

16 January 2017

**DCI-ASIE/2014/350-601**  
**EU-China Social Protection Reform Project**

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**Component 1 Macro-Activity 1.1**

**Parametric Reform of the Pension System**

***1 Short-Term Chinese Expert***

**(Annual Work Plan 2017 – Activity 1.1.3)**

**TERMS OF REFERENCE (ToR)**

## **1. Background**

### **1.1 General**

The purpose of the EU-China Social Protection Reform Project (“the Project”) 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 and regulatory frameworks and for supervising systems of social insurances, social assistance and financial management in the area of social security. In particular, the Project’s purpose will be pursued through the following three components in relation to which specific Chinese government entities playing the role of partner of the consortium have been identified:

**Component 1:** Consolidation of institutional capacity for social protection policy development and reforms in collaboration with the National Development and Reform Commission (“NDRC”);

**Component 2:** Enhancing of institutional capacity for financial management and supervision concerning social security funds in collaboration with the Ministry of Finance (“MoF”); and

**Component 3:** Improving of legal framework and policy for social assistance in collaboration with the Ministry of Civil Affairs (“MoCA” and, together with NDRC and MoF, the “Chinese Ministries”),

This ToR falls under Component 1 of the Project.

## **2. Description of the Assignment**

### **2.1 Overall and Specific Objectives**

#### **2.1.1 Overall Objective:**

The overall scope of the SPRP project is to further develop social equity and inclusiveness of economic development throughout Chinese society. Under the leadership of the NDRC, coordination of policy making among government agencies in areas related to social protection reform is strengthened.

There are 4 topics of Component 1 to be considered for deep study this year according to the Plan Activities 2017:

#### **1.1.1 Parametric reform of the pension system;**

1.1.2 Evaluation techniques for social security policies;

1.1.3 Challenges for pension schemes of aging population and possible strategy of dealing with this situation;

1.1.4 Redistributive effects of pension schemes parametric reform.

**This ToR is only for the topic 1.1.1**

### **2.1.2 Specific Objective:**

To fine-tune the on-going reform of the Chinese pension system, the State Council has decided to develop a plan of parametric reforms for the Chinese pension schemes and pension system.

It is the ambition of the project Component 1 to contribute to this Plan through a dedicated situation analysis and assessment of the various relevant parameters of the pension system – such as benefit formula, basis for contributions, minimum pensions, retirement age and other qualifying conditions, indexation of past earnings and of benefits in course of payment, etc. - , also using as a reference the experience of selected European countries having passed through parametric reforms of their respective pension systems over the recent past.

It was decided to recruit one short-term Chinese expert (hereafter referred to as “the Expert”) to conduct a study and analysis of the possible role of pension schemes key parameters in the formulation of a reformed pension system in China and to formulate policy recommendations in that respect.

To help in his/her assignment, the Expert will receive related information from selected European countries having experienced parametric reforms of their pension systems in the recent past (over the last decade or so).

His/her work will be presented on the occasion of an international workshop planned to be held in France in October 2017 on the topics of Parametric reform and Income Redistribution through Social security in China and in Europe.

## **2.2 Requested Services**

The Expert will perform this assignment under supervision of the EU C1 Resident Expert and NDRC, in close collaboration with the main Chinese Expert for research. He/she will take part in briefing and peer review sessions organized in the course of his/her assignment and submit a mid term draft for comments and amendment suggestions by the project team. He/she will also take part in the dedicated International workshop referred to in paragraph 2.1.2 above.

The Expert will produce in English a detailed study and thorough analysis accompanied by policy recommendations of envisaged parametric reform of the pension system in China which may include:

- The legal age of retirement and provisions for early retirement;
- Other qualifying conditions for accessing to pension benefits;
- The basis for contributions assessed on the basis of salaries and other income;
- The pension benefit formula, indexation of past income and of benefits in course of payment;
- Provisions for minimum and maximum pension benefits;
- Credit periods and other non-contributory services;
- Taxation of pension benefits;
- Accumulation of pension benefits and income derived from continued occupational activity;

- Any other topic deemed to be relevant by the Expert and/or NDRC for the parametric reform of the Chinese pension system.

The international context especially the actual experience in selected EU countries where parametric reforms were adopted in the recent past will also be addressed in the report.

It is expected that the Expert will contribute through an ad hoc paper to the briefing of NDRC vice-chairman Mr. Wang Xiaotao who is to go on official visit to Italy and Spain in April 2016.

Participation in the above-mentioned workshop and briefing may give rise to additional fees through an addendum to these ToR.

### **2.3. Expected Results**

The result of the assignment will provide an informed input into the State council plan for parametric reform of the Chinese pension system to be issued in 2017.

The outputs of the assignment will be:

- a research report of 50 pages in English
- an executive summary of 5 pages in English
- a power point corresponding to a 30 minutes presentation in English and Chinese.

The expert will also, as requested, present the main contents of his/her work during the International workshop on Parametric reform of pension schemes and their influence on income redistribution through social security (provisional title) to be organized in France in October 2017.

### **3. Experts' Profile**

The Expert's required qualifications are:

#### **Professional qualification:**

Relevant University Degree within the relevant sectors of Demographic Analysis, Social Protection, Law, Political Science, and Economics Study;

#### **Experience**

- 10 years experience of working in areas related to Social Protection and/or Employment policies at the domestic and international levels
- A proven record of accomplishment in preparing and implementing EU or other donor technical cooperation funded projects.
- Excellent organizational, communication, writing and interpersonal skills

#### **Working Languages**

The incumbent should be fluent in English and in Chinese both verbally and in writing.

### **4. Location, Duration and Budget**

Location: Beijing and France

Timing: 01 January to 31 October 2017

Working days: maximum 35 w/days for a net fee of 150 Euros a day for the report  
Fees will be paid at the end of the assignment completed at the satisfaction of the project

authorities.

## **5. Proposed CV:**

Candidatures to be submitted to Expertise France within 3 weeks of the publication of these ToR.