

## GUANGDONG PROVINCE PILOT ACTIVITY – CONCEPT NOTE

### PILOT ACTIVITY FOR ENHANCING SOCIAL PROTECTION GOVERNANCE AND PERCEPTION IN GUANGDONG PROVINCE

The aim of the pilot activity is to build upon the EU good practices that were researched all along the implementation of the EU-China SPRP and to test the feasibility and impact of practical changes, implemented at the local level, to tackle known weaknesses of the Chinese social protection system.

A field mission was carried out in February and March 2017 by NDRC Officials, Members of the SPRP permanent team in Beijing and Representatives from the EU consortium in charge of the SPRP implementation. It led to the preparation of a report entitled “Provincial Pilot Sites Review and Identification of Prospects for Future Bi-lateral Co-operation” which recommended a series of potential pilot activities to be implemented with local authorities from Shanghai and Guangdong.

Among those proposals, the annual work plan of the SPRP, as validated during the Project Advisory Committee in February 2018, selected the most relevant pilot activities to be implemented with the Provincial Development and Reform Commission from the Guangdong province (PDRC).

The present Concept note intends to describe those selected activities that were discussed and refined to better match the expectations of the PDRC.

#### 1. Aim

There is a real opportunity to expand the project scope to concrete activities to be experimented, locally with hands-on professionals that contribute to the daily management of social protection system. The pilot activity, for enhancing social protection governance and perception in Guangdong province, intends to do so by addressing social protection as a social contract binding the public authorities and the population, with the intention to promote practical actions for both parties.

Those practical actions will tackle two issues that were identified during the 2017 field mission and (i) support provincial authorities in establishing monitoring and evaluation functions, taking advantage of the available data to upgrade analysis and planning capacities, and (ii) raise awareness about social protection, in order to encourage all stakeholders to engage in the schemes already put in place by the Chinese Authorities, with a focus on migrant workers.

Those two actions will have a common inception phase with a one week mission to be organised in October 2018, followed by follow-up activities as described below.

#### 2. Content of the inception mission

The inception mission will mobilise 4 EU experts, in charge of implementing the following tasks:

Analysis of existing data exchange mechanisms:

- Analysis of the existing sources of data and data production processes (internal and external)
- Presenting methodology for the creation of data warehouses for statistical purposes based on management IT systems

- Introduction of concept for the elaboration and updating of the glossary of data
- Analysis of information existing in the system in order to avoid the double request from beneficiary by different branches of the system
- Analysis of consistency of data
- Recommendations for choice of IT tools
- Preparation of the up-coming provincial study visit

Support in establishing of monitoring and evaluation departments on provincial level:

- Presentation of skills necessary for successful functioning of statistics, monitoring and evaluation departments
- Assistance in development of organigram and workflow
- Define an overall organizational framework for data exchange and the production of evaluative studies
- Develop the structure of guidelines and procedures for the production of monitoring and evaluation studies
- Definition of capacity building initiatives to be implemented in the follow-up phase

Preparation of the awareness-raising programme:

- Identification and mobilization, by NDRC and local authorities, of potential individual participants in the pilot, with a target of around 5 persons per category, in all around 30 to 50 people
- All participants in the pilot are to receive didactic and simple to understand information about what social protection, its principles, values and components are.
- Design of the programme of a one-day forum allowing for multiple and open exchanges between participants and enabling cross-fertilization of idea about social protection, how they could benefit from and take responsibility for it.

### **3. Output of the inception mission**

The outputs of the mission will be compiled in a mission report summarizing:

- Overall analysis of existing social protection data, their use and exchange modalities in Guangdong province
- Action plan for establishing monitoring and evaluation departments at provincial level
- Design of a one-day forum for awareness-raising on social protection, with a special focus on migrant workers, with an identified list of participants to be mobilised throughout the programme
- Revised methodology and follow-up missions planning

### **4. Human resources**

It is envisaged throughout the implementation of the pilot activity to mobilize European and Chinese experts according to its earmarked budget provisions.

