang highlights that as the data on expenditure shown by the Project Leader indicate, in 2018 C2 spent the highest amount of financing and 2018 was the most fruitful year in terms of activities and project achievements. In 2018, C2 produced 11 reports in bilingual version ranging to population ageing, model of financing systems and the contribution collection systems. Also including the experiences of Czech Republic and countries along the one belt and one road. The SPRP is also a way for the European partners to understand China, and it is also beneficial for China to better understand the EU, so it is a tool for mutual understanding and cooperation. MoF believes that the year 2018 was very good for C2 but, at the same time MoF would like to achieve more fruitful results in 2019.

**MoCA, Mr. Liu Xitang:**

Mr. Liu underlined that even though these years some people of the project are the same and some changed but it does not matter, as the goal is to make sustainable contribution to the progress and value to the project. Mr. Liu said that during the process of designing and implementing activities, the principle of research, the reference and making new progress are implemented.

Mr. Liu mentioned that the research and study on the problems in China SA and social protection system and to the reference from the European side, and in terms of social policies, particularly policies to help the people living in extreme difficulties and then to further make progress of China's legislation in the relevant area. Mr. Liu said for the first China cooperation in the area of social protection and social security, the aim was to help the preparation and issued for China's social insurance law and the objective is for China to cooperate during the same area of social security moving forward to help to the preparation of China's social assistance law. Mr. Liu announced that SA law has been identified by the Chinese government as one of the priorities for 2019. Mr. Liu said MoCA is going to issue a draft version of SA law of the first half of 2019. Mr. Liu pointed that there is a possibility for SA law to be issued in China after the project ends.

Mr. Liu said that before issuing SA law in China, a document guide for the comprehensive SA reform in China will be released. The reforms will be identified in the working agenda of the Chinese agenda. Mr. Liu said the C3 activities in 2018 are built up to grow of the making progress of China legislation of SA law. Mr. Liu said that Mr. Pietruszka provided few slides of PPT and the pictures of the dissemination of the publications were not included, but the outcomes achieved are much more fruitful.

Mr. Liu pointed out one of the highlights of C3 of 2018 is the cooperation between Chinese and the European side and the MoU signed between MoCA and MRPiPS (Ministry of Family, Labour and Social Policy of Poland) for 5 years in the area of SA, which would lay a very good foundation for the further cooperation after completing the project. Mr. Liu said the second highlight is the start of 4 pilots in China in micro level and it will be fitted into the macro direction for the legislation of Chinese SA law. Mr. Liu have said that 4 localities were identified with comprehensive pilot reform and experts will visit these localities. Mr. Liu said the one trip is finished, and the second trip is tomorrow. Mr. Liu also underlined that the C3 helped to collect laws and regulations of SA of European Union countries, and it will be helpful to prepare SA law in China. Mr. Liu welcomes the C1 and C2 to share documents and materials in areas of SA.

- **MoFCOM, Ms. Chen Hongying**

Ms. Chen also comments on the accomplishment of the project on behalf of MOFCOM. Five years ago, the SPRP project was like a sapling; from the point of view of those who have taken part in the project from the very beginning; the sapling has grown up to be a standing tree. All three Chinese beneficiaries shared their views about the 2018 activities in their respective areas of commitment. It is without doubts that both the European side and the Chinese side have made remarkable efforts in achieving the project result. Ms. Chen expresses high hope for further development and progress coming from 2019 activities.

## **5. Introduction of the fifth-year work plan (2019)**

Mr. Asad Beg opens the next session which introduces the 2019 workplan.



As mentioned previously, the one-year extension covering 2019 will be essential to allow the project to complete the activities underway and thus better embed the proposed reforms into China's ongoing development of its social protection system and achieve sustainability in terms of impact and the envisaged multiplier effects on social assistance system reforms.

As also mentioned in the opening, the EUD is interested to better understand the 2019 workplan from the perspective of its contribution to the 13th and 14th 5 year planning objectives and possible directions as well as to know the extent to which the 2019 activities contributed to China's SDG national plan in relation to SDG 1, SDG 8, SDG 3 and SDG 5 and SDG 10.

Mr. Beg invites the three **Resident Experts** to present the work plan of their component, also in view of assessing the issues mentioned above.

