

EU-CHINA

Social Protection Reform Project

Project Brochure



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

Updated in November 2017



Background

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Social protection reform in China started in 1984 to accompany the development of the socialist market economy and has made encouraging progress since then. China's new Social Insurance Law promulgated in 2010 confirms the Government's responsibilities on basic social protection throughout the Country. A major challenge to the social protection system in China is that it must adapt to the rapidly growing urban residents and ageing population. Policy makers should also keep concerning on the excluded in order to maintain social stability and further promote social justice throughout the country.

Aiming at continuing building and further developing an “inclusive” prosperous society, the Central Government has announced, in late 2012, that it will “make efforts” on establishing a society of “equal rights, equal opportunities and equal rules”. China's 12th Five Year Economic and Development Plan (2011-2015) aims at better livelihood and social benefits for the people and full coverage of social protection system over the people.

Social protection systems of EU Member States provide a wide range of organizational models, and they are flexible to adapt to new challenges. In addition, EU Member States offer various experiences of transforming social security systems of former socialist countries into market economies, which is relevant to transformation processes taking place in China. The EU recognizes the importance of supporting the development of social protection systems in its partner Countries and considers it a priority to continue the co-operation with China in the field of social protection reform, which is stated in EU's Country Strategic Paper (2007-2013).

The EU-China Social Protection Reform Project (SPRP)

In 2014, the European Commission and the Government of China (Ministry of Commerce – MOFCOM) have formulated the “EU – China Social Protection Reform Project”, a four years cooperation initiative aimed at promoting social equity and inclusiveness of economic development throughout Chinese society – as well as cooperation and dialogue between the EU and China in the same field. This project is considered as the successor of the EU-China Social Security Reform Project, conducted successfully at the central and local levels with Ministry of Human Resources and Social Security – MoHRSS – between 2006 and 2011. The Commission has envisaged to implement the action through a grant contract with a consortium of specialized public authorities and mandated bodies of the EU Member States in the area of social protection.



The Members of the Consortium are:

- Istituto Nazionale della Previdenza Sociale (INPS) - Leader of the Consortium
- Expertise France (FR)
- Federal Public Service Social Security (BE)
- FIIAP (ES)
- Ministry of Employment and Social Security (ES)
- Ministry of Labour, Family, Social Protection and Elderly (RO)
- Ministry of Labour and Social Policy (PL)
- Ministry of Labour and Social Affairs (CZ)
- National School of Administration (IT)
- Italia Previdenza – SISPI (IT)

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Project description

The project's overall objective is to further develop social equity and inclusiveness of economic development throughout Chinese society. The project's specific objective is to contribute 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. The project consists of three components:

Component 1 supports the Chinese National Development and Reform Commission (NDRC) in strengthening institutional capacity for social protection policy development and reforms. The Component is coordinated by Expertise France (France) and it aims to achieve the following **results**:

- Under the leadership of the NDRC, coordination of policy making among government agencies in areas related to social protection reform is strengthened;
- 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;
- 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 employee of public agencies and the existing multi-layer pension system;
- 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.

Component 2 supports the Ministry of Finance (MoF) to enhance institutional capacity for financial management and supervision concerning social security funds. The Component is coordinated by INPS (Italy) and it aims to achieve the following **results**:

- 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;
- Enhance the top level design ability in the basic pension insurance; establish actuarial analysis models for basic pension insurance reform;
- 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.

Component 3 assists the Chinese Ministry of Civil Affairs (MoCA) in the improvement of legal framework and policy enforcement for social assistance. The Component is coordinated by the Ministry of Family Labour and Social Policy (Poland) and it aims to achieve the following **results**:

- 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;
- 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;
- 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.

Besides the specific project results, the SPRP provides a unique mechanism to support the context of cooperation and partnership that has been set up between Europe and China, as by:

- Establishing a Mechanism for EU-China High Level Dialogue on other significant matters at a more global level.
- Creating several partnerships between Specialized Public Bodies of EU Member States and the Chinese Government Agencies.

Main project activities

Planned activities include research conducted in China, technical cooperation and expert support from European countries, training in-country and abroad, dialogue and study visits, experiments in a limited number of decentralised sites, high level policy dialogue between European and Chinese entities on key aspects of social protection reform, exposure to best relevant European practices identified on the basis of national Chinese priorities.

The project budget financed by the European Union is of some 7 million euros to be used over a four years period - November 2014 to November 2018. Chinese Government counterparts provide an in-kind matching contribution to project financing.