For the inception mission a total of 4 EU experts would be mobilised with :

- 2 EU experts specialized in Social protection monitoring & evaluation
- 2 EU experts specialized in Awareness Raising on Social protection

## **Annex 1: Detailed methodological approach related to the Technical support on statistics in support of social protection governance**

Chinese authorities have demonstrated their interest in further development of statistical analysis, monitoring and evaluation of social policies based on their existing databases, and the consortium is confident that it can mobilize high quality public expertise from various institutions. This chapter will therefore start with brief reminding of principles for monitoring and evaluation of social policies used nowadays in France and in some other EU countries. Afterwards, it highlights the key challenges for Chinese social security system in order to develop the comprehensive framework for monitoring and evaluation based on existing data sources. These key challenges were identified during preliminary 3-day visit in Guangdong subject for further fine-tuning based on deeper analysis of situation. Based on these key challenges we are proposing the possible topics for future cooperation and the French administration available for mobilising additional expertise. In the short-term period, this cooperation can be pursued in form of exchange of study visits and expert missions in order to deepen the mutual understanding concerning identified topics. Further cooperation can be pursued in the framework of existing project as well as going beyond. This is a subject of further development of cooperation links between French and Chinese administrations and should be based on mutual interest.

### **Main principles of monitoring and evaluation of social policies**

Monitoring and evaluation (M&E) methods help improving government performance and achieve results. More precisely, the overall purpose of monitoring and evaluation is the measurement and assessment of performance, defined as achievement of results or progress towards them, in order to manage more effectively the outcomes and outputs.

Traditionally, monitoring and evaluation focused on assessing inputs and implementation processes (« process M&E »). Nowadays, the focus of M&E tools is moving on assessing the contributions and impact of various factors and particularly a given policy intervention to a given outcome (« impact or « results-oriented » M&E). Wide scope of evaluation methods used by public administrations is trying to answer the fundamental question: "What would the situation have been if the intervention had not taken place?". Although it is impossible to observe such a situation in reality, it is possible to develop a range of indicators and methods allowing to make a sound approximation as well as to study more precisely the scope of population which was targeted by this intervention but didn't acted as it was initially expected.

The main objectives of contemporary results-oriented M&E are:

- to enhance organisational and development learning;
- to ensure informed decision-making;
- to support substantive accountability.

Hence, the information produced by such M&E system can be used in different ways: to allow more efficient resources' reallocation in the budget process; to assist in preparation of national and sectorial planning; to aid on-going management and

delivery of government services; or to underpin accountability relationships. The more ambitious government systems endeavour to achieve two or more of these desired goals. As a consequence, a single, « best approach » to a national or sectorial M&E system does not exist.

On the contrary, the country approaches are highly diverse. The starting points faced by each country are different as well as the destinations to which they aspire. For example, countries such as Brazil or France have stressed a whole-of-government approach to the setting of program objectives and the creation of a system of performance indicators. Others such as Colombia have combined this with an agenda of rigorous impact evaluations. Yet others, such as Australia, the United States and the United Kingdom, have stressed a broader suite of M&E tools and methods: including performance indicators, rapid reviews, impact evaluations and performance audits.

Key measure of « success » of an M&E system is the utilization of the data that the system produces. Substantive demand from the government is a prerequisite to successful institutionalisation of M&E systems. And a barrier to demand is lack of knowledge about what M&E actually encompasses.

The first way around this conundrum is to try to increase awareness of M&E — its range of tools, methods and techniques — and of its potential uses. Evaluation designs are determined by the choice of methods used to identify the counterfactual and vary in feasibility, cost, and degree of selection bias. They may be qualitative or quantitative. Far from being mutually exclusive, they may reinforce each other.

Secondly, the different stakeholders should be involved at every stage of the evaluation process. Evaluation questions as well as evaluation designs (data and methods to be used to answer these questions) should be agreed at a decisional level and, whenever possible, based on a large consensus.

Indicators are maybe the most accessible evaluation method, because their production requires limited financial means and specific competences. Warning indicators may also be used to launch more detailed evaluation. Therefore, a vast majority M&E systems use indicators.

Indicators should be built and constructed for all strategic elements in order to track and monitor progresses with respect to input, activity, output, outcome and impact. Monitoring and tracking at every strategic level provides a continuous flow of information, which provides a feedback on areas of success and areas in which improvements are required. One should nevertheless be careful about not over-engineering the system since a huge number may appear as unwieldy for its accountability uses of the information.

### **Key challenges for Chinese social security system**

#### **From management IT systems to decision making tools**

During the visit of the Guangdong province's social security administration it was observed the existence of contemporary and very good shaped IT system registering the beneficiaries and allowing the Chinese social security to fulfil its obligation towards the population. The needs expressed by the Chinese colleagues concerns the creation of decision-making tools allowing better analysis of the impact of different social programs on the poverty alleviation. In this regards it is necessary to make further steps in creation of statistical database based on an efficiently functioning information system.