- **Resident Expert of Component 1 and Task Force Convener - Mr. Jean Victor Gruat**

Ever since the first PAC meeting, the number of Chinese stakeholders as well as European counterparts in attendance have been growing steadily, which shows the significance and relevance of the project.

The year 2018 was relatively short in terms of implementing all the foreseen activities therefore a few had to be postponed to the year 2019. Thus, the first thing for 2019 is to complete what has been delayed in 2018. To deliver what has been delayed is of course not the only reason for the project extension; to explain the main topic we have chosen to justify the extension, we have to come back to the very beginning. The very first research activities for 2014 were related to helping NDRC in finalizing, promoting and enriching its proposals for the 13th Five Year Plan, which is the main task designated for NDRC. Five years later, it is quite natural that C1 comes back to this issue. Thus, regarding 2019 research activities, the centre topic to be dealt with is about the mid-term evaluation of the 13th FYP and the preliminary input for the 14th FYP.

As the common pattern to follow within the annual framework of activities, assessment reports from Chinese experts as well as EU experience from selected EU country representatives on the topic of planning for social protection development will be expected. Moreover, further collaboration with international organizations notably European Commission is foreseen. This leads to traditional divisions of activities including the overseas activities, training, pilot sites.

There is innovation in terms of pilot activities which is a summary roundtable meeting for provincial representatives of all the pilot activities conducted over the last 5 years – a special session will be devoted to the discussion of the awareness raising for social protection which arouse significant interest in the Guangdong pilot. Regarding the sustainability of the project, more bilateral cooperation agreements will hopefully be settled in the coming year.

As a form of project legacy, NDRC is committed to the publication of all the major outputs namely the reports produced by Chinese experts, reports from delegations part to overseas activities, and country profiles and monographs from EU member states.

As for the task force, the list of outputs can be seen from the slides and what worth mentioning is the link at the bottom of the final slide – <http://www.sprp-cn.eu/Memorabilia/> - through which one can

access most of the work done by the task force and by the project in all the documented areas. There is a bibliography for all the documents used in the life of the project which amounts to 1800 entries categorized by keywords, components, and other important indexes.

- **Resident Expert of Component 2 and Team Leader - Mr. Michele Bruni**

As can be perceived from the financial data previously shown by the Project Leader, C2 started his work quite late but all the activities have been recovered in the last year; as a matter of fact, yesterday C2 completed the project work of 2018, and this was especially thanks to the good cooperation with MoF.

In the four years of the project, C2 has: analysed 10 topics; mobilized 11 high-level Chinese experts; allowed Chinese beneficiaries to interacted with some 105 experts and public officials coming from eight European countries and international organizations; organized 3 overseas training courses involving 47 MoF officials coming from the Central governments and more than 20 provincial governments.

Mr. Bruni underlined how in recent years there was not a great coordination between the three components, despite some common themes (for this reason in 2018 the project Task Force was established).

MoF officials have benefited only in a limited way from face-to-face discussions with European policy makers on the themes related to the scope of the project.

The activities have been directed mainly to the central level, while provincial officials have been involved only in training activities. No effort has been made to understand how local governments interpret the directives coming from the Central government, to analyze at the local level the difficult problem of division of power between central and local governments, and the parallel need of integrating central and local activities, to compare different approaches to face similar problems. The outcomes and the impact of the training have not been discussed and shared.

Therefore, taking into consideration the limited amount of resources available to C2, it was agreed with MoF to devote the activities of 2019 to allow the central and provincial governments to benefit more completely from the results of the research and training activities, by assessing their outcomes and impact, and concentrating on dissemination activities.

2019 Activities are as follows:

- **Survey of the results of research activities and policy proposals** - the C2 team will produce an integrated survey of the main results of the research activities conducted in the four years of the project and of the policy suggestions presented by EU and Chinese experts;
- **Study assignment to Europe for MoF high level officials** - Four high level MoF officials of the central government will visit two EU countries, the Czech Republic and Spain or Belgium, for ten days.
- **Provincial study visits** - A study visit to Chongqing conducted the 21 and 22 of February has concluded the 2018 activities; one or two provincial study visits will be carried out in 2019, according to budget availability, in the Guang Xi province and Tianjin.