Consortium Members

Leader of the Consortium

INPS Istituto Nazionale della Previdenza Sociale/Italian Institute of Social Security - Italy

www.inps.it

INPS Project Leader: Mr. Massimo Antichi

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Mr. Luca Santachiara

Project Team and Office in China

A permanent office of the project has been set up in Beijing. Three European Resident Experts are in charge of the implementation and coordination of the project activities connected to their components. The three resident experts are:

Michele Bruni, Team Leader and Resident Expert for Component 2

Jean Victor Gruat, Resident Expert for Component 1

Marzena Breza, Resident Expert for Component 3

Chinese Cooperation Partners

National Development and Reform Commission (NDRC) - China

Ministry of Finance (MoF) - China

Ministry of Civil Affairs (MoCA) - China

Leader of Consortium



INPS

Istituto Nazionale della Previdenza Sociale

Italian Institute of Social security

Italy

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INPS is the largest and most important public Institution of social insurance in Italy (with 32.800 employees), and one among the biggest in Europe. It has a cash flow (both revenues and expenses) of about 774 billion Euro per year, which is second only to that of the State. All the employees of both the private and the public sector, and the self-employed workers (in total more than 22,4 million people) are socially insured at INPS. Also all the firms established in Italy (about 1,4 million) are registered with the Institute. INPS pays pensions to about 15,9 million citizens. INPS duties include the payment of several types of benefits: social insurance benefits (old age, service, survivor and disability pensions), financial aid benefits (pension increases, social allowance, civil invalidity pensions, etc.), benefits for workers and citizens, such as: unemployment allowance, redundancy pay funds, maternity indemnity, sickness indemnity, family allowance. In order to ensure a continued improvement to the services provided to its users, and to rank at the top of the Italian Public Administration, INPS has always kept up with the latest technology, implementing advanced information systems and pursuing innovation at many organisational levels. In particular, the Institute has always made available its data banks to public and private research and statistics organisations, in order to exploit its data patrimony. Indeed, the content of the archives provides a significant view of the Italian economic and social situation including the labour market dynamics, the structural changes of companies, the mobility of workers, the phenomena of poverty and social exclusion. Furthermore, also public health aspects (morbidity, invalidity, inability of the population) can be studied by analysing INPS data.

Applicants and Co-applicants



EXPERTISE FRANCE

Agence Française d'Expertise Technique Internationale
French International Technical Expertise Agency
France

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Expertise France is the French international technical expertise agency. It is the product of the merger of 6 public agencies: ADECRI, Adetef, FEI, GIP Esther, GIP International and GIP SPSI.

The aim of the agency is to increase the mobilization capacities of the various areas of public technical expertise in the international arena, in order to better respond to the growing needs of developing or emergent countries in terms of assistance to public policies.

Under the joint tutelage of the Ministries of Foreign Affairs and Economy, the new agency fully bases its action within the framework of French foreign policy in the areas of development, solidarity, and influence. The agency intervenes in over 80 countries in this regard.

The new agency will rely on strong assets:

- the quality of services offered, by developing pools of experts, particularly public experts;
- broad geographic coverage, by being active in the field and close to international organisations; by developing existing upstream monitoring work concerning public policies financed by multilateral donors, foundations and partners;
- an innovative legal and financial capability through a set of coordinated skills: project ownership, delegated management, project management, response to calls for tender, bilateral activity, twinning projects, advice on public-private partnerships;
- compliance with growing requirements for implementation of development assistance.

Expertise France is a member of the **EUNIDA network**.

It is ensuring coordination of activities for Component 1 of the project (Social protection reform policy).

Applicants and Co-applicants



Federal Public Service
Social Security

Federal Public Service Social Security

Service Public Fédéral Sécurité Sociale
Federale Overheidsdienst Sociale Zekerheid
Föderaler Öffentlicher Dienst Soziale Sicherheit
Belgium

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The Belgian Federal Public Service Social Security, formerly known as 'the Ministry of Social Affairs', offers high-quality support with regard to the elaboration and preparation of social policies in Belgium.

The FPS Social Security also coordinates all Belgian public social security institutions.

The service has expertise in all fields related to social protection policy: pensions, accidents at work, occupational diseases, unemployment, health insurance, child benefits and so on.

The FPS Social Security founded BELINCOSOC (Belgian International Cooperation on Social Security). This dedicated service unites all Belgian public social security institutions and is aimed at providing technical assistance in the field of social protection, in European and other countries.

BELINCOSOC manages projects geared towards assisting other countries with social policy reform and implementation.

Applicants and Co-applicants



FIIAPP

Fundación Internacional y para Iberoamérica de
Administración y Políticas Públicas International
and Iberoamerican Foundation for Administration
and Public Policy

Spain

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FIIAPP is a public Foundation governed by the Spanish Vice-Presidency of Government and the Ministry of Foreign Affairs and Cooperation, together with other line Ministries and public bodies. FIIAPP's mission is to promote governance processes fostering administrations and public institutions that are democratic, efficient, and serve the public. Thus, FIIAPP contributes to the enhancement of democratic values and respect for human rights, as well as to the capacity building for formulation and implementation of policies that are effective in reducing poverty and discrimination, provided that they are fair and that they respect plurality and cultural diversity.