This database could rely primarily on corrected and cross-checked administrative data. Data exchange between different provinces and other institutions is also crucial so as to cover the whole field of social insurance.

The elements of information system used to manage payments of various benefits and allowances of the Chinese social insurance system are structured in a homogeneous architecture. This information system represents a solid starting point upon which it is possible to rely in order to create the statistical databases to be used for the statistical treatments. It is necessary to make the extractions for the statistical databases based on management database, with a regular periodicity. According to the international experience it is better to work with separated statistical databases without disturbing the management database by statistical treatments. Additional equipment could be necessary in order to create and manage these statistical databases.

According to Chinese administration, a stable national ID number is existing and provided by ministry of interior. However, in order to build comprehensive monitoring and evaluation framework, it is necessary to check out any discrepancies in attribution of national ID number related to age, change of situation etc.

### From input based indicators to result-oriented monitoring and evaluation of social insurance

Indicator development processes are key in setting out a M&E system since it drives all the subsequent data collection, analysis and reporting. The relevance of the indicators to key stakeholders and actors, which requires a series of consultation and discussion on the best possible indicator that could satisfy the interest and needs of key stakeholders, needs to be taken into account to evolve a participatory system.

A crucial point in the indicator development process is also its ability to reflect the ground situation and availability of data. More precisely, to be really informative, indicators should meet the SMART criteria meaning that they should be Specific, Measurable, Attainable, Relevant and Time-related.

The activities of monitoring and evaluation of social policies should demonstrate not only the number of beneficiaries of different social programmes but rather the impact of different social programmes on poverty alleviation:

- Are the social programmes targeting the most vulnerable persons?
- What is an average duration of use and frequency for different social benefits and services by the same users?
- What is the impact of every type of social benefits on disposable income of the household?
- What is the link between social benefits and social services provision?
- Who is benefiting these services and what is the impact on poverty alleviation (if any)?
- What is the geographical distribution of beneficiaries on the territories (on micro level) in the pilot region?

### **Foster the cooperation between different public stakeholders involved in the social policy and exchange of social data**

The existing practices of monitoring and evaluation of social policies are mainly based on administrative data. However, the administrative data only offers a partial coverage of performance information. To be informative, an evaluation often needs data on the general population. In this regards the Chinese social insurance administration should be able to have an access at least to the primary data of Household Budget Survey and, if this data is not available or appropriate, be able to carry out their own surveys and treat the data. In this regards, the necessary skills for advanced statistical analysis should be available at least on provincial level.

In order to get exhaustive presentation of social insurance system it is better to take into consideration the data of different entities covering the same social risks. This will require the establishment of protocols for data exchange between different parts of administration (social security, fiscal administration, employment agencies, ministry of interior etc). Political will and institutional framework defined on highest political level are necessary in order to insure an efficient and successful exchange of information and change of procedures.

### **Needs in capacity building for the staffs the social security administration on monitoring and evaluation**

The limited available skills and unclear decision makers' vision for analysis may form an important obstacle for a well-functioning M&E system. In Guangdong province, the first steps for creation of the department for Monitoring, Evaluation and Statistical Analysis seems to be made. This department may have the independence from program managers required to conduct objective assessments of programs' merits. Adequate and regular training seems however necessary to ensure that the department is able to elaborate and transmit reports on a regular and systematized basis. Although the existence of well-trained staffs on national labour market does not raise any doubt, then use of new methods of work, handling the big databases, will require additional training for the staffs of the Department.

### **Tentative tasks to be conducted through the technical support missions**

#### **1. Support in establishing of monitoring and evaluation departments on provincial and local level**

- Presentation of skills necessary for successful functioning of statistics, monitoring and evaluation departments
- Assistance in development of organigram and workflow
- Define an overall organizational framework for data exchange and the production of evaluative studies
- Develop guidelines and procedures for the production of monitoring and evaluation studies
- Organisation of capacity building initiatives

#### **2. Analysis of existing data exchange mechanisms**

- Analysis of the existing sources of data and data production processes (internal and external)

- Support in creation of data warehouses for statistical purposes based on management IT systems
- Assistance in elaboration and updating of the glossary of data
- Analysis of information existing in the system in order to avoid the double request from beneficiary by different branches of the system
- Analysis of consistency of data and development of data correction tools
- Recommendations for IT tools choice