- **Final conference** - The Conference will gather central and provincial MoF officials, mainly those that took part to the C2 training courses in Europe, EU experts and high-level Chinese scholars. It will allow to share and disseminate the scientific results that the C2 has achieved in the previous four years, as well as sum up the outcomes and impact of the project activities, both at the central and local level. The event will represent the official closing ceremony of C2 activities.

Finally, the C2 will support the potential signature of MoUs between MoF and other EU partners, as well as the Task Force work.

- **Resident Expert of Component 3 - Mrs. Marzena Breza**

Ms. Breza said that the C3 activities will be continued in 2019 and it is a privilege to work with the same team for the last four years and hopefully there will be no big change for Chinese and European side in 2019.

Ms. Breza mentioned 3 different types of activities, first is research, then the technical cooperation with the EU countries and the continuation with pilot sites. Ms. Breza said that the research activities for 2019 have been started with cooperation with Chinese experts. Ms. Breza mentioned for such kind of activities, they will mobilise some EU experts for the research activities and the main event in terms of researching in 2019 will happen in March. Ms. Breza hopes the EUD will participate in this event. Ms. Breza said that with the available funds, only one EU event can happen in 2019, which will take place in May. Ms. Breza said they are still considering the exact form of event and hosting countries have not been confirmed yet.

Ms. Breza confirmed the topics for 2019 which was mentioned by Director General Liu Xitang, and the key activities need to be related to legal framework from different aspects of the SA scheme, therefore the event that will take place in some months will stick to these topics. Ms. Breza said that the cooperation with pilot sites in 2019 will be continued. Ms. Breza recommended to look at the quarterly published newsletter with the pictures of C3 activities and also SPRP website.

Ms. Breza explains the importance of C3 pilot sites as they want to be close to local MoCA staff and real people in need - the vulnerable groups. Ms. Breza emphasises the pilot sites are the best opportunity to be close to the real social assistance needs. Ms. Breza mentioned the great support from MoCA and especially department of SA and Nanjing University that provided research within pilot sites.

Ms. Breza indicated that the project supported MoCA in terms of cooperation at the bilateral level between MoCA and respective EU MS ministries from the very beginning of its implementation. Ms. Breza hope that the activities high level activities (policy dialog) will be organised by SPRP also this year, as like the high-level events in 2015 with 6 ministerial level in Beijing and ministerial visits to Europe will continued as done for the last 3 years.

Ms. Breza mentioned research, pilots and technical advices that are activities and tasks related to the Task Force and C3 input. Ms. Breza indicates that every output of C3 is in 80% already available in the Memorabilia with huge support from C3 team.

## 6. Discussion on the fifth-year work plan (2019)

- **Ms. Sakura Moretto, Delegation of the European Union to China**

Ms. Moretto provides the EU's comments to the 5th year workplan presented by the experts.

First of all, EUD fully supports the main focal areas of work for the three components, with **C1 and C2 continuing their work more on the macro-level** with the 5 year plan evaluation and planning and **C3 on micro-level** testing of EU practices in pilots with the aim of feeding into the development of legal provisions at the central level:

**In 2019 C1** will essentially be working towards expected result 2 (with the NDRC) by focusing on the 13th 5 year plan mid-term assessment as relevant to the preparation of the 14th 5 year plan. As for pilot activities, C1 will be focusing more on better access to a broadened social protection coverage.

For C1 in 2019 the project proposes to use the opportunity of the current preparations for the XIVth Plan 2021-2025 to be finalized by 2020 to consolidate the efforts already made by key interventions by the project in 2014 for the current XIIIth Plan 2014-2020 of strengthening National Development and Reform Commission (NDRC) coordination capacity to be high profile and visible in the area of social protection reform vis-a-vis other Government counterparts. EUD is therefore looking forward to **these activities (evaluation of the known results in the implementation of the 13<sup>th</sup> 5 year plan and anticipation of the contents to be covered under the 14<sup>th</sup> 5 year plan in relation to social security, income distribution and employment)**. This can certainly be expected to significantly contribute to achieving "Expected Result 2" but also more broadly the objective of this project.

On the two ongoing pilots in Guangdong province on the enactment of statistics management as a tool for decision making in the field of social security and awareness raising: we are pleased to note the preparation of teaching material to **raise awareness on the importance of solidarity in social protection schemes** and entrepreneurship at municipal level were considered of particular interest by the beneficiaries. Clearly the topic of 'solidarity' is a fundamental one in the context of social protection reforms.