As part of the Spanish international cooperation system, it manages the participation of public administrations in international technical cooperation projects. FIIAPP supports the improvement of public systems by promoting peer-to-peer exchanges, capacity building and research on public policies. Geographical and sectorial priorities are aligned with foreign and development policies.

The Foundation supports the implementation of bilateral Spanish development cooperation and manages projects funded by international organizations and third countries. FIIAPP is the Spanish management unit for the EU Twinning program and eligible for indirect management of EU funds (Obtained the recognition for Delegated Cooperation in 2011).

Applicants and Co-applicants



Ministerio de Empleo y Seguridad Social

The Spanish Ministry of Employment and Social Security

Spain

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The Spanish Ministry of Employment and Social Security is the government department responsible for devising and implementing labour and social security policy and the development of government policy on immigration and emigration. It has a relevant role in regulatory tasks, planning employment, immigration and emigration policy, managing the social security system and coordinating the various bodies responsible for labour administration.

The Secretariat of State for Social Security is the top body of the Department that deals with the management and supervision of administrative entities and common services of the Social Security; the momentum and direction of the legal regulation of the Social Security System; managing and coordinating the administration of the economic resources and expenses of the Social Security System, as well as planning and assessing the management of the complementary action of the Social Security collaborating entities of the Social Security.

The Under-secretariat. This unit is in charge of coordinating the entire department, as well as preparing documentation for Cabinet debates, it has a horizontal approach of the Department policies and regulations.

The Ministry has relevant experience in social security international relations, as for example, the wide number of bilateral Social Security Conventions and the Multilateral Ibero-American Social Security Agreement. Since 2012, this Ministry has a fluent relation with the Chinese Ministry of Human Resources and Social Security and is negotiating the Agreement on Social Security between the Kingdom of Spain and the People's Republic of China.

Applicants and Co-applicants



MINISTERUL MUNCII
ȘI JUSTIȚIEI SOCIALE

Ministerul Muncii și Justiției Sociale
Ministry of Labour and Social Justice
Romania

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The Ministry of Labour and Social Justice (MoLSJ) is a specialized public institution within the central public administration, subordinated to the Romanian Government, which coordinates the application of the national policies, correlated with those at European and International level, in the field of labour, family, social protection and elderly, fulfilling the role of state authority, strategy and planning, regulation, synthesis, coordination, monitoring, inspection and control.

MoLSY has the purpose of drafting and implementing the legal framework necessary for ensuring a positive and dynamic interaction of the social and employment policies, in order to improve the quality of the life of all citizens, ensure social cohesion, equal opportunities between women and men and reduction of poverty rate and the risk of social exclusion, through a qualitative social assistance system, equitable and accessible for all citizens.

The Social Assistance System through its components – social assistance benefits (financial transfers) and social services, has the scope of ensuring protection for poor and vulnerable people. The accuracy in identifying and targeting the most vulnerable people, eligible for social assistance benefits, has been continuously improved since 2010, through the legislative framework enhancement and the implementation of the Project for the modernization of social assistance system in Romania, with the support of the World Bank.

A comprehensive reform of the social assistance system is ongoing. The Strategy of the Government in this field sets the ground for the reform, based on clear results, regarding the equity and efficiency.

Recently, two major strategies in the field of social protection have been approved by Government's decision:

- The National Strategy for Social Inclusion and Poverty Reduction for 2015-2020 and the corresponding strategic action plan;
- The National Strategy for Promoting Active Aging and Elderly's protection for 2015-2020 and the corresponding strategic action plan.

Applicants and Co-applicants



Minister Rodziny,
Pracy i Polityki Społecznej

Ministerstwo Rodziny, Pracy i Polityki Społecznej
Ministry of Family, Labour and Social Policy
Poland

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The Ministry of Family, Labour and Social Policy is responsible for social security, employment and work and family affairs. The scope of activities of the Ministry is very broad: social assistance and integration, social insurance, employment and labour market, labour law, family benefits, public benefit, working conditions, social dialogue, disabled people, elderly people, European Social Fund and others.

International experience

During the European Year for Active Ageing and Intergenerational Solidarity, in August 2012, Poland adopted the Government Programme for Social Participation of Senior Citizens 2012-2013, coordinated by the Ministry of Labour and Social Policy. The main objective of the program is to improve the quality of life of older people for dignified ageing through social activity. From 2012 the project "The legal, financial and administrative framework of support system for people with disabilities - examples of good practice" is held by the Ministry in cooperation with the counterpart Ministry of the Republic of Georgia. Project activities include primarily social and vocational rehabilitation of people with disabilities. Further cooperation will be continued in the framework of the project aid in 2014.