### **3. Development of decision-making tools**

- Assistance in definition of monitoring and evaluation framework based on strategical objectives of social security system and national strategic documents
- Definition of outcome-oriented indicators
- Analysis of impact of different kind of social security benefits of poverty alleviation
- Using of mapping method in order to evaluate possible policy
- Analysis of characteristics of population attained by poverty in order to improve the targeting of social security benefits
- Assistance in development and running of micro-simulation models allowing better decision-making process

### **4. Development of performance monitoring tools**

- Support in development of modern personal identification tools like Personal Medical File
- Analysis of delay of treatment of the beneficiaries
- Analysis of big data indicators for better targeting of control and evaluation function
- Assistance in creation of supplementary data sources based on questionnaires

### **Human resources**

It is envisaged to implement the technical support with a team of 2 to 3 experts that would each participate to an inception mission, covering the first two tasks and provide a good understanding of the current situation related to the use of data.

A second (and possibly third) mission would be necessary to initiate practical tools judged as relevant by the PDRC.

## Annex 2: Detailed methodological approach related to the Awareness-raising programme

### Purpose

The aim of the pilot programme is to test the feasibility and impact of an awareness-raising program about social protection in order to encourage all stakeholders to engage in the schemes already put in place by the Chinese Authorities. The program logo could be “Why is social protection important for people, organizations and the whole community, and why should everybody take responsibility to join social protection schemes”.

The pilot should enable NDRC and Chinese Authorities to evaluate the potential impact of a full deployment of an awareness-raising campaign aimed at extending social protection to all Chinese citizens, including migrants, young people or rural residents. The proposed activity is also a methodology which could be used in other local areas of China in order to closely adapt the awareness raising campaigns to local conditions, with a “tool kit” to help develop awareness raising targeting specific audience.

### Public to be addressed

The pilot is to cover all stakeholders who could help extend social protection, as follows:

- The workers themselves, especially the most difficult to cover under social protection: farmers, migrant workers, casual workers, individual entrepreneurs;
- The students at the end of their initial education cycle, when they enter the world of work;
- Employers, specially those recruiting the above-mentioned segments of the population;
- Labour Unions;
- Local Authorities and their departments most impacted by social protection extension: Social Security, Health, Labour and Employment, Civil Affairs, Education;
- Universities.

### Description of the pilot and its steps

#### *Step 1 – Inception Mission and preparation*

NDRC and local authorities to identify and mobilize potential individual participants in the pilot, with a target of around 5 persons per category, in all around between 30 and 50 people.

All participants in the pilot are to receive didactic and simple to understand information about what social protection, its principles, values and components are.

#### *Step 2 – Initial forum*

Through a forum allowing for multiple and open exchanges between participants and enabling cross-fertilization of ideas, all participants are to interact over one day about social protection, how they could benefit from and take responsibility for it. This one-day forum would allow for:

- The emergence of ideas and insights about the challenges and solutions concerning extension of social protection;

- The convergence on feasible action plans to raise awareness, to be tested in the framework of the pilot program.

### ***Step 3 – Specialized workshops***

Based on the action plans identified on the Open Forum, NDRC and local Authorities to select 4 to 5 awareness raising programmes, with participants concerned by the topics under consideration to work on the development and testing of the programmes (one day per workshop).

### ***Step 4 – Wrap up seminar***

To conclude the whole cycle and ensure that all programmes are confirmed by the participants and get formal approval by local Authorities, a final seminar will take place to wrap up that phase of the pilot.

This seminar will allow for a common evaluation, and for the development of a programme presentation for further scaling-up and adaptation to areas in China.

## **Coordination of the awareness-raising programme**

To ensure that all stakeholders are adequately mobilized and able to take part in the program, NDRC will be the coordinating body, in close coordination with Guangdong Development and Reform Commission. The project C1 team in Beijing, in close coordination with Expertise France acting as European Component Coordinator and secretariat will support and technically monitor programme design and implementation.

## **5. Human resources**

It is foreseen up to 3 missions to cover the various steps exposed here, involving 2 EU experts and 2 Chinese experts.

- Inception phase and preparation : 2 EU experts for 5 working days each
- Preparation of teaching/communication material : sub-contracting arrangement or 20 working days for an EU Expert
- Initial forum and specialized workshops : 2 EU experts and 2 Chinese experts for 5 working days each
- Wrap-up seminar : 2 EU experts and 2 Chinese experts for 5 working days each