EUD is also pleased to note the **replicability** / plans for these, as awareness raising will be further implemented and continued in Guangdong and other pilot sites and that a session on awareness raising will be included in the end of project summing up roundtable meeting to be organized in Beijing.

Furthermore we understand a provincial study visit on management of social security will be organised for Guangdong representatives around the topic of **social security governance** and in Shanghai on **gender considerations**. We look forward to being more engaged also on these two aspects.

For the overseas activities, we understand there will be one visit on planning for sustainable social development and one high level training. **For the latter it is a pity the provincial level representatives will no longer participate** but it is well noted that a specific activity is planned for the pilots and other provinces to draw conclusions from the pilot initiatives under C1, which also follow up on one of the recommendations of the project's mid term evaluation.

**C2:** will be focusing on the full achievement of **expected result 6**, with the 3 types of activities in plan of synthesis, pilot and policy dialogue.

We understand the result of C2 very much depends on how the recommendations being made will be received and taken forward in the preparation of the 14<sup>th</sup> 5 year plan, in particular with regards to **what type of supervision system is wanted** for the pension funds and social security system and issues relating to the levels of supervision at central-local levels.

**We welcome further reflections on the vision developing in relation to this point of supervision and models, in order to better understand the risks and opportunities of Component 2 in reaching its expected results.**

In 2019 C2 will therefore be focusing its activity on:

- the assessment of local experiences through two provincial study visits planned in Guanxi province and Tianjin with the general objective to deepen the dialogue at the local areas on financially sustainable policies in the fields of the pension insurance system, the medical insurance system, and the social assistance system to cope with the issue of a rapidly ageing population;
- and policy development in the fields of management and supervision of pension funds and social security system, as well as the dissemination to central and local governments of the research and training results of C2.

Component 2 would also pursue policy impact through a high level policy dialogue in the area of sustainable financial management of the social protection system.

We note that a final closing event is also planned by the MoF, to which we are looking forward to.

**C3** also focusing on the pilots aimed overall at increasing efficiency in social assistance at the local level, which will feed into the completion of expected results 9, 10 and 11.

For C3 in 2019: For this during the last year the project proposes in its workplan to give more focus to **social services provision and involving social organizations in the social service delivery.**

We understand C3 is for this giving attention to operational / practical arrangements of social services and activities of social organizations through the pilots. This, together with supporting research activities, will result in a preliminary formulation of desirable reforms under the concerned topics, and a selection of European best practices worth deepening through technical assistance activities to be implemented under the project.

EUD looks forward as mentioned earlier in the opening to a final output with a complete compilation of the reform proposals covering C3 but also the whole project, and the experiences, knowledge and suggestions coming out from the pilots.

**A final word concerning the 2019 work-plan is on the Project's Closing Conference** which has not been included in the Aide-Memoire yet.

EUD believes it will be important for the project final conference to support the sustainability and longer term continuation of the project's activities and rich inputs. **To achieve this a Final Confence in Beijing would in our view best serve the project's purpose**, in order to allow to share widely

with the key stakeholders in China the project's contributions and experiences. In terms of the timing, we are in the hands of the project Consortium, but I understand enough time has to be allowed a) for the project technical activities to be concluded and b) for the synthesis to take place. Therefore, a Conference in early autumn (September/October 2019) would be perhaps ideal. We welcome a discussion on this between the present stakeholders.

Finally, Ms Moretto announces that in the last months of the project there will be a final evaluation from the EU - to evaluate the overall performance of the Project - which will involve the main actors (e.g. Resident Experts, Consortium Members, and Chinese Beneficiaries).

- **NDRC**

The 2019 activity plan is agreed upon by all the parties involved in the project so no further suggestions for amendments from NDRC's side. That being said, while looking forward to the implementation of 2019 activities, a lot of pressure is felt as well given the timeframe and workload. If the project is to be closed in August or September this year, it certainly poses quite a lot of pressure and workload in order to complete the 2019 plan. NDRC is grateful for all the support from the Consortium and the Chinese and European experts as well as all the stakeholders at the table in the past 4 years and looking forward to their continuous involvement and further cooperation in 2019. As for the visibility issue, NDRC has established a special column at its website for SPRP project and a series of project outcome have been put up on regular basis<sup>1</sup>. On top of that, NDRC is planning to compile 3 volumes of special publications in 2019 namely all the reports produced by Chinese experts, all the reports from delegations part to overseas activities, and all the country profiles and monographs from EU member states.