Cooperation with China

On September 24th, 2013 the Ministry of Labour and Social Policy of the Republic of Poland signed the Memorandum of Understanding on the cooperation in the field of social welfare with the Ministry of Civil Affairs of the People's Republic of China. The objective of the MoU is to promote, develop and facilitate cooperation between the Parties in the field of social welfare, in particular concerning elderly people, children and disabled people.

On April 21st, 2016 both Ministries signed the Executive Arrangement on the occasion of the visit to Poland of Mr. Li Liguo Minister of Civil Affairs accompanied by the high level delegation from MoCA. The Ministry is ensuring coordination for activities related to Component 3 of the project (legal framework and policy for social assistance).

Associated



MPSV

Ministerstvo práce a sociálních věcí
Ministry of Labour and Social Affairs
Czech Republic

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The Ministry of Labour and Social Affairs (MoLSA) was established in 1990. It is a central government authority responsible for social security, social inclusion, employment and labour market policy, family policy as well as equal opportunities of men and women. The activities of MoLSA are focused on the areas of social insurance, non-contributory social benefits, social inclusion and integration, social services, people with disabilities, labour law, active employment policy, working conditions, labour migration, family issue, social dialogue, the elderly, European Social Fund, gender equality and others. MoLSA provides methodological guidance for Labour Offices, Czech Social Security Administration, State Labour Inspection Office, Regional Labour Inspectorates and for the Office for International Legal Protection of Children. MoLSA supervises three Government-funded organizations: the Research Institute for Labour and Social Affairs, the Institute for Occupational Safety Education and the Occupational Safety Research Institute.

Cooperation with China

In 2005, bilateral cooperation between the MoLSA and the Ministry of Labour and Social Security of the People's Republic of China (today the Ministry of Human Resources and Social Security) was commenced. In December 2005, the Ministers signed a Memorandum of understanding, which formed the basis of cooperation. The expert cooperation mainly focused on the area of social security. The MoLSA also hosted numerous delegations from various provinces of China. The meeting mostly focused on the social insurance schemes. In 2012, the MoLSA commenced negotiation on bilateral Social Security Agreement with the Chinese Ministry of Human Resources and Social Security.

Associated



SNA

Presidenza del Consiglio dei Ministri

Scuola Nazionale dell'Amministrazione

SNA

Scuola Nazionale dell'Amministrazione

National School of Administration

Italy

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The Italian National School for Administration, established in 1957, is the higher education and research institution supervised by the office of the Prime Minister. Its purpose is to train the Italian civil servants, to support and develop innovation in the reform process of the Italian Public Administration. The mission of the SNA is to provide excellence in postgraduate-level education for civil servants, to improve Public Sector efficiency and to foster the competitiveness of the Italian economy. Training courses provided by the SNA cover the civil servants' entire career cycle: preparatory courses for the competitive entrance examination, courses for the successful candidates, ongoing education and training, career development courses and refresher courses.

The tasks of the SNA include:

- Selection and recruiting central Government managers;
- Running training courses for the Central Government's civil servants on ongoing innovations and reforms;
- Research, analysis and documentation on training for the reform and innovation of the civil service;
- Organizing training courses for senior civil servants abroad;
- Providing training and refresher courses, under government contracts, for civil servants and other public sector employees outside of the Central Government, for public service-providers and other institutions and private corporations;
- Research, analysis and consultancy services on methodologies and criteria for the assessment of training courses supplied to the civil service by public and private providers;
- Developing relations with similar agencies and training establishment in third countries.

Affiliated



SISPI - Italia Previdenza S.p.a.

Società Italiana di servizi per la previdenza
integrativa

Italian company of services for supplementary
pensions

Italy

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S.I.S.P.I. ITALIA PREVIDENZA S.p.a. is a limited liability company incorporated in 2001 and 100% owned by INPS (National Security Institute).

According to the art. 3 of the Corporate's Bylaws, the mission of the Company is to provide administrative and accounting products and services, including tax services, in the area of Social Security together with the collection of contributions and payment of benefits of supplementary pension funds. S.I.S.P.I. provides such products\services to both social security public and private social security Institutions\Funds, as well as other services related to the institutional tasks of INPS or other possible partners.

The Company provides global services to "Gestione Commissariale Fondo Buonuscita Poste", which is a legal entity entrusted to pay to Poste Italiane S.p.a. employees, severance indemnity for the period before February 1998, date on which the Italian Postal Administration turned into a limited liability company.

Furthermore, S.I.S.P.I. supports INPS in managing services directly commissioned by the parent entity according to specific administrative needs. Such services include:

- administrative, information technology and accounting services to FONDINPS, a supplementary pension Fund managed by INPS;
- administrative and information technology services to different associations representing the social labour parts providing benefits in favour of employees belonging to different industries.

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EU-CHINA

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