- **MoF**

The 2019 plan was already agreed through in depth discussion with Mr. Bruni and C2 team in the past months.

MoF relies on the support of the project for the organization of the study visit and wrap up activities. The MoF on its side will give its support in organizing the Guanxi and Tianjin pilot sites and a C2 Closing round table.

The MoF also believes it is important to leave something after the project conclusion, so C2 will work on a summary and conclusion of all the activities and outcomes.

As Ms. Moretto pointed out, on the topic of pension system financing mechanism, actually in China the financing is made at local level, this is why C2 designed a local visit to address the issue at the local level and understand in this field what are the problems and what are the possible solutions.

MoF also raise a small request for the study visit; it would like to reduce the duration from 10 to 8 days and increase the number of participants from 4 to 6, 3 from central government and 3 from local government.

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<sup>1</sup> <http://jys.ndrc.gov.cn/zttp/zoshbzggxm/>



Finally, Mr. Yang believes the closing event should be organized in Beijing, between September and November as suggested by Ms. Moretto.

- **MoCA**

Mr. Liu said this year research topic and the pilot will continue and MoCA will paying a lot of attention to the pilot for C3, during the process, participation and involvements. It is planned that the EU experts will go to pilot sites and provide their expertise and guidance. Mr. Liu said that in this process there will be involvement from Chinese experts to summarise and conclude the outcomes of the pilot projects. Mr. Liu believes the outcomes will be useful for China's future in reform and legislation of SA.

Mr. Liu mentioned that individual summary for C1, C2 and C3 will be probably arranged before the final conference to review of the progress for these 5 years. Mr. Liu suggested conclusions of C3, one level to be during the mission trip of EU experts to China and the workshop. Mr. Liu suggested to further enlarge the scope and scale of the workshop by inviting participants involved in the project and representatives of Civil Affairs Departments from different provinces and cities in China. Mr. Liu mentioned that the workshop could be a way to review the progress and outcomes of C3 and provide policy recommendations.

Mr. Liu said that the second level of conclusion be the last time sending the delegation to European countries and have discussion with the EU participants in terms of the legislation and implementation of SA law and regulations in Europe. Mr. Liu said that during the study visit, the official visits to relevant organisations could be as the activities organised before, but also to organise a discussion meeting in the study visit this year.

Mr. Liu hoped that during the discussion the Chinese and European participants could be more interactive in the area of SA. Mr. Liu indicates that the activity will help push forward the legislation of SA in China. Mr. Liu however doubts the successfulness of the event as it is a challenge for organising such activities in Europe. Mr. Liu mentioned that hearing from Ms. Breza there is only one international ticket quotation for this year for MoCA, though the study visit cannot be organised with just one international flight ticket. Mr. Liu hoped that EUD will pay more attention and help with this issue. Mr. Liu looked forward of the support of NDRC.

- **MOFCOM**

Mrs Chen believes that the priority for the 2019 activities should lie in the summarization of all the outcomes by each component and to see how these outcomes can contribute to the policy making and social development in China in the future. As for the closing event, the Chinese side and the European side should keep in close touch with each other. For the final event we need to further discuss, November is available

## **7. Conclusion by the EUD**

From what we have heard today it is clear the project has been relevant to the ongoing social policies and reforms.

As the Chinese government recognizes, more needs to be done in order to strengthen the social safety net and, as mentioned, the EU remains committed through the recently adopted decision under the Partnership Instrument for EUR 5 million to continue to work on these issues.

Some of the key challenges were mentioned today in support to people centered development, the need to expand pensions, which are challenged by the demographic trend and the widening gap between pension contributions and payouts, other associated impacts on public policy and society of demographic ageing, amongst others.

It also remains important that these be effectively integrated into the policy priorities and evaluation systems at local level and for this the pilot activities certainly seem to be going in the right direction.

As for the EU, as mentioned we are looking at how to further partner with China both domestically as well as internationally. The realm of social protection remains a fundamental one to achieving sustainable development and as such we remain alert to identifying further cooperation opportunities.

I wish to thank very much our trusted partners here today, everyone, and reiterate our thanks and our wish for a continued future cooperation for the benefit of our respective countries, regions and